

1.1 Senator moves to amend S.F. No. 2669 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **DEPARTMENT OF HEALTH FINANCE**

1.5 Section 1. Minnesota Statutes 2024, section 62D.21, is amended to read:

1.6 **62D.21 FEES.**

1.7 Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay
1.8 to the commissioner of health the following fees as prescribed by the commissioner of health
1.9 pursuant to section 144.122 for the following:

1.10 (1) filing an application for a certificate of authority: \$10,000;

1.11 (2) filing an amendment to a certificate of authority: \$125;

1.12 (3) filing each annual report: \$400; and

1.13 ~~(4) other filings, as specified by rule.~~

1.14 (4) filing each quarterly report: \$200; and

1.15 (5) filing annual plan review documents, amendments to plan documents, and quality
1.16 plans: \$125.

1.17 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1.18 Sec. 2. Minnesota Statutes 2024, section 62D.211, is amended to read:

1.19 **62D.211 RENEWAL FEE.**

1.20 Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit
1.21 to the commissioner of health each year before June 15 a certificate of authority renewal
1.22 fee in the amount of ~~\$10,000~~ \$30,000 each plus ~~20~~ 88 cents per person enrolled in the health
1.23 maintenance organization on December 31 of the preceding year. ~~The commissioner may~~
1.24 ~~adjust the renewal fee in rule under the provisions of chapter 14.~~

1.25 **EFFECTIVE DATE.** This section is effective January 1, 2026.

1.26 Sec. 3. **[62J.8241] FACILITY FEES PROHIBITED.**

1.27 Subdivision 1. Definitions. (a) For purposes of this section, the definitions have the
1.28 meanings given.

(b) "Facility fee" means any separate charge or billing by a provider-based clinic in addition to a professional fee for physicians' services that is intended to cover building, electronic medical records systems, billing, and other administrative and operational expenses.

(c) "Health care provider" has the meaning given in section 145B.02. Health care provider does not include any critical access hospital.

(d) "Provider-based clinic" means the site of an off-campus clinic or provider office, located at least 250 yards from the main hospital buildings or as determined by the Centers for Medicare and Medicaid Services, that is owned by a hospital licensed under chapter 144 or a health system that operates one or more hospitals licensed under chapter 144, and is primarily engaged in providing diagnostic and therapeutic care, including medical history, physical examinations, assessment of health status, and treatment monitoring. This definition does not include clinics that are exclusively providing laboratory, x-ray, testing, therapy, pharmacy, or educational services and does not include facilities designated as rural health clinics.

Subd. 2. Provider-based clinic prohibition. Health care providers are prohibited from charging, billing, or collecting a facility fee for nonemergency services provided at a provider-based clinic, including services provided by telehealth as defined in section 62A.673, subdivision 2, paragraph (h).

Subd. 3. Service-specific prohibition. Regardless of where the services are provided, except for at emergency departments located on a hospital campus, health care providers are prohibited from charging, billing, or collecting a facility fee for outpatient evaluation and management services. Notwithstanding the foregoing, a health care provider may charge, bill, or collect a facility fee for observation stays on a hospital campus and for outpatient services that use a current procedural terminology (CPT) evaluation and management code or CPT assessment and management code when billed for wound care, orthopedics, anticoagulation, oncology, obstetrics, and solid organ transplant.

Subd. 4. Reporting. (a) By January 15, 2027, and each year thereafter, hospitals licensed under chapter 144 and health systems operating one or more hospitals licensed under chapter 144 must submit a report to the commissioner of health identifying facility fees charged, billed, and collected during the preceding calendar year. The commissioner must publish the information reported on a publicly accessible website. The report shall be in the format prescribed by the commissioner of health.

(b) The report under this subdivision must include the following information for each facility owned or operated by the hospital or health system providing services for which a facility fee is charged, billed, or collected:

(1) the name and full address of each facility;

(2) the number of patient visits at each facility; and

(3) the number, total amount, and range of allowable facility fees paid at each facility by Medicare, medical assistance, MinnesotaCare, and private insurance.

(c) The report under this subdivision must include the following information for the entire hospital or health system:

(1) the total amount charged and billed for facility fees;

(2) the total amount collected from facility fees;

(3) the top ten procedures or services provided by the hospital or health system that generated the greatest amount of facility fee gross revenue, the volume each of these ten procedures or services and gross and net revenue totals, for each such procedure or service, and the total net amount of revenue received by the hospital or health system derived from facility fees;

(4) the top ten procedures or services, based on patient volume, provided by the hospital or health system for which facility fees are charged, billed, or collected, based on patient volume, including the gross and net revenue totals received for each such procedure or service; and

(5) any other information related to facility fees that the commissioner of health may require.

Subd. 5. **Enforcement.** (a) A violation of this section is an unlawful business practice for purposes of section 8.31. The attorney general may enforce this section pursuant to section 8.31.

(b) In addition to penalties provided in paragraph (a), the commissioner of health may, pursuant to the procedures in sections 144.99 and 144.991, impose an administrative penalty on a health care provider for failure to comply with subdivision 4. The penalty must not exceed \$1,000 per occurrence.

(c) The commissioner of health or its designee may audit any health care provider for compliance with the requirements of this section. A health care provider must make available, upon written request of the commissioner or its designee, copies of any books, documents,

4.1 records, or data that are necessary for the purposes of completing the audit for four years
4.2 after the furnishing of any services for which a facility fee was charged, billed, or collected.

4.3 Sec. 4. Minnesota Statutes 2024, section 103I.101, subdivision 6, is amended to read:

4.4 Subd. 6. **Fees for variances.** The commissioner shall charge a nonrefundable application
4.5 fee of ~~\$275~~ \$325 to cover the ~~administrative~~ cost of processing a request for a variance or
4.6 modification of rules adopted by the commissioner under this chapter.

4.7 Sec. 5. Minnesota Statutes 2024, section 103I.208, subdivision 1, is amended to read:

4.8 Subdivision 1. **Well notification fee.** The well notification fee to be paid by a property
4.9 owner is:

4.10 (1) for construction of a water supply well, ~~\$275~~ \$325, which includes the state core
4.11 function fee;

4.12 (2) for a well sealing, ~~\$75~~ \$125 for each well or temporary boring, which includes the
4.13 state core function fee, except that: (i) a single notification and fee of ~~\$75~~ \$125 is required
4.14 for all temporary borings on a single property and sealed within 72 hours of start of
4.15 construction; and (ii) temporary borings less than 25 feet in depth are exempt from the
4.16 notification and fee requirements in this chapter;

4.17 (3) for construction of a dewatering well, ~~\$275~~ \$330, which includes the state core
4.18 function fee, for each dewatering well, except a dewatering project comprising five or more
4.19 dewatering wells shall be assessed a single fee of ~~\$1,375~~ \$1,620 for the dewatering wells
4.20 recorded on the notification; and

4.21 (4) for construction of an environmental well, ~~\$275~~ \$330, which includes the state core
4.22 function fee, ~~except that a single fee of \$275 is required for all environmental wells recorded~~
4.23 ~~on the notification that are located on a single property, and except that no fee is required~~
4.24 ~~for construction of a temporary boring~~ for each environmental well, except an environmental
4.25 well site project comprising five or more environmental wells shall be assessed a single fee
4.26 of \$1,620 for the environmental wells recorded on the notification.

4.27 Sec. 6. Minnesota Statutes 2024, section 103I.208, subdivision 1a, is amended to read:

4.28 Subd. 1a. **State core function fee.** The state core function fee to be collected by the
4.29 state and delegated community health boards and used to support state core functions is:

4.30 (1) for a new well, ~~\$20~~ \$40; and

4.31 (2) for a well sealing, ~~\$5~~ \$15.

5.1 Sec. 7. Minnesota Statutes 2024, section 103I.208, subdivision 2, is amended to read:

5.2 Subd. 2. **Permit fee.** (a) The permit fee to be paid by a property owner is:

5.3 (1) for a water supply well that is not in use under a maintenance permit, ~~\$175~~ \$225
5.4 annually;

5.5 (2) for an environmental well that is unsealed under a maintenance permit, ~~\$175 annually~~
5.6 ~~except~~ no fee is required for an environmental well owned by a federal agency, state agency,
5.7 or local unit of government that is unsealed under a maintenance permit. "Local unit of
5.8 government" means a statutory or home rule charter city, town, county, or soil and water
5.9 conservation district, a watershed district, an organization formed for the joint exercise of
5.10 powers under section 471.59, a community health board, or other special purpose district
5.11 or authority with local jurisdiction in water and related land resources management;

5.12 (3) for environmental wells on an environmental well site that are unsealed under a
5.13 maintenance permit;

5.14 ~~\$175~~ (i) \$225 annually for one to ten environmental wells per site ~~regardless of the~~
5.15 ~~number of environmental wells located on site;~~

5.16 (ii) \$325 annually for 11 to 20 environmental wells per site; and

5.17 (iii) \$425 annually for 21 or more environmental wells per site;

5.18 (4) for a groundwater thermal exchange device, in addition to the notification fee for
5.19 water supply wells, ~~\$275~~ \$350 for systems using 20 gallons per minute or less and \$590
5.20 for systems using over 20 gallons per minute, which includes the state core function fee;

5.21 (5) for a bored geothermal heat exchanger with less than ten tons of heating/cooling
5.22 capacity, ~~\$275~~ \$350;

5.23 (6) for a bored geothermal heat exchanger with ten to 50 tons of heating/cooling capacity,
5.24 ~~\$515~~ \$590;

5.25 (7) for a bored geothermal heat exchanger with greater than 50 tons of heating/cooling
5.26 capacity, ~~\$740~~ \$815;

5.27 (8) for a dewatering well that is unsealed under a maintenance permit, ~~\$175~~ \$330 annually
5.28 for each dewatering well, except a dewatering project comprising ~~more than five or more~~
5.29 dewatering wells shall be issued a single permit for ~~\$875~~ \$1,620 annually for dewatering
5.30 wells recorded on the permit;

5.31 (9) for an elevator boring, ~~\$275~~ \$325 for each boring; and

(10) for a submerged closed loop heat exchanger system, in addition to the notification fee for water supply wells, \$3,250, which includes the state core function fee.

(b) For purposes of this subdivision, an environmental well site includes all of the environmental wells on a single property. A single property is considered one tax parcel or multiple contiguous parcels with the same owner.

Sec. 8. Minnesota Statutes 2024, section 103I.235, subdivision 1, is amended to read:

Subdivision 1. Disclosure of wells to buyer. (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well disclosure certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515B.

(f) For an area owned in common under chapter 515 or 515B the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(h) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of ~~\$50~~ \$54 for receipt of a completed well disclosure certificate. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health ~~\$42.50~~ \$46.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original.

(i) No new well disclosure certificate is required under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or other instrument of conveyance that the status and number of wells on the property have not changed since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.

(j) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(k) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Sec. 9. Minnesota Statutes 2024, section 103I.525, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of a well contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of a well contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 10. Minnesota Statutes 2024, section 103I.525, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for a well contractor's license is ~~\$250~~ \$300.

9.1 Sec. 11. Minnesota Statutes 2024, section 103I.525, subdivision 8, is amended to read:

9.2 Subd. 8. **Renewal.** (a) A licensee must file an application and a renewal application fee
9.3 to renew the license by the date stated in the license.

9.4 (b) The renewal application fee for a well contractor's license is ~~\$250~~ \$300.

9.5 (c) The renewal application must include information that the certified representative
9.6 of the applicant has met continuing education requirements established by the commissioner
9.7 by rule.

9.8 (d) At the time of the renewal, the commissioner must have on file all properly completed
9.9 well and boring construction reports, well and boring sealing reports, reports of elevator
9.10 borings, water sample analysis reports, well and boring permits, and well notifications for
9.11 work conducted by the licensee since the last license renewal.

9.12 Sec. 12. Minnesota Statutes 2024, section 103I.531, subdivision 2, is amended to read:

9.13 Subd. 2. **Certification fee.** (a) The application fee for certification as a representative
9.14 of a limited well/boring contractor is ~~\$75~~ \$100. The commissioner may not act on an
9.15 application until the application fee is paid.

9.16 (b) The renewal fee for certification as a representative of a limited well/boring contractor
9.17 is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

9.18 (c) The fee for three or more limited well/boring contractor certifications is ~~\$225~~ \$275.

9.19 (d) A certified representative must file an application and a renewal application fee to
9.20 renew the certification by the date stated in the certification. The renewal application must
9.21 include information that the certified representative has met continuing education
9.22 requirements established by the commissioner by rule.

9.23 Sec. 13. Minnesota Statutes 2024, section 103I.531, subdivision 6, is amended to read:

9.24 Subd. 6. **License fee.** The fee for a limited well/boring contractor's license is ~~\$75~~ \$100.
9.25 The fee for three or more limited well/boring contractor licenses is ~~\$225~~ \$275.

9.26 Sec. 14. Minnesota Statutes 2024, section 103I.531, subdivision 8, is amended to read:

9.27 Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee
9.28 to renew the limited well/boring contractor's license by the date stated in the license.

9.29 (b) The renewal application fee for a limited well/boring contractor's license is ~~\$75~~ \$100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of the renewal, the commissioner must have on file all properly completed well and boring construction reports, well and boring sealing reports, well and boring permits, water quality sample reports, and well notifications for work conducted by the licensee since the last license renewal.

Sec. 15. Minnesota Statutes 2024, section 103I.535, subdivision 2, is amended to read:

Subd. 2. **Certification fee.** (a) The application fee for certification as a representative of an elevator boring contractor is ~~\$75~~ \$100. The commissioner may not act on an application until the application fee is paid.

(b) The renewal fee for certification as a representative of an elevator boring contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal fee is paid.

(c) A certified representative must file an application and a renewal application fee to renew the certification by the date stated in the certification. The renewal application must include information that the certified representative has met continuing education requirements established by the commissioner by rule.

Sec. 16. Minnesota Statutes 2024, section 103I.535, subdivision 6, is amended to read:

Subd. 6. **License fee.** The fee for an elevator boring contractor's license is ~~\$75~~ \$100.

Sec. 17. Minnesota Statutes 2024, section 103I.535, subdivision 8, is amended to read:

Subd. 8. **Renewal.** (a) A person must file an application and a renewal application fee to renew the license by the date stated in the license.

(b) The renewal application fee for an elevator boring contractor's license is ~~\$75~~ \$100.

(c) The renewal application must include information that the certified representative of the applicant has met continuing education requirements established by the commissioner by rule.

(d) At the time of renewal, the commissioner must have on file all reports and permits for elevator boring work conducted by the licensee since the last license renewal.

11.1 Sec. 18. Minnesota Statutes 2024, section 103I.541, subdivision 2b, is amended to read:

11.2 Subd. 2b. **Issuance of license.** If a person employs a certified representative, submits
11.3 the bond under subdivision 3, and pays the license fee of ~~\$75~~ \$100 for an environmental
11.4 well contractor license, the commissioner shall issue an environmental well contractor
11.5 license to the applicant. The fee for an individual registration is ~~\$75~~ \$100. The commissioner
11.6 may not act on an application until the application fee is paid.

11.7 Sec. 19. Minnesota Statutes 2024, section 103I.541, subdivision 2c, is amended to read:

11.8 Subd. 2c. **Certification fee.** (a) The application fee for certification as a representative
11.9 of an environmental well contractor is ~~\$75~~ \$100. The commissioner may not act on an
11.10 application until the application fee is paid.

11.11 (b) The renewal fee for certification as a representative of an environmental well
11.12 contractor is ~~\$75~~ \$100. The commissioner may not renew a certification until the renewal
11.13 fee is paid.

11.14 (c) A certified representative must file an application and a renewal application fee to
11.15 renew the certification by the date stated in the certification. The renewal application must
11.16 include information that the certified representative has met continuing education
11.17 requirements established by the commissioner by rule.

11.18 Sec. 20. Minnesota Statutes 2024, section 103I.541, subdivision 4, is amended to read:

11.19 Subd. 4. **License renewal.** (a) A person must file an application and a renewal application
11.20 fee to renew the license by the date stated in the license.

11.21 (b) The renewal application fee for an environmental well contractor's license is ~~\$75~~
11.22 \$100.

11.23 (c) The renewal application must include information that the certified representative
11.24 of the applicant has met continuing education requirements established by the commissioner
11.25 by rule.

11.26 (d) At the time of the renewal, the commissioner must have on file all well and boring
11.27 construction reports, well and boring sealing reports, well permits, and notifications for
11.28 work conducted by the licensed person since the last license renewal.

12.1 Sec. 21. Minnesota Statutes 2024, section 103I.545, subdivision 1, is amended to read:

12.2 Subdivision 1. **Drilling machine.** (a) A person may not use a drilling machine such as
12.3 a cable tool, rotary tool, hollow rod tool, or auger for a drilling activity requiring a license
12.4 under this chapter unless the drilling machine is registered with the commissioner.

12.5 (b) A person must apply for the registration on forms prescribed by the commissioner
12.6 and submit a ~~\$75~~ \$125 registration fee.

12.7 (c) A registration is valid for one year.

12.8 Sec. 22. Minnesota Statutes 2024, section 103I.545, subdivision 2, is amended to read:

12.9 Subd. 2. **Hoist.** (a) A person may not use a machine such as a hoist for an activity
12.10 requiring a license under this chapter to repair wells or borings, seal wells or borings, or
12.11 install pumps unless the machine is registered with the commissioner.

12.12 (b) A person must apply for the registration on forms prescribed by the commissioner
12.13 and submit a ~~\$75~~ \$125 registration fee.

12.14 (c) A registration is valid for one year.

12.15 Sec. 23. Minnesota Statutes 2024, section 103I.601, subdivision 2, is amended to read:

12.16 Subd. 2. **License required to make borings.** (a) Except as provided in paragraph (d),
12.17 a person must not make an exploratory boring without an explorer's license. The fee for an
12.18 explorer's license is ~~\$75~~ \$100. The explorer's license is valid until the date prescribed in the
12.19 license by the commissioner.

12.20 (b) A person must file an application and renewal application fee to renew the explorer's
12.21 license by the date stated in the license. The renewal application fee is ~~\$75~~ \$100.

12.22 (c) If the licensee submits an application fee after the required renewal date, the licensee:

12.23 (1) must include a late fee of \$75; and

12.24 (2) may not conduct activities authorized by an explorer's license until the renewal
12.25 application, renewal application fee, late fee, and sealing reports required in subdivision 9
12.26 are submitted.

12.27 (d) An explorer must designate a responsible individual to supervise and oversee the
12.28 making of exploratory borings.

(1) Before an individual supervises or oversees an exploratory boring, the individual must file an application and application fee of ~~\$75~~ \$100 to qualify as a certified responsible individual.

(2) The individual must take and pass an examination relating to construction, location, and sealing of exploratory borings. A professional engineer or geoscientist licensed under sections 326.02 to 326.15 or a professional geologist certified by the American Institute of Professional Geologists is not required to take the examination required in this subdivision, but must be certified as a responsible individual to supervise an exploratory boring.

(3) The individual must file an application and a renewal fee of ~~\$75~~ \$100 to renew the responsible individual's certification by the date stated in the certification. If the certified responsible individual submits an application fee after the renewal date, the certified responsible individual must include a late fee of \$75 and may not supervise or oversee exploratory borings until the renewal application, application fee, and late fee are submitted.

Sec. 24. Minnesota Statutes 2024, section 103I.601, subdivision 4, is amended to read:

Subd. 4. **Notification and map of borings.** (a) By ten days before beginning exploratory boring, an explorer must submit to the commissioner of health a notification of the proposed boring map and a fee of ~~\$275~~ \$325 for each boring constructed.

(b) By ten days before beginning exploratory boring, an explorer must submit to the commissioners of health and natural resources a county road map on a single sheet of paper that is 8-1/2 by 11 inches in size and having a scale of one-half inch equal to one mile, as prepared by the Department of Transportation, or a 7.5 minute series topographic map (1:24,000 scale), as prepared by the United States Geological Survey, showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. Exploratory boring that is proposed on the map may not be commenced later than 180 days after submission of the map, unless a new map is submitted.

Sec. 25. **[144.063] DEMENTIA SERVICES PROGRAM ESTABLISHED.**

The commissioner of health shall establish the dementia services program to:

(1) facilitate the coordination and support of:

(i) state-funded policies and programs that relate to Alzheimer's disease or related forms of dementia;

(ii) outreach programs and services between state agencies, local public health departments, Tribal Nations, educational institutions, and community groups for the purpose

- 14.1 of fostering public awareness and education regarding Alzheimer's disease and related forms
- 14.2 of dementia; and
- 14.3 (iii) services and activities between groups that are interested in dementia research,
- 14.4 programs, and services, including area agencies on aging, service providers, advocacy
- 14.5 groups, legal services, emergency personnel, law enforcement, local public health
- 14.6 departments, Tribal Nations, and state colleges and universities;
- 14.7 (2) facilitate the coordination, review, publication, and implementation of and updates
- 14.8 to the Alzheimer's Disease State Plan;
- 14.9 (3) collect and analyze data related to the impact of Alzheimer's disease in Minnesota;
- 14.10 and
- 14.11 (4) incorporate early detection and risk reduction strategies into existing department-led
- 14.12 public health programs.

14.13 Sec. 26. Minnesota Statutes 2024, section 144.1205, subdivision 2, is amended to read:

14.14 Subd. 2. **Initial and annual fee.** (a) A licensee must pay an initial fee that is equivalent

14.15 to the annual fee upon issuance of the initial license.

14.16 (b) A licensee must pay an annual fee at least 60 days before the anniversary date of the

14.17 issuance of the license. The annual fee is as follows:

14.18	TYPE	LICENSE FEE
14.19		<u>\$25,896</u>
14.20	Academic broad scope - type A, B, or C	<u>\$34,500</u>
14.21		<u>\$31,075</u>
14.22	Academic broad scope - type A, B, or C (4-8 locations)	<u>\$41,400</u>
14.23		<u>\$36,254</u>
14.24	Academic broad scope - type A, B, or C (9 or more locations)	<u>\$48,300</u>
14.25		<u>\$25,896</u>
14.26	Medical broad scope - type A	<u>\$34,500</u>
14.27		<u>\$31,075</u>
14.28	Medical broad scope - type A (4-8 locations)	<u>\$41,400</u>
14.29		<u>\$36,254</u>
14.30	Medical broad scope - type A (9 or more locations)	<u>\$48,300</u>
14.31	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
14.32	medicine, eye applicators, high dose rate afterloaders, and	<u>\$4,784</u>
14.33	medical therapy emerging technologies	<u>\$6,600</u>
14.34	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
14.35	medicine, eye applicators, high dose rate afterloaders, and	<u>\$5,740</u>
14.36	medical therapy emerging technologies (4-8 locations)	<u>\$7,900</u>

15.1	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
15.2	medicine, eye applicators, high dose rate afterloaders, and	<u>\$6,697</u>
15.3	medical therapy emerging technologies (9 or more locations)	<u>\$9,200</u>
15.4		<u>\$11,648</u>
15.5	Teletherapy	<u>\$15,500</u>
15.6		<u>\$11,648</u>
15.7	Gamma knife	<u>\$15,500</u>
15.8		<u>\$2,600</u>
15.9	Veterinary medicine	<u>\$3,500</u>
15.10		<u>\$2,600</u>
15.11	In vitro testing lab	<u>\$3,500</u>
15.12		<u>\$11,440</u>
15.13	Nuclear pharmacy	<u>\$15,300</u>
15.14		<u>\$13,728</u>
15.15	Nuclear pharmacy (5 or more locations)	<u>\$18,300</u>
15.16		<u>\$4,992</u>
15.17	Radiopharmaceutical distribution (10 CFR 32.72)	<u>\$6,700</u>
15.18	Radiopharmaceutical processing and distribution (10 CFR	<u>\$11,440</u>
15.19	32.72)	<u>\$15,300</u>
15.20	Radiopharmaceutical processing and distribution (10 CFR	<u>\$13,728</u>
15.21	32.72) (5 or more locations)	<u>\$18,300</u>
15.22		<u>\$4,992</u>
15.23	Medical sealed sources - distribution (10 CFR 32.74)	<u>\$6,700</u>
15.24	Medical sealed sources - processing and distribution (10 CFR	<u>\$11,440</u>
15.25	32.74)	<u>\$15,300</u>
15.26	Medical sealed sources - processing and distribution (10 CFR	<u>\$13,728</u>
15.27	32.74) (5 or more locations)	<u>\$18,300</u>
15.28		<u>\$4,888</u>
15.29	Well logging - sealed sources	<u>\$6,600</u>
15.30	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$2,600</u>
15.31	chromatograph, other)	<u>\$3,800</u>
15.32	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$3,120</u>
15.33	chromatograph, other) (4-8 locations)	<u>\$4,500</u>
15.34	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$3,640</u>
15.35	chromatograph, other) (9 or more locations)	<u>\$5,200</u>
15.36		<u>\$1,976</u>
15.37	X-ray fluorescent analyzer	<u>\$2,700</u>
15.38		<u>\$25,896</u>
15.39	Manufacturing and distribution - type A broad scope	<u>\$34,500</u>
15.40	Manufacturing and distribution - type A broad scope (4-8	<u>\$31,075</u>
15.41	locations)	<u>\$41,400</u>
15.42	Manufacturing and distribution - type A broad scope (9 or more	<u>\$36,254</u>
15.43	locations)	<u>\$48,300</u>
15.44		<u>\$22,880</u>
15.45	Manufacturing and distribution - type B or C broad scope	<u>\$30,500</u>

16.1	Manufacturing and distribution - type B or C broad scope (4-8	~~\$27,456~~
16.2	locations)	<u>\$36,600</u>
16.3	Manufacturing and distribution - type B or C broad scope (9	~~\$32,032~~
16.4	or more locations)	<u>\$42,700</u>
16.5		~~\$6,864~~
16.6	Manufacturing and distribution - other	<u>\$9,200</u>
16.7		~~\$8,236~~
16.8	Manufacturing and distribution - other (4-8 locations)	<u>\$11,000</u>
16.9		~~\$9,609~~
16.10	Manufacturing and distribution - other (9 or more locations)	<u>\$12,800</u>
16.11		~~\$24,232~~
16.12	Nuclear laundry	<u>\$32,300</u>
16.13		~~\$6,448~~
16.14	Decontamination services	<u>\$8,600</u>
16.15		~~\$2,600~~
16.16	Leak test services only	<u>\$3,500</u>
16.17		~~\$2,600~~
16.18	Instrument calibration service only	<u>\$3,500</u>
16.19		~~\$6,448~~
16.20	Service, maintenance, installation, source changes, etc.	<u>\$8,600</u>
16.21		~~\$7,800~~
16.22	Waste disposal service, prepackaged only	<u>\$10,400</u>
16.23		~~\$10,816~~
16.24	Waste disposal	<u>\$14,400</u>
16.25		~~\$2,288~~
16.26	Distribution - general licensed devices (sealed sources)	<u>\$3,100</u>
16.27		~~\$1,456~~
16.28	Distribution - general licensed material (unsealed sources)	<u>\$2,000</u>
16.29		~~\$12,792~~
16.30	Industrial radiography - fixed or temporary location	<u>\$17,200</u>
16.31	Industrial radiography - fixed or temporary location (5 or more	~~\$16,629~~
16.32	locations)	<u>\$22,300</u>
16.33		~~\$3,744~~
16.34	Irradiators, self-shielding	<u>\$5,000</u>
16.35		~~\$6,968~~
16.36	Irradiators, other, less than 10,000 curies	<u>\$9,300</u>
16.37		~~\$12,376~~
16.38	Research and development - type A, B, or C broad scope	<u>\$16,500</u>
16.39	Research and development - type A, B, or C broad scope (4-8	~~\$14,851~~
16.40	locations)	<u>\$19,800</u>
16.41	Research and development - type A, B, or C broad scope (9 or	~~\$17,326~~
16.42	more locations)	<u>\$23,100</u>
16.43		~~\$5,824~~
16.44	Research and development - other	<u>\$7,800</u>
16.45		~~\$2,600~~
16.46	Storage - no operations	<u>\$3,500</u>

17.1		<u>\$759</u>
17.2	Source material - shielding	<u>\$1,100</u>
17.3		<u>\$4,784</u>
17.4	Special nuclear material plutonium - neutron source in device	<u>\$6,400</u>
17.5	Pacemaker by-product and/or special nuclear material - medical	<u>\$4,784</u>
17.6	(institution)	<u>\$6,400</u>
17.7	Pacemaker by-product and/or special nuclear material -	<u>\$6,864</u>
17.8	manufacturing and distribution	<u>\$9,200</u>
17.9		<u>\$4,992</u>
17.10	Accelerator-produced radioactive material	<u>\$6,700</u>
17.11		<u>\$500</u>
17.12	Nonprofit educational institutions	<u>\$700</u>

17.13 Sec. 27. Minnesota Statutes 2024, section 144.1205, subdivision 4, is amended to read:

17.14 Subd. 4. **Initial and renewal application fee.** A licensee must pay an initial and a
17.15 renewal application fee according to this subdivision.

17.16	TYPE	APPLICATION FEE
17.17		<u>\$6,808</u>
17.18	Academic broad scope - type A, B, or C	<u>\$9,100</u>
17.19		<u>\$4,508</u>
17.20	Medical broad scope - type A	<u>\$6,000</u>
17.21	Medical - diagnostic, diagnostic and therapeutic, mobile nuclear	
17.22	medicine, eye applicators, high dose rate afterloaders, and	<u>\$1,748</u>
17.23	medical therapy emerging technologies	<u>\$2,350</u>
17.24		<u>\$6,348</u>
17.25	Teletherapy	<u>\$8,450</u>
17.26		<u>\$6,348</u>
17.27	Gamma knife	<u>\$8,450</u>
17.28		<u>\$1,104</u>
17.29	Veterinary medicine	<u>\$1,500</u>
17.30		<u>\$1,104</u>
17.31	In vitro testing lab	<u>\$1,500</u>
17.32		<u>\$5,612</u>
17.33	Nuclear pharmacy	<u>\$7,500</u>
17.34		<u>\$2,484</u>
17.35	Radiopharmaceutical distribution (10 CFR 32.72)	<u>\$3,350</u>
17.36	Radiopharmaceutical processing and distribution (10 CFR	<u>\$5,612</u>
17.37	32.72)	<u>\$7,500</u>
17.38		<u>\$2,484</u>
17.39	Medical sealed sources - distribution (10 CFR 32.74)	<u>\$3,350</u>
17.40	Medical sealed sources - processing and distribution (10 CFR	<u>\$5,612</u>
17.41	32.74)	<u>\$7,500</u>
17.42		<u>\$1,840</u>
17.43	Well logging - sealed sources	<u>\$2,450</u>

18.1	Measuring systems - (fixed gauge, portable gauge, gas	<u>\$1,104</u>
18.2	chromatograph, other)	<u>\$1,500</u>
18.3		~~\$671~~
18.4	X-ray fluorescent analyzer	<u>\$900</u>
18.5		<u>\$6,854</u>
18.6	Manufacturing and distribution - type A, B, and C broad scope	<u>\$9,150</u>
18.7		~~\$2,668~~
18.8	Manufacturing and distribution - other	<u>\$3,550</u>
18.9		<u>\$11,592</u>
18.10	Nuclear laundry	<u>\$15,450</u>
18.11		<u>\$3,036</u>
18.12	Decontamination services	<u>\$4,050</u>
18.13		<u>\$1,104</u>
18.14	Leak test services only	<u>\$1,500</u>
18.15		<u>\$1,104</u>
18.16	Instrument calibration service only	<u>\$1,500</u>
18.17		<u>\$3,036</u>
18.18	Service, maintenance, installation, source changes, etc.	<u>\$4,050</u>
18.19		<u>\$2,576</u>
18.20	Waste disposal service, prepackaged only	<u>\$3,450</u>
18.21		<u>\$1,748</u>
18.22	Waste disposal	<u>\$2,350</u>
18.23		<u>\$1,012</u>
18.24	Distribution - general licensed devices (sealed sources)	<u>\$1,350</u>
18.25		<u>\$598</u>
18.26	Distribution - general licensed material (unsealed sources)	<u>\$800</u>
18.27		<u>\$3,036</u>
18.28	Industrial radiography - fixed or temporary location	<u>\$4,050</u>
18.29		<u>\$1,656</u>
18.30	Irradiators, self-shielding	<u>\$2,250</u>
18.31		<u>\$3,404</u>
18.32	Irradiators, other, less than 10,000 curies	<u>\$4,550</u>
18.33		<u>\$5,704</u>
18.34	Research and development - type A, B, or C broad scope	<u>\$7,600</u>
18.35		<u>\$2,760</u>
18.36	Research and development - other	<u>\$3,700</u>
18.37		<u>\$1,104</u>
18.38	Storage - no operations	<u>\$1,500</u>
18.39		<u>\$156</u>
18.40	Source material - shielding	<u>\$250</u>
18.41		<u>\$1,380</u>
18.42	Special nuclear material plutonium - neutron source in device	<u>\$1,850</u>
18.43	Pacemaker by-product and/or special nuclear material - medical	<u>\$1,380</u>
18.44	(institution)	<u>\$1,850</u>
18.45	Pacemaker by-product and/or special nuclear material -	~~\$2,668~~
18.46	manufacturing and distribution	<u>\$3,550</u>

19.1		~~\$4,715~~
19.2	Accelerator-produced radioactive material	<u>\$6,300</u>
19.3		~~\$345~~
19.4	Nonprofit educational institutions	<u>\$500</u>

19.5 Sec. 28. Minnesota Statutes 2024, section 144.1205, subdivision 8, is amended to read:

19.6 Subd. 8. **Reciprocity fee.** A licensee submitting an application for reciprocal recognition
19.7 of a materials license issued by another agreement state or the United States Nuclear
19.8 Regulatory Commission for a period of 180 days or less during a calendar year must pay
19.9 ~~\$2,400~~ \$3,200. For a period of 181 days or more, the licensee must obtain a license under
19.10 subdivision 4.

19.11 Sec. 29. Minnesota Statutes 2024, section 144.1205, subdivision 9, is amended to read:

19.12 Subd. 9. **Fees for license amendments.** A licensee must pay a fee of ~~\$600~~ \$800 to
19.13 amend a license as follows:

19.14 (1) to amend a license requiring review including, but not limited to, addition of isotopes,
19.15 procedure changes, new authorized users, or a new radiation safety officer; or

19.16 (2) to amend a license requiring review and a site visit including, but not limited to,
19.17 facility move or addition of processes.

19.18 Sec. 30. Minnesota Statutes 2024, section 144.1205, subdivision 10, is amended to read:

19.19 Subd. 10. **Fees for general license registrations.** A person required to register generally
19.20 licensed devices according to Minnesota Rules, part 4731.3215, must pay an annual
19.21 registration fee of ~~\$450~~ \$600.

19.22 Sec. 31. Minnesota Statutes 2024, section 144.121, subdivision 1a, is amended to read:

19.23 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing
19.24 radiation-producing equipment and other sources of ionizing radiation must pay an initial
19.25 or annual renewal registration fee consisting of a base facility fee of ~~\$100~~ \$155 and an
19.26 additional fee for each x-ray tube, as follows:

19.27	(1) medical or veterinary equipment	\$ ~~100~~
19.28		<u>130</u>
19.29	(2) dental x-ray equipment	\$ ~~40~~
19.30		<u>60</u>
19.31	(3) x-ray equipment not used on	\$ ~~100~~
19.32	humans or animals	<u>130</u>

20.1	(4) devices with sources of ionizing	\$ 100
20.2	radiation not used on humans or	<u>130</u>
20.3	animals	
20.4	(5) security screening system	\$ 100
20.5		<u>160</u>
20.6	(6) <u>radiation therapy and accelerator</u>	\$ <u>1,000</u>
20.7	<u>x-ray equipment</u>	
20.8	(7) <u>industrial accelerator x-ray</u>	\$ <u>300</u>
20.9	<u>equipment</u>	

20.10 ~~(b) A facility with radiation therapy and accelerator equipment must pay an initial or~~
 20.11 ~~annual registration fee of \$500. A facility with an industrial accelerator must pay an initial~~
 20.12 ~~or annual registration fee of \$150.~~

20.13 ~~(e)~~ (b) Electron microscopy equipment is exempt from the registration fee requirements
 20.14 of this section.

20.15 ~~(d)~~ (c) For purposes of this section, a security screening system means ionizing
 20.16 radiation-producing equipment designed and used for security screening of humans who
 20.17 are in the custody of a correctional or detention facility, and used by the facility to image
 20.18 and identify contraband items concealed within or on all sides of a human body. For purposes
 20.19 of this section, a correctional or detention facility is a facility licensed under section 241.021
 20.20 and operated by a state agency or political subdivision charged with detection, enforcement,
 20.21 or incarceration in respect to state criminal and traffic laws. The commissioner shall adopt
 20.22 rules to establish requirements for the use of security screening systems. Notwithstanding
 20.23 section 14.125, the authority to adopt these rules does not expire.

20.24 Sec. 32. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
 20.25 to read:

20.26 Subd. 1e. **Fee for service provider of ionizing radiation-producing equipment.** A
 20.27 service provider of ionizing radiation-producing equipment and other sources of ionizing
 20.28 radiation must pay an initial or annual renewal fee of \$115.

20.29 Sec. 33. Minnesota Statutes 2024, section 144.121, subdivision 2, is amended to read:

20.30 Subd. 2. **Inspections.** Periodic radiation safety inspections of the x-ray equipment and
 20.31 other sources of ionizing radiation shall be made by the commissioner of health. The
 20.32 frequency of safety inspections shall be prescribed by the commissioner ~~on the basis of~~
 20.33 based on the frequency of radiation exposure risk to occupational and public health from
 20.34 use of the x-ray equipment and other source of ionizing radiation, provided that each source
 20.35 shall be inspected at least once every four years.

21.1 Sec. 34. Minnesota Statutes 2024, section 144.121, subdivision 5, is amended to read:

21.2 Subd. 5. **Examination for individual operating x-ray systems.** (a) An individual in a
21.3 facility with x-ray systems for use on living humans that is registered under subdivision 1
21.4 may not operate, nor may the facility allow the individual to operate, x-ray systems unless
21.5 the individual has passed a national or state examination.

21.6 (b) Individuals who may operate x-ray systems include:

21.7 (1) an individual who has passed the American Registry of Radiologic Technologists
21.8 (ARRT) registry for radiography examination;

21.9 (2) an individual who has passed the American Chiropractic Registry of Radiologic
21.10 Technologists (ACRRT) registry examination and is limited to radiography of spines and
21.11 extremities;

21.12 (3) a registered limited scope x-ray operator and a registered bone densitometry equipment
21.13 operator who passed the examination requirements in paragraphs (d) and (e) and practices
21.14 according to subdivision 5a;

21.15 (4) an x-ray operator who has the original certificate or the original letter of passing the
21.16 examination that was required before January 1, 2008, under Minnesota Statutes 2008,
21.17 section 144.121, subdivision 5a, paragraph (b), clause (1);

21.18 (5) an individual who has passed the American Registry of Radiologic Technologists
21.19 (ARRT) registry for radiation therapy examination according to subdivision 5e;

21.20 (6) a cardiovascular technologist according to subdivision 5c;

21.21 (7) a nuclear medicine technologist according to subdivision 5d;

21.22 (8) an individual who has passed the examination for a dental hygienist under section
21.23 150A.06 and only operates dental x-ray systems;

21.24 (9) an individual who has passed the examination for a dental therapist under section
21.25 150A.06 and only operates dental x-ray systems;

21.26 (10) an individual who has passed the examination for a dental assistant under section
21.27 150A.06 and only operates dental x-ray systems;

21.28 (11) an individual who has passed the examination under Minnesota Rules, part
21.29 ~~3100.8500, subpart 3~~ 3100.1320, and only operates dental x-ray systems; and

21.30 (12) a qualified practitioner who is licensed by a health-related licensing board with
21.31 active practice authority and is working within the practitioner's scope of practice.

(c) Except for individuals under clauses (3) and (4), an individual who is participating in a training or educational program in any of the occupations listed in paragraph (b) is exempt from the examination requirement within the scope and for the duration of the training or educational program.

(d) The Minnesota examination for limited scope x-ray operators must include:

(1) radiation protection, radiation physics and radiobiology, equipment operation and quality assurance, image acquisition and technical evaluation, and patient interactions and management; and

(2) at least one of the following regions of the human anatomy: chest, extremities, skull and sinus, spine, or podiatry. The examinations must include the anatomy of, and radiographic positions and projections for, the specific regions.

(e) The examination for bone densitometry equipment operators must include:

(1) osteoporosis, bone physiology, bone health and patient education, patient preparation, fundamental principals, biological effects of radiation, units of measurements, radiation protection in bone densitometry, fundamentals of x-ray production, quality control, measuring bone mineral testing, determining quality in bone mineral testing, file and database management; and

(2) dual x-ray absorptiometry scanning of the lumbar spine, proximal femur, and forearm. The examination must include the anatomy, scan acquisition, and scan analysis for these three procedures.

(f) A limited scope x-ray operator, and a bone densitometry equipment operator, who are required to take an examination under this subdivision must submit to the commissioner a registration application for the examination and a \$25 processing fee. The processing fee shall be deposited in the state treasury and credited to the state government special revenue fund.

Sec. 35. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision to read:

Subd. 10. Service provider practice; service technician. (a) A service technician is a service provider who performs one or more of the following, including but not limited to: assembly, installation, calibration, equipment performance evaluation, preventive maintenance, repair, replacement, or disabling of ionizing radiation-producing equipment and other sources of ionizing radiation. A service technician may not perform an equipment

23.1 performance evaluation on computed tomography, medical cone beam computed tomography,
23.2 and fluoroscopy equipment.

23.3 (b) In order to provide service technician services, a service provider must register with
23.4 the commissioner as a service technician, meet the applicable requirements in Minnesota
23.5 Rules, chapter 4732, and pay the fee in subdivision 1e.

23.6 Sec. 36. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
23.7 to read:

23.8 Subd. 11. **Service provider practice; vendor.** (a) A vendor is a service provider who
23.9 performs one or more of the following services, including but not limited to: sales, leasing,
23.10 lending, transferring, disposal, or demonstration of ionizing radiation-producing equipment
23.11 and other sources of ionizing radiation.

23.12 (b) In order to provide vendor services, a service provider must register with the
23.13 commissioner as a vendor, meet the applicable requirements in Minnesota Rules, chapter
23.14 4732, and pay the fee in subdivision 1e.

23.15 Sec. 37. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
23.16 to read:

23.17 Subd. 12. **Service provider practice; qualified medical physicist.** (a) A qualified
23.18 medical physicist is a service provider who provides medical physics services and must be
23.19 certified in diagnostic medical physics, diagnostic radiological physics, radiological physics,
23.20 diagnostic imaging physics, or diagnostic radiology physics by the American Board of
23.21 Radiology, the American Board of Medical Physics, or the Canadian College of Physicists
23.22 in Medicine.

23.23 (b) In order to provide medical physics services a service provider must register with
23.24 the commissioner as a qualified medical physicist, meet the applicable requirements in
23.25 Minnesota Rules, chapter 4732, and pay the fee in subdivision 1e.

23.26 Sec. 38. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
23.27 to read:

23.28 Subd. 13. **Service provider practice; qualified expert.** (a) A qualified expert is a service
23.29 provider who provides expert physics services, and must be certified in the appropriate
23.30 fields or specialties in which physics services are provided by the American Board of Health
23.31 Physics, the American Board of Medical Physics, the American Board of Radiology, the

24.1 American Board of Science in Nuclear Medicine, or the Canadian College of Physicists in
24.2 Medicine.

24.3 (b) In order to provide health physics services, a service provider must register with the
24.4 commissioner as a qualified expert, meet the applicable requirements in Minnesota Rules,
24.5 chapter 4732, and pay the fee in subdivision 1e.

24.6 Sec. 39. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
24.7 to read:

24.8 Subd. 14. **Service provider practice; physicist assistant.** (a) A physicist assistant is a
24.9 service provider who provides expert physics or medical physics services under the
24.10 supervision of a qualified expert or a qualified medical physicist and must be deemed
24.11 competent by a qualified expert or a qualified medical physicist in the appropriate fields or
24.12 specialties in which services are provided.

24.13 (b) In order to provide health physics or medical physics services under the supervision
24.14 of a qualified expert or a qualified medical physicist, a physicist assistant must register with
24.15 the commissioner as a physicist assistant, meet the applicable requirements in Minnesota
24.16 Rules, chapter 4732, and pay the fee under subdivision 1e.

24.17 (c) Supervision as used in this subdivision refers to either personal or general supervision
24.18 of a physicist assistant by a qualified expert or a qualified medical physicist according to
24.19 Minnesota Rules, chapter 4732.

24.20 Sec. 40. Minnesota Statutes 2024, section 144.121, is amended by adding a subdivision
24.21 to read:

24.22 Subd. 15. **Service provider compliance.** A service provider registered with the
24.23 commissioner under Minnesota Rules, chapter 4732, must, upon renewal of registration,
24.24 comply with the applicable requirements under this section and submit the fee under
24.25 subdivision 1e.

24.26 Sec. 41. Minnesota Statutes 2024, section 144.1215, is amended by adding a subdivision
24.27 to read:

24.28 Subd. 5. **Rulemaking authority.** The commissioner shall adopt rules to implement this
24.29 section. Notwithstanding section 14.125, the authority to adopt these rules does not expire.

25.1 Sec. 42. Minnesota Statutes 2024, section 144.125, subdivision 2, is amended to read:

25.2 Subd. 2. **Determination of tests to be administered.** (a) The commissioner shall
25.3 periodically revise the list of tests to be administered for determining the presence of a
25.4 heritable or congenital disorder. Revisions to the list shall reflect advances in medical
25.5 science, new and improved testing methods, or other factors that will improve the public
25.6 health. In determining whether a test must be administered, the commissioner shall take
25.7 into consideration the adequacy of analytical methods to detect the heritable or congenital
25.8 disorder, the ability to treat or prevent medical conditions caused by the heritable or
25.9 congenital disorder, and the severity of the medical conditions caused by the heritable or
25.10 congenital disorder. The list of tests to be performed may be revised if the changes are
25.11 recommended by the advisory committee established under section 144.1255, approved by
25.12 the commissioner, and published in the State Register. The revision is exempt from the
25.13 rulemaking requirements in chapter 14, and sections 14.385 and 14.386 do not apply.

25.14 (b) The commissioner shall revise the list of tests to be administered for determining
25.15 the presence of a heritable or congenital disorder to include metachromatic leukodystrophy
25.16 (MLD).

25.17 Sec. 43. Minnesota Statutes 2024, section 144.3831, subdivision 1, is amended to read:

25.18 Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of
25.19 ~~\$9.72~~ \$15.22 for every service connection to a public water supply that is owned or operated
25.20 by a home rule charter city, a statutory city, a city of the first class, or a town. The
25.21 commissioner of health may also assess an annual fee for every service connection served
25.22 by a water user district defined in section 110A.02.

25.23 Sec. 44. Minnesota Statutes 2024, section 144.554, is amended to read:

25.24 **144.554 HEALTH FACILITIES CONSTRUCTION PLAN SUBMITTAL AND**
25.25 **FEES.**

25.26 For hospitals, nursing homes, assisted living facilities, boarding care homes, residential
25.27 hospices, supervised living facilities, freestanding outpatient surgical centers, and end-stage
25.28 renal disease facilities, the commissioner shall collect a fee for the review and approval of
25.29 architectural, mechanical, and electrical plans and specifications submitted before
25.30 construction begins for each project relative to construction of new buildings, additions to
25.31 existing buildings, or remodeling or alterations of existing buildings. All fees collected in
25.32 this section shall be deposited in the state treasury and credited to the state government

26.1 special revenue fund. Fees must be paid at the time of submission of final plans for review
26.2 and are not refundable. The fee is calculated as follows:

26.3	Construction project total estimated cost	Fee
26.4	\$0 - \$10,000	~~\$30~~ <u>\$45</u>
26.5	\$10,001 - \$50,000	~~\$150~~ <u>\$225</u>
26.6	\$50,001 - \$100,000	~~\$300~~ <u>\$450</u>
26.7	\$100,001 - \$150,000	~~\$450~~ <u>\$675</u>
26.8	\$150,001 - \$200,000	~~\$600~~ <u>\$900</u>
26.9	\$200,001 - \$250,000	~~\$750~~ <u>\$1,125</u>
26.10	\$250,001 - \$300,000	~~\$900~~ <u>\$1,350</u>
26.11	\$300,001 - \$350,000	~~\$1,050~~ <u>\$1,575</u>
26.12	\$350,001 - \$400,000	~~\$1,200~~ <u>\$1,800</u>
26.13	\$400,001 - \$450,000	~~\$1,350~~ <u>\$2,025</u>
26.14	\$450,001 - \$500,000	~~\$1,500~~ <u>\$2,250</u>
26.15	\$500,001 - \$550,000	~~\$1,650~~ <u>\$2,475</u>
26.16	\$550,001 - \$600,000	~~\$1,800~~ <u>\$2,700</u>
26.17	\$600,001 - \$650,000	~~\$1,950~~ <u>\$2,925</u>
26.18	\$650,001 - \$700,000	~~\$2,100~~ <u>\$3,150</u>
26.19	\$700,001 - \$750,000	~~\$2,250~~ <u>\$3,375</u>
26.20	\$750,001 - \$800,000	~~\$2,400~~ <u>\$3,600</u>
26.21	\$800,001 - \$850,000	~~\$2,550~~ <u>\$3,825</u>
26.22	\$850,001 - \$900,000	~~\$2,700~~ <u>\$4,050</u>
26.23	\$900,001 - \$950,000	~~\$2,850~~ <u>\$4,275</u>
26.24	\$950,001 - \$1,000,000	~~\$3,000~~ <u>\$4,500</u>
26.25	\$1,000,001 - \$1,050,000	~~\$3,150~~ <u>\$4,725</u>
26.26	\$1,050,001 - \$1,100,000	~~\$3,300~~ <u>\$4,950</u>
26.27	\$1,100,001 - \$1,150,000	~~\$3,450~~ <u>\$5,175</u>
26.28	\$1,150,001 - \$1,200,000	~~\$3,600~~ <u>\$5,400</u>
26.29	\$1,200,001 - \$1,250,000	~~\$3,750~~ <u>\$5,625</u>
26.30	\$1,250,001 - \$1,300,000	~~\$3,900~~ <u>\$5,850</u>
26.31	\$1,300,001 - \$1,350,000	~~\$4,050~~ <u>\$6,075</u>
26.32	\$1,350,001 - \$1,400,000	~~\$4,200~~ <u>\$6,300</u>
26.33	\$1,400,001 - \$1,450,000	~~\$4,350~~ <u>\$6,525</u>
26.34	\$1,450,001 - \$1,500,000	~~\$4,500~~ <u>\$6,750</u>
26.35	\$1,500,001 ~~and over~~ - \$2,000,000	~~\$4,800~~ <u>\$7,200</u>
26.36	<u>\$2,000,001 - \$3,000,000</u>	<u>\$7,650</u>
26.37	<u>\$3,000,001 - \$4,000,000</u>	<u>\$8,100</u>

27.1	<u>\$4,000,001 - \$7,000,000</u>	<u>\$8,550</u>
27.2	<u>\$7,000,001 - \$15,000,000</u>	<u>\$9,000</u>
27.3	<u>\$15,000,001 - \$50,000,000</u>	<u>\$9,450</u>
27.4	<u>\$50,000,001 and over</u>	<u>\$9,900</u>

27.5 Sec. 45. Minnesota Statutes 2024, section 144.562, subdivision 2, is amended to read:

27.6 Subd. 2. **Eligibility for license condition.** (a) A hospital is not eligible to receive a
 27.7 license condition for swing beds unless (1) it either has a licensed bed capacity of less than
 27.8 50 beds defined in the federal Medicare regulations, Code of Federal Regulations, title 42,
 27.9 section 482.66, or it has a licensed bed capacity of 50 beds or more and has swing beds that
 27.10 were approved for Medicare reimbursement before May 1, 1985, or it has a licensed bed
 27.11 capacity of less than 65 beds and the available nursing homes within 50 miles have had, in
 27.12 the aggregate, an average occupancy rate of 96 percent or higher in the most recent two
 27.13 years as documented on the statistical reports to the Department of Health; and (2) it is
 27.14 located in a rural area as defined in the federal Medicare regulations, Code of Federal
 27.15 Regulations, title 42, section 482.66.

27.16 (b) Except for those critical access hospitals established under section 144.1483, clause
 27.17 (9), and section 1820 of the federal Social Security Act, United States Code, title 42, section
 27.18 1395i-4, that have an attached nursing home or that owned a nursing home located in the
 27.19 same municipality as of May 1, 2005, eligible hospitals are allowed a total number of days
 27.20 of swing bed use per year as provided in paragraph (c). Critical access hospitals that have
 27.21 an attached nursing home or that owned a nursing home located in the same municipality
 27.22 as of May 1, 2005, are allowed swing bed use as provided in federal law. A critical access
 27.23 hospital described in section 144.5621 is allowed an unlimited number of days of swing
 27.24 bed use per year.

27.25 (c) An eligible hospital is allowed a total of 3,000 days of swing bed use in calendar
 27.26 year 2020. Beginning in calendar year 2021, and for each subsequent calendar year until
 27.27 calendar year 2027, the total number of days of swing bed use per year is increased by 200
 27.28 swing bed use days. Beginning in calendar year 2028, an eligible hospital is allowed a total
 27.29 of 4,500 days of swing bed use per year.

27.30 (d) Days of swing bed use for medical care that an eligible hospital has determined are
 27.31 charity care shall not count toward the applicable limit in paragraph (b) or (c). For purposes
 27.32 of this paragraph, "charity care" means care that an eligible hospital provided for free or at
 27.33 a discount to persons who cannot afford to pay and for which the eligible hospital did not
 27.34 expect payment.

(e) Days of swing bed use for care of a person who has been denied admission to every Medicare-certified skilled nursing facility within 25 miles of the eligible hospital shall not count toward the applicable limit in paragraphs (b) and (c). Eligible hospitals must maintain documentation that they have contacted each skilled nursing facility within 25 miles to determine if any skilled nursing facility beds are available and if the skilled nursing facilities are willing to admit the patient. Skilled nursing facilities that are contacted must admit the patient or deny admission within 24 hours of being contacted by the eligible hospital. Failure to respond within 24 hours is deemed a denial of admission.

~~(f) Except for critical access hospitals that have an attached nursing home or that owned a nursing home located in the same municipality as of May 1, 2005, the commissioner of health may approve swing bed use beyond 2,000 days as long as there are no Medicare certified skilled nursing facility beds available within 25 miles of that hospital that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. Critical access hospitals exceeding 2,000 swing bed days must maintain documentation that they have contacted skilled nursing facilities within 25 miles to determine if any skilled nursing facility beds are available that are willing to admit the patient and the patient agrees to the referral being sent to the skilled nursing facility. This paragraph expires January 1, 2020.~~

~~(g) After reaching 2,000 days of swing bed use in a year, an eligible hospital to which this limit applies may admit six additional patients to swing beds each year without seeking approval from the commissioner or being in violation of this subdivision. These six swing bed admissions are exempt from the limit of 2,000 annual swing bed days for hospitals subject to this limit. This paragraph expires January 1, 2020.~~

~~(h) A health care system that is in full compliance with this subdivision may allocate its total limit of swing bed days among the hospitals within the system, provided that no hospital in the system without an attached nursing home may exceed 2,000 swing bed days per year. This paragraph expires January 1, 2020.~~

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 46. Minnesota Statutes 2024, section 144.562, subdivision 3, is amended to read:

Subd. 3. Approval of license condition. (a) The commissioner of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision.

29.1 (b) The hospital must meet the eligibility criteria in subdivision 2.

29.2 (c) The hospital must be in compliance with the Medicare conditions of participation
29.3 for swing beds under Code of Federal Regulations, title 42, section 482.66.

29.4 (d) Except as provided in section 144.5621, the hospital must agree, in writing, to limit
29.5 the length of stay of a patient receiving services in a swing bed to not more than 40 days,
29.6 or the duration of Medicare eligibility, unless the commissioner of health approves a greater
29.7 length of stay in an emergency situation. To determine whether an emergency situation
29.8 exists, the commissioner shall require the hospital to provide documentation that continued
29.9 services in the swing bed are required by the patient; that no skilled nursing facility beds
29.10 are available within 25 miles from the patient's home, or in some more remote facility of
29.11 the resident's choice, that can provide the appropriate level of services required by the
29.12 patient; and that other alternative services are not available to meet the needs of the patient.
29.13 If the commissioner approves a greater length of stay, the hospital shall develop a plan
29.14 providing for the discharge of the patient upon the availability of a nursing home bed or
29.15 other services that meet the needs of the patient. Permission to extend a patient's length of
29.16 stay must be requested by the hospital at least ten days prior to the end of the maximum
29.17 length of stay.

29.18 (e) Except as provided in section 144.5621, the hospital must agree, in writing, to limit
29.19 admission to a swing bed only to (1) patients who have been hospitalized and not yet
29.20 discharged from the facility, or (2) patients who are transferred directly from an acute care
29.21 hospital.

29.22 (f) The hospital must agree, in writing, to report to the commissioner of health by
29.23 December 1, 1985, and annually thereafter, in a manner required by the commissioner (1)
29.24 the number of patients readmitted to a swing bed within 60 days of a patient's discharge
29.25 from the facility, (2) the hospital's charges for care in a swing bed during the reporting
29.26 period with a description of the care provided for the rate charged, and (3) the number of
29.27 beds used by the hospital for transitional care and similar subacute inpatient care.

29.28 (g) The hospital must agree, in writing, to report statistical data on the utilization of the
29.29 swing beds on forms supplied by the commissioner. The data must include the number of
29.30 swing beds, the number of admissions to and discharges from swing beds, Medicare
29.31 reimbursed patient days, total patient days, and other information required by the
29.32 commissioner to assess the utilization of swing beds.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 47. **[144.5621] SWING BED APPROVAL; EXCEPTIONS.**

The conditions and limitations in section 144.562, paragraphs (d) and (e), do not apply to any hospital located in Cook County that:

(1) is designated as a critical access hospital under section 144.1483, clause (9), and United States Code, title 42, section 1395i-4; and

(2) has an attached nursing home.

Any swing bed located in a hospital described in this section may be used to provide nursing care without requiring a prior hospital stay. The nursing care provided to a patient in a swing bed is a covered medical assistance service under section 256B.0625, subdivision 2b.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 48. Minnesota Statutes 2024, section 144.563, is amended to read:

144.563 NURSING SERVICES PROVIDED IN A HOSPITAL; PROHIBITED PRACTICES.

A hospital that has been granted a license condition under section 144.562 or 144.5621 must not provide to patients not reimbursed by Medicare or medical assistance the types of services that would be usually and customarily provided and reimbursed under medical assistance or Medicare as services of a skilled nursing facility or intermediate care facility for more than 42 days and only for patients who have been hospitalized and no longer require an acute level of care. Permission to extend a patient's length of stay may be granted by the commissioner if requested by the physician at least ten days prior to the end of the maximum length of stay.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 49. Minnesota Statutes 2024, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO AMBULANCE SERVICES FOR VOLUNTEER EDUCATION COSTS.

Subdivision 1. ~~Repayment for volunteer~~ Reimbursement for education costs; ambulance service eligibility. ~~A licensed ambulance service shall be reimbursed by the director for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the director, pursuant to section 144E.285 (a) Except as provided in subdivision 3, the director must reimburse all eligible Minnesota licensed ambulance services that apply for reimbursement under this section for the necessary expenses of initial EMR and EMT education and EMR and EMT continuing education for ambulance attendants who satisfy the criteria in subdivision 2. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a volunteer licensed ambulance attendant service be reimbursed more than \$900:~~

(1) \$1,200 for an ambulance attendant's successful completion of an initial EMT education course; and \$375;

(2) \$400 for an ambulance attendant's successful completion of a an EMT continuing education course;

(3) \$600 for an ambulance attendant's successful completion of an initial EMR education course; and

(4) \$200 for an ambulance attendant's successful completion of an EMR continuing education course.

(b) To be eligible for reimbursement, a licensed ambulance service must have responded to 5,000 or fewer calls in the most recent calendar year.

Subd. 2. ~~Reimbursement provisions~~ Ambulance attendant criteria. Reimbursement must be paid under ~~provisions~~ of this section when documentation is provided to the director that the ~~individual~~ ambulance attendant:

(1) successfully completed an initial EMR or EMT education course approved by the director under section 144E.285, a continuing education course for EMR or EMT care approved by the director under section 144E.285, or both; and

(2) has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Subd. 3. Discontinuance of reimbursement. If the state is unable to meet its financial obligations under subdivision 1 as the obligations become due, the director must discontinue reimbursing ambulance services for education costs until the state is again able to meet the financial obligations under subdivision 1 as the obligations become due. An ambulance service whose application is not approved due to lack of funding may resubmit the application in the next fiscal year.

Sec. 50. ~~[144E.38]~~ AMBULANCE SERVICE TRAINING AND STAFFING GRANT PROGRAM.

Subdivision 1. Definition. For purposes of this section, "employee" has the meaning given in section 181.960, subdivision 2.

Subd. 2. Grant program. The director must establish and administer a program to award grants to eligible ambulance services for certain costs to train ambulance service employees as emergency medical technicians and staff the ambulance service.

Subd. 3. Eligible ambulance services. To be eligible for a grant under this section, an ambulance service must:

(1) be licensed under this chapter; and

(2) in the calendar year prior to the year in which the ambulance service first applies for a grant under this section, have had at least 50 percent of its staffing provided by emergency medical technicians.

Subd. 4. Application. An eligible ambulance service seeking a grant under this section must apply to the director in a form and manner and according to a timeline specified by the director. In its application, the eligible ambulance service must specify the number of individuals it plans to hire using the grant money, the number of employee training hours it plans to fund using the grant money, and other information required by the director.

Subd. 5. Allowable uses of grant money; maximum grant amount. (a) An ambulance service must use grant money awarded under this section only for one or more of the following:

(1) tuition for employees attending an emergency medical technician (EMT) education program approved by the director;

(2) employee examination fees for EMT certification;

(3) fees for background studies for new EMT employees; and

(4) incurred wage and benefit costs of employees while attending an EMT education program or program-related activities. Wage and benefit costs under this clause must be commensurate with the wages and benefits the ambulance service provides to an entry-level EMT and must not exceed \$26 per hour.

(b) The grant amount awarded to an ambulance service must not exceed the amount needed for the costs in paragraph (a).

Subd. 6. **Grant program oversight.** An ambulance service receiving a grant under this section must provide the director with information necessary for the director to administer and evaluate the grant program.

Sec. 51. **[145.9231] EPILEPSY AND RELATED SEIZURE DISORDERS; DATA COLLECTION AND STATE COORDINATION PLAN.**

Subdivision 1. **Data collection.** The commissioner of health must collect, analyze, and report data on epilepsy and related seizure disorders in Minnesota. The data must include number of diagnoses, clinical outcomes, mortality rates, and related population health data for each calendar year. Deidentified data must be made publicly available.

Subd. 2. **State coordination plan.** The commissioner of health must use the data on epilepsy and seizure disorders to inform statewide efforts and build coordinated systems and partnerships to support community-led and culturally responsive strategies to ensure that Minnesotans at risk for or living with epilepsy and seizure disorders and their caregivers have equitable access to opportunities and resources to support their well-being and quality of life. The commissioner of health must evaluate the data to determine the effectiveness of the strategies.

Sec. 52. Minnesota Statutes 2024, section 157.16, subdivision 2, is amended to read:

Subd. 2. License renewal. Initial and renewal licenses for all food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts shall be issued on an annual basis. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of ~~\$60~~ \$100 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as

a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of ~~\$120~~ \$200 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, youth camps, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of ~~\$360~~ \$450 shall be added to the license fee for establishments operating more than 30 days without a license.

Sec. 53. Minnesota Statutes 2024, section 157.16, subdivision 2a, is amended to read:

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a ~~\$35~~ \$45 nonrefundable certification fee payable to the Department of Health. The commissioner shall issue a duplicate certificate to replace a lost, destroyed, or mutilated certificate if the applicant submits a completed application on a form provided by the commissioner for a duplicate certificate and pays ~~\$20~~ \$25 to the department for the cost of duplication. In addition, a \$5 technology fee must be paid with the initial certification, certification renewal, or duplicate certificate application.

Sec. 54. Minnesota Statutes 2024, section 157.16, subdivision 3, is amended to read:

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4). The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) All food and beverage service establishments, except special event food stands, and all hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base fee of ~~\$165~~ \$300.

(c) A special event food stand shall pay a flat fee of ~~\$55~~ \$75 annually. "Special event food stand" means a fee category where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.

(d) In addition to the base fee in paragraph (b), each food and beverage service establishment, other than a special event food stand and a school concession stand, and each

35.1 hotel, motel, lodging establishment, public pool, and resort shall pay an additional annual
35.2 fee for each fee category, additional food service, or required additional inspection specified
35.3 in this paragraph:

35.4 (1) Category 1 establishment, ~~\$110~~ \$185. "Category 1 establishment" means a fee
35.5 category that provides one or more of the following items or is one of the listed
35.6 establishments or facilities:

35.7 (i) serves prepackaged food that is served in the package;

35.8 (ii) serves a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;

35.9 (iii) serves soft drinks, coffee, or nonalcoholic beverages;

35.10 (iv) provides cleaning for eating, drinking, or cooking utensils, when the only food
35.11 served is prepared off site;

35.12 (v) a food establishment where the method of food preparation meets the definition of
35.13 a low-risk establishment in section 157.20; or

35.14 (vi) operates as a child care facility licensed under section 142B.05 and Minnesota Rules,
35.15 chapter 9503.

35.16 (2) Category 2 establishment, ~~\$245~~ \$430. "Category 2 establishment" means an
35.17 establishment that is not a Category 1 establishment and is either:

35.18 (i) a food establishment where the method of food preparation meets the definition of a
35.19 medium-risk establishment in section 157.20; or

35.20 (ii) an elementary or secondary school as defined in section 120A.05.

35.21 (3) Category 3 establishment, ~~\$385~~ \$670. "Category 3 establishment" means an
35.22 establishment that is not a Category 1 or Category 2 establishment and is either:

35.23 (i) a food establishment where the method of food preparation meets the definition of a
35.24 high-risk establishment in section 157.20; or

35.25 (ii) an establishment where 500 or more meals are prepared per day and served at one
35.26 or more separate locations.

35.27 (4) Other food and beverage service, including food carts, mobile food units, seasonal
35.28 temporary food stands, and seasonal permanent food stands, ~~\$85~~ \$150.

35.29 (5) Lodging per sleeping accommodation unit, ~~\$11~~ \$15, including hotels, motels, lodging
35.30 establishments, and resorts, up to a maximum of ~~\$1,100~~ \$1,500. "Lodging per sleeping
35.31 accommodation unit" means a fee category including the number of guest rooms, cottages,

36.1 or other rental units of a hotel, motel, lodging establishment, or resort; or the number of
36.2 beds in a dormitory.

36.3 (6) First public pool, ~~\$355~~ \$455; each additional public pool, ~~\$200~~ \$300. "Public pool"
36.4 means a fee category that has the meaning given in section 144.1222, subdivision 4.

36.5 (7) First spa, ~~\$200~~ \$300; each additional spa, ~~\$110~~ \$200. "Spa pool" means a fee category
36.6 that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

36.7 (8) Private sewer or water, ~~\$60~~ \$85. "Individual private water" means a fee category
36.8 with a water supply other than a community public water supply as defined in Minnesota
36.9 Rules, chapter 4720. "Individual private sewer" means a fee category with an individual
36.10 sewage treatment system which uses subsurface treatment and disposal.

36.11 (9) Additional food service, ~~\$175~~ \$250. "Additional food service" means a location at
36.12 a food service establishment, other than the primary food preparation and service area, used
36.13 to prepare or serve beverages or food to the public. Additional food service does not apply
36.14 to school concession stands.

36.15 (10) Additional inspection fee, ~~\$250~~ \$350. "Additional inspection fee" means a fee to
36.16 conduct the second inspection each year for elementary and secondary education facility
36.17 school lunch programs when required by the Richard B. Russell National School Lunch
36.18 Act.

36.19 (11) HACCP verification, ~~\$175~~ \$225. "HACCP verification" means an annual fee
36.20 category for a business that performs one or more specialized process that requires an
36.21 HACCP plan as required in chapter 31 and Minnesota Rules, chapter 4626.

36.22 (e) A fee for review of construction plans must accompany the initial license application
36.23 for restaurants, hotels, motels, lodging establishments, resorts, seasonal food stands, and
36.24 mobile food units. Plans submitted less than 30 days prior to construction are subject to 50
36.25 percent of the original plan review fee. A fee for review of an HACCP plan for specialized
36.26 processing must be submitted and approved prior to preparing and serving the specialized
36.27 processed food for human consumption. The fees for construction plan reviews and HACCP
36.28 plan reviews are as follows:

36.29	Service Area	Type	Fee
36.30			~~\$400~~
36.31	Food	category 1 establishment	<u>\$550</u>
36.32			~~\$450~~
36.33		category 2 establishment	<u>\$750</u>
36.34			~~\$500~~
36.35		category 3 food establishment	<u>\$800</u>

37.1			~~\$250~~
37.2		additional food service	<u>\$400</u>
37.3			~~\$500~~
37.4		HACCP Plan Review	<u>\$600</u>
37.5			~~\$250~~
37.6	Transient food service	food cart	<u>\$500</u>
37.7			~~\$250~~
37.8		seasonal permanent food stand	<u>\$500</u>
37.9			~~\$250~~
37.10		seasonal temporary food stand	<u>\$500</u>
37.11			~~\$350~~
37.12		mobile food unit	<u>\$700</u>
37.13			~~\$375~~
37.14	Lodging	less than 25 rooms	<u>\$450</u>
37.15			~~\$400~~
37.16		25 to less than 100 rooms	<u>\$500</u>
37.17			~~\$500~~
37.18		100 rooms or more	<u>\$600</u>
37.19			~~\$350~~
37.20		less than five cabins	<u>\$400</u>
37.21			~~\$400~~
37.22		five to less than ten cabins	<u>\$450</u>
37.23			~~\$450~~
37.24		ten cabins or more	<u>\$500</u>
37.25	(f) When existing food and beverage service establishments, hotels, motels, lodging		
37.26	establishments, resorts, seasonal food stands, and mobile food units are extensively		
37.27	remodeled, a fee must be submitted with the remodeling plans. The fee for this construction		
37.28	plan review is as follows:		
37.29	Service Area	Type	Fee
37.30			~~\$300~~
37.31	Food	category 1 establishment	<u>\$450</u>
37.32			~~\$350~~
37.33		category 2 establishment	<u>\$500</u>
37.34			~~\$400~~
37.35		category 3 establishment	<u>\$550</u>
37.36			~~\$250~~
37.37		additional food service	<u>\$400</u>
37.38			~~\$250~~
37.39	Transient food service	food cart	<u>\$400</u>
37.40			~~\$250~~
37.41		seasonal permanent food stand	<u>\$400</u>
37.42			~~\$250~~
37.43		seasonal temporary food stand	<u>\$400</u>

38.1			~~\$250~~
38.2		mobile food unit	<u>\$400</u>
38.3			~~\$250~~
38.4	Lodging	less than 25 rooms	<u>\$300</u>
38.5			~~\$300~~
38.6		25 to less than 100 rooms	<u>\$350</u>
38.7			~~\$450~~
38.8		100 rooms or more	<u>\$500</u>
38.9			~~\$250~~
38.10		less than five cabins	<u>\$300</u>
38.11			~~\$350~~
38.12		five to less than ten cabins	<u>\$400</u>
38.13			~~\$400~~
38.14		ten cabins or more	<u>\$450</u>

38.15 (g) Special event food stands are not required to submit construction or remodeling plans
 38.16 for review.

38.17 (h) Youth camps shall pay an annual single fee for food and lodging as follows:

38.18 (1) camps with up to 99 campers, ~~\$325~~ \$375;

38.19 (2) camps with 100 to 199 campers, ~~\$550~~ \$600; and

38.20 (3) camps with 200 or more campers, ~~\$750~~ \$800.

38.21 (i) A youth camp which pays fees under paragraph (d) is not required to pay fees under
 38.22 paragraph (h).

38.23 Sec. 55. Minnesota Statutes 2024, section 157.16, subdivision 3a, is amended to read:

38.24 Subd. 3a. **Statewide hospitality fee.** Every person, firm, or corporation that operates a
 38.25 licensed boarding establishment, food and beverage service establishment, seasonal temporary
 38.26 or permanent food stand, special event food stand, mobile food unit, food cart, resort, hotel,
 38.27 motel, or lodging establishment in Minnesota must submit to the commissioner a ~~\$40~~ \$50
 38.28 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed
 38.29 by either the Department of Health is required or a local government shall be paid at the
 38.30 same time the licensure fee is due. For establishments licensed by local governments, the
 38.31 fee is due to be paid to the Department of Health by the local government by July 1 of each
 38.32 year.

Sec. 56. Minnesota Statutes 2024, section 157.16, is amended by adding a subdivision to read:

Subd. 3b. **Technology fee.** Every food and beverage service establishment, youth camp, hotel, motel, lodging establishment, public pool, and resort licensed under this chapter must pay a \$5 technology fee for each licensed activity for the initial license and with each renewal.

Sec. 57. Minnesota Statutes 2024, section 256B.0625, subdivision 2, is amended to read:

Subd. 2. Skilled and intermediate nursing care. ~~(a) Medical assistance covers skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 252.41, subdivision 3, for persons with developmental disabilities who are residing in intermediate care facilities for persons with developmental disabilities. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless (1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds; (2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments; (3) the patient was screened as provided by law; (4) the patient no longer requires acute care services; and (5) no nursing home beds are available within 25 miles of the facility. The commissioner shall exempt a facility from compliance with the sole community provider requirement in clause (1) if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.~~

~~(b) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility. The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.~~

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 58. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 2b. Nursing care provided to a patient in a swing bed. (a) Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562, unless:

(1) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute care beds;

(2) the Centers for Medicare and Medicaid Services approves the necessary state plan amendments;

(3) the patient was screened as provided by law;

(4) the patient no longer requires acute care services; and

(5) no nursing home beds are available within 25 miles of the facility.

(b) The commissioner shall exempt a facility from compliance with the sole community provider requirement in paragraph (a), clause (1), if, as of January 1, 2004, the facility had an agreement with the commissioner to provide medical assistance swing bed services.

(c) Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if:

(1) the patient's physician, advanced practice registered nurse, or physician assistant certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family;

(2) no open nursing home beds are available within 25 miles of the facility; and

(3) no open beds are available in any Medicare hospice program within 50 miles of the facility.

(d) The commissioner shall exempt any facility described under section 144.5621 from compliance with the requirements of paragraph (a), clauses (3) and (5), and paragraph (c), and medical assistance covers an unlimited number of days of nursing care provided to a patient in a swing bed at a facility described under section 144.5621.

(e) The daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner on July 1 of each year.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 59. Minnesota Statutes 2024, section 256R.01, is amended by adding a subdivision to read:

Subd. 1a. **Payment rates for nursing care provided to a patient in a swing bed.** Payment rates paid to any hospital for nursing care provided to a patient in a swing bed must be those rates established pursuant section 256B.0625, subdivision 2b.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioners of health and human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 60. Minnesota Statutes 2024, section 326.72, subdivision 1, is amended to read:

Subdivision 1. **When license required.** ~~A person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued.~~

~~The domiciled owner of a single family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.~~

Any person performing any asbestos-related work within the state must be licensed by the commissioner, whether directly performing asbestos work or causing it to be performed through subcontracting or similar delegation. A domiciled owner of a single-family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.

Sec. 61. Minnesota Statutes 2024, section 326.75, subdivision 3, is amended to read:

Subd. 3. **Permit fee.** Five calendar days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to ~~two~~ three percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing

42.1 material on other facility components, a person shall pay a project permit fee of \$35 to the
42.2 commissioner.

42.3 Sec. 62. Minnesota Statutes 2024, section 326.75, subdivision 3a, is amended to read:

42.4 Subd. 3a. **Asbestos-related training course permit fee.** ~~The commissioner shall establish~~
42.5 ~~by rule a permit fee to be paid by~~ A training course provider shall pay the commissioner a
42.6 fee of \$500 on application for a training course permit or and \$250 for the renewal of a
42.7 permit of each asbestos-related training course required for certification or registration.

42.8 Sec. 63. **SPOKEN LANGUAGE HEALTH CARE INTERPRETER WORK GROUP.**

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

42.11 (b) "Commissioner" means the commissioner of health.

42.12 (c) "Common languages" means the 15 most frequent languages without regard to dialect
42.13 in Minnesota.

42.14 (d) "Registered interpreter" means a spoken language interpreter who is listed on the
42.15 Department of Health's spoken language health care interpreter roster.

42.16 (e) "Work group" means the spoken language health care interpreter work group
42.17 established in subdivision 2.

42.18 Subd. 2. Composition. The commissioner shall, after receiving work group candidate
42.19 applications, appoint 15 members to the work group consisting of the following members:

42.20 (1) three members who are interpreters listed on the Department of Health's spoken
42.21 language health care interpreter roster and who are Minnesota residents. Of these members:

42.22 (i) each must be an interpreter for a different language; (ii) at least one must have a national
42.23 certification credential; and (iii) at least one must have been listed on the roster as an
42.24 interpreter in a language other than the common languages and must have completed a
42.25 nationally recognized training program for health care interpreters that is, at a minimum,
42.26 40 hours in length;

42.27 (2) three members representing limited English proficiency (LEP) individuals. Of these
42.28 members, two must represent LEP individuals who are not proficient in a common language
42.29 and one must represent LEP individuals who are proficient in a language that is not one of
42.30 the common languages;

42.31 (3) one member representing a health plan company;

43.1 (4) one member representing a Minnesota health system who is not an interpreter;

43.2 (5) two members representing interpreter agencies, including one member representing
43.3 agencies whose main office is located outside the seven-county metropolitan area and one
43.4 member representing agencies whose main office is located within the seven-county
43.5 metropolitan area;

43.6 (6) one member representing the Department of Health;

43.7 (7) one member representing the Department of Human Services;

43.8 (8) one member representing an interpreter training program or postsecondary educational
43.9 institution program providing interpreter courses or skills assessment;

43.10 (9) one member who is affiliated with a Minnesota-based or Minnesota chapter of a
43.11 national or international organization representing interpreters; and

43.12 (10) one member who is a licensed direct care health provider.

43.13 Subd. 3. **Duties.** The work group must compile a list of recommendations to support
43.14 and improve access to the critical health care interpreting services provided across the state,
43.15 including but not limited to:

43.16 (1) changing requirements for registered and certified interpreters to reflect changing
43.17 needs of the Minnesota health care community and emerging national standards of training,
43.18 competency, and testing;

43.19 (2) addressing barriers for interpreters to gain access to the roster, including barriers to
43.20 interpreters of uncommon languages and interpreters in rural areas;

43.21 (3) reimbursing spoken language health care interpreting;

43.22 (4) identifying gaps in interpreter services in rural areas and recommending ways to
43.23 address interpreter training and funding needs;

43.24 (5) training, certification, and continuing education programs;

43.25 (6) convening a meeting of public and private sector representatives of the spoken
43.26 language health care interpreters community to identify ongoing sources of financial
43.27 assistance to aid individual interpreters in meeting interpreter training and testing registry
43.28 requirements;

43.29 (7) conducting surveys of people receiving and providing interpreter services to
43.30 understand changing needs and consumer quality care; and

(8) suggesting changes in requirements and qualifications on telehealth or remote interpreting.

Subd. 4. Compensation; expense reimbursement. Compensation shall be offered to work group members not being compensated for their participation in work group activities as part of their existing job duties. Work group members shall be compensated and reimbursed for expenses for work group activities under section 15.059, subdivision 3.

Subd. 5. Administrative support; meeting space; meeting facilitation. The commissioner must provide meeting space and administrative support for the work group. The commissioner may contract with a neutral independent consultant to provide this administrative support and to facilitate and lead the meetings of the work group.

Subd. 6. Deadline for appointments. The commissioner must appoint members to the work group by August 15, 2025.

Subd. 7. Expiration. This section expires on November 2, 2026, or upon submission of the report required under subdivision 9, whichever is earlier.

Subd. 8. Initial spoken language health care interpreter work group meetings. The commissioner shall convene the first meeting of the work group by October 1, 2025. Prior to the first meeting, work group members must receive survey results and evidence-based research on interpreter services in Minnesota. During the first meetings, work group members must receive survey results and consult with subject matter experts, including but not limited to signed language interpreting experts, academic experts with knowledge of interpreting research, and academic health experts to address specific gaps in spoken language health care interpreting. The work group shall provide a minimum of two opportunities for public comment. These opportunities shall be announced with at least four weeks' notice, with publicity in the five most common languages in Minnesota. Interpreters for those same languages shall be provided during the public comment opportunities.

Subd. 9. Report. The commissioner must provide the chairs and ranking minority members of the legislative committees with jurisdiction over health care interpreter services with recommendations, including draft legislation and any statutory changes needed to implement the recommendations, to improve and support access to health care interpreting services statewide by November 1, 2026.

Sec. 64. REPEALER.

Minnesota Statutes, section 62J.824, is repealed.

ARTICLE 2**DEPARTMENT OF HEALTH POLICY**

Section 1. Minnesota Statutes 2024, section 62J.461, subdivision 3, is amended to read:

Subd. 3. Reporting by covered entities to the commissioner. (a) Each 340B covered entity shall report to the commissioner by April 1 of each year the following information for transactions conducted by the 340B covered entity or on its behalf, and related to its participation in the federal 340B program for the previous calendar year:

(1) the aggregated acquisition cost for prescription drugs obtained under the 340B program;

(2) the aggregated payment amount received for drugs obtained under the 340B program and dispensed or administered to patients;

(i) that are net of the contracted price for insurance claims payments; and

(ii) that reflect the portion of payment received from grants, cash, or other payment types that relate to the dispensing or administering of drugs obtained under the 340B program;

(3) the number of pricing units dispensed or administered for prescription drugs described in clause (2); and

(4) the aggregated payments made:

(i) to contract pharmacies to dispense drugs obtained under the 340B program;

(ii) to any other entity that is not the covered entity and is not a contract pharmacy for managing any aspect of the covered entity's 340B program; and

(iii) for all other internal, direct expenses related to administering the 340B program with a detailed description of the direct costs included.

The information under clauses (2) and (3) must be reported by payer type, including but not limited to commercial insurance, medical assistance, MinnesotaCare, and Medicare, in the form and manner prescribed by the commissioner.

(b) For covered entities that are hospitals, the information required under paragraph (a), clauses (1) to (3), must also be reported at the national drug code level for the 50 most frequently dispensed or administered drugs by the facility under the 340B program.

(c) Data submitted to the commissioner under paragraphs (a) and (b) are classified as nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 2. Minnesota Statutes 2024, section 62J.461, subdivision 4, is amended to read:

Subd. 4. **Enforcement and exceptions.** (a) Any ~~health-care~~ covered entity subject to reporting under this section that fails to provide data in the form and manner prescribed by the commissioner is subject to the levy of a fine ~~paid to the commissioner~~ of up to \$500 for each day the data are past due. Any fine levied against the entity under this subdivision is subject to the contested case and judicial review provisions of sections 14.57 ~~and~~ to 14.69.

(b) The commissioner may grant an entity an extension of or exemption from the reporting obligations under this ~~subdivision~~ section, upon a showing of good cause by the entity.

Sec. 3. Minnesota Statutes 2024, section 62J.461, subdivision 5, is amended to read:

Subd. 5. **Reports to the legislature.** By November 15, 2024, and by November 15 of each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance and policy, a report that aggregates the data submitted under subdivision 3, paragraphs (a) and (b). ~~The following information must be included in the report~~ For all 340B entities whose net 340B revenue constitutes a significant share, as determined by the commissioner, of all net 340B revenue across all 340B covered entities in Minnesota, the following information must also be included in the report:

(1) the information submitted under subdivision 2; and

(2) for each 340B entity identified in subdivision 2, that entity's 340B net revenue as calculated using the data submitted under subdivision 3, paragraph (a), with net revenue being subdivision 3, paragraph (a), clause (2), less the sum of subdivision 3, paragraph (a), clauses (1) and (4).

For all other entities, the data in the report must be aggregated to the entity type or groupings of entity types in a manner that prevents the identification of an individual entity and any entity's specific data value reported for an individual data element.

Sec. 4. Minnesota Statutes 2024, section 62J.51, subdivision 19a, is amended to read:

Subd. 19a. **Uniform explanation of benefits document.** "Uniform explanation of benefits ~~document~~" means either the document associated with and explaining the details of a group purchaser's claim adjudication for services rendered or its electronic equivalent under section 62J.581, which is sent to a patient.

Sec. 5. Minnesota Statutes 2024, section 62J.581, is amended to read:

62J.581 STANDARDS FOR MINNESOTA UNIFORM HEALTH CARE REIMBURSEMENT DOCUMENTS.

Subdivision 1. **Minnesota uniform remittance advice.** All group purchasers shall provide a uniform claim payment/advice transaction to health care providers when a claim is adjudicated. The uniform claim payment/advice transaction shall comply with section 62J.536, subdivision 1, paragraph (b), and rules adopted under section 62J.536, subdivision 2.

Subd. 2. **Minnesota uniform explanation of benefits ~~document~~.** (a) All group purchasers shall provide a uniform explanation of benefits ~~document~~ to health care patients when an explanation of benefits ~~document~~ is provided as otherwise required or permitted by law. The uniform explanation of benefits ~~document~~ shall comply with the standards prescribed in this section.

(b) Notwithstanding paragraph (a), this section does not apply to group purchasers not included as covered entities under United States Code, title 42, sections 1320d to 1320d-8, as amended from time to time, and the regulations promulgated under those sections.

Subd. 3. **Scope.** For purposes of sections 62J.50 to 62J.61, the ~~uniform claim payment/advice transaction and~~ uniform explanation of benefits ~~document~~ format specified in subdivision 4 shall apply to all health care services delivered by a health care provider or health care provider organization in Minnesota, regardless of the location of the payer. Health care services not paid on an individual claims basis, such as capitated payments, are not included in this section. A health plan company is excluded from the requirements in ~~subdivisions 1 and~~ subdivision 2 if they comply with section 62A.01, subdivisions 2 and 3.

Subd. 4. **Specifications.** (a) The uniform explanation of benefits ~~document~~ shall be provided by use of a paper document conforming to the specifications in this section or its electronic equivalent under paragraph (b).

(b) Group purchasers may make the uniform explanation of benefits available in a version that can be accessed by health care patients electronically if:

(1) the group purchaser making the uniform explanation of benefits available electronically provides health care patients the ability to choose whether to receive paper, electronic, or both paper and electronic versions of their uniform explanation of benefits;

(2) the group purchaser provides clear, readily accessible information and instructions for the patient to communicate their choice; and

(3) health care patients not responding to the opportunity to make a choice will receive at a minimum a paper uniform explanation of benefits.

(c) The commissioner, after consulting with the Administrative Uniformity Committee, shall specify the data elements and definitions for the paper uniform explanation of benefits document. The commissioner and the Administrative Uniformity Committee must consult with the Minnesota Dental Association and Delta Dental Plan of Minnesota before requiring under this section the use of a paper document for the uniform explanation of benefits document or the uniform claim payment/advice transaction for dental care services. Any electronic version of the uniform explanation of benefits must use the same data elements and definitions as the paper uniform explanation of benefits.

~~Subd. 5. **Effective date.** The requirements in subdivisions 1 and 2 are effective June 30, 2007. The requirements in subdivisions 1 and 2 apply regardless of when the health care service was provided to the patient.~~

Sec. 6. Minnesota Statutes 2024, section 62J.84, subdivision 2, is amended to read:

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

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

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

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

(2) a biologics license application approved under United States Code, title 42, section 262(a)(c).

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

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

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

49.1 (2) an authorized generic as defined under Code of Federal Regulations, title 42, section
49.2 447.502; or

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

49.5 (f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

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

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

49.13 (i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision
49.14 8.

49.15 (j) "Price" means the wholesale acquisition cost as defined in United States Code, title
49.16 42, section 1395w-3a(c)(6)(B).

49.17 (k) "30-day supply" means the total daily dosage units of a prescription drug
49.18 recommended by the prescribing label approved by the FDA for 30 days. If the
49.19 FDA-approved prescribing label includes more than one recommended daily dosage, the
49.20 30-day supply is based on the maximum recommended daily dosage on the FDA-approved
49.21 prescribing label.

49.22 (l) "Course of treatment" means the total dosage of a single prescription for a prescription
49.23 drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing
49.24 label includes more than one recommended dosage for a single course of treatment, the
49.25 course of treatment is the maximum recommended dosage on the FDA-approved prescribing
49.26 label.

49.27 (m) "Drug product family" means a group of one or more prescription drugs that share
49.28 a unique generic drug description or nontrade name and dosage form.

49.29 ~~(n) "Individual salable unit" means the smallest container of product introduced into~~
49.30 ~~commerce by the manufacturer or repackager that is intended by the manufacturer or~~
49.31 ~~repackager for individual sale to a dispenser.~~

~~(n)~~ (n) "National drug code" means the three-segment code maintained by the federal Food and Drug Administration that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits such that each segment contains the specified number of digits.

~~(p)~~ (o) "Pharmacy" or "pharmacy provider" means a community/outpatient pharmacy as defined in Minnesota Rules, part 6800.0100, subpart 2, that is also licensed as a pharmacy by the Board of Pharmacy under section 151.19.

~~(p)~~ (p) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy benefit manager under section 62W.03.

~~(q)~~ (q) "Pricing unit" means the smallest dispensable amount of a prescription drug product that could be dispensed or administered.

~~(r)~~ (r) "Rebate" means a discount, chargeback, or other price concession that affects the price of a prescription drug product, regardless of whether conferred through regular aggregate payments, on a claim-by-claim basis at the point of sale, as part of retrospective financial reconciliations, including reconciliations that also reflect other contractual arrangements, or by any other method. "Rebate" does not mean a bona fide service fee as defined in Code of Federal Regulations, title 42, section 447.502.

~~(s)~~ (s) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager, wholesale drug distributor, or any other entity required to submit data under this section.

~~(t)~~ (t) "Wholesale drug distributor" or "wholesaler" means an entity that:

~~(1)~~ is licensed to act as a wholesale drug distributor under section 151.47; ~~and~~ and

~~(2) distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state.~~

Sec. 7. Minnesota Statutes 2024, section 62J.84, subdivision 3, is amended to read:

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was \$100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

51.1 (1) for brand name drugs where there is an increase of ten percent or greater in the price
51.2 over the previous 12-month period or an increase of 16 percent or greater in the price over
51.3 the previous 24-month period; and

51.4 (2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in
51.5 the price over the previous 12-month period.

51.6 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
51.7 the commissioner no later than 60 days after the price increase goes into effect, in the form
51.8 and manner prescribed by the commissioner, the following information, if applicable:

51.9 (1) the description and price of the drug and the net increase, expressed as a percentage,
51.10 with the following listed separately:

51.11 (i) the national drug code;

51.12 (ii) the product name;

51.13 (iii) the dosage form;

51.14 (iv) the strength; and

51.15 (v) the package size;

51.16 (2) the factors that contributed to the price increase;

51.17 (3) the name of any generic version of the prescription drug available on the market;

51.18 (4) the year the prescription drug was introduced for sale in the United States;

51.19 ~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in
51.20 the United States and the price of the drug on the last day of each of the five calendar years
51.21 preceding the price increase;

51.22 ~~(5)~~ (6) the direct costs incurred during the previous 12-month period by the manufacturer
51.23 that are associated with the prescription drug, listed separately:

51.24 (i) to manufacture the prescription drug;

51.25 (ii) to market the prescription drug, including advertising costs; and

51.26 (iii) to distribute the prescription drug;

51.27 (7) the number of units of the prescription drug sold during the previous 12-month period;

51.28 ~~(6)~~ (8) the total sales revenue for the prescription drug during the previous 12-month
51.29 period;

52.1 (9) the total rebate payable amount accrued for the prescription drug during the previous
52.2 12-month period;

52.3 ~~(7)~~ (10) the manufacturer's net profit attributable to the prescription drug during the
52.4 previous 12-month period;

52.5 ~~(8)~~ (11) the total amount of financial assistance the manufacturer has provided through
52.6 patient prescription assistance programs during the previous 12-month period, if applicable;

52.7 ~~(9)~~ (12) any agreement between a manufacturer and another entity contingent upon any
52.8 delay in offering to market a generic version of the prescription drug;

52.9 ~~(10)~~ (13) the patent expiration date of the prescription drug if it is under patent;

52.10 ~~(11)~~ (14) the name and location of the company that manufactured the drug;

52.11 ~~(12)~~ (15) if a brand name prescription drug, the highest price paid for the prescription
52.12 drug during the previous calendar year in the ten countries, excluding the United States,
52.13 that charged the highest single price for the prescription drug; and

52.14 ~~(13)~~ (16) if the prescription drug was acquired by the manufacturer during the previous
52.15 12-month period, all of the following information:

52.16 (i) price at acquisition;

52.17 (ii) price in the calendar year prior to acquisition;

52.18 (iii) name of the company from which the drug was acquired;

52.19 (iv) date of acquisition; and

52.20 (v) acquisition price.

52.21 (c) The manufacturer may submit any documentation necessary to support the information
52.22 reported under this subdivision.

52.23 Sec. 8. Minnesota Statutes 2024, section 62J.84, subdivision 6, is amended to read:

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

52.28 (1) a list of the prescription drugs reported under subdivisions 3, 4, and 11 to 14 and the
52.29 manufacturers of those prescription drugs; ~~and~~

53.1 (2) a list of reporting entities that reported prescription drug price information under
53.2 subdivisions 3, 4, and 11 to 14; and

53.3 ~~(2)~~ (3) information reported to the commissioner under subdivisions 3, 4, and 11 to 14,
53.4 aggregated on a per-drug basis in a manner that does not allow the identification of a reporting
53.5 entity that is not the manufacturer of the drug.

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

53.9 (c) The commissioner shall not post to the department's website or a private entity
53.10 contracting with the commissioner shall not post any information described in this section
53.11 if the information is not public data under section 13.02, subdivision 8a; or is trade secret
53.12 information under section 13.37, subdivision 1, paragraph (b); or is trade secret information
53.13 pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section
53.14 1836, as amended. If a reporting entity believes information should be withheld from public
53.15 disclosure pursuant to this paragraph, the reporting entity must clearly and specifically
53.16 identify that information and describe the legal basis in writing when the reporting entity
53.17 submits the information under this section. If the commissioner disagrees with the reporting
53.18 entity's request to withhold information from public disclosure, the commissioner shall
53.19 provide the reporting entity written notice that the information will be publicly posted 30
53.20 days after the date of the notice.

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

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

53.31 Sec. 9. Minnesota Statutes 2024, section 62J.84, subdivision 10, is amended to read:

53.32 Subd. 10. **Notice of prescription drugs of substantial public interest.** (a) No later than
53.33 January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the

department's website a list of prescription drugs that the commissioner determines to represent a substantial public interest and for which the commissioner intends to request data under subdivisions 11 to 14, subject to paragraph (c). The commissioner shall base its inclusion of prescription drugs on any information the commissioner determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the commissioner shall consider drug product families that include prescription drugs:

(1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

(2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available; or

(3) that are identified by members of the public during a public comment process.

(b) Not sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via email, reporting entities registered with the department of:

(1) the requirement to report under subdivisions 11 to 14; and

(2) the reporting period for which data must be provided.

(c) The commissioner must not designate more than 500 prescription drugs as having a substantial public interest in any one notice.

(d) Notwithstanding subdivision 16, the commissioner is exempt from chapter 14, including section 14.386, in implementing this subdivision.

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

Sec. 10. Minnesota Statutes 2024, section 62J.84, subdivision 11, is amended to read:

Subd. 11. **Manufacturer prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the manufacturer by the department under subdivision 10;

(2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

55.1 (4) for which the manufacturer has not submitted data under subdivision 3 during the
55.2 120-day period prior to the date of the notification to report.

55.3 (b) For each of the drugs described in paragraph (a), the manufacturer shall submit to
55.4 the commissioner no later than 60 days after the date of the notification to report, in the
55.5 form and manner prescribed by the commissioner, the following information, if applicable:

55.6 (1) a description of the drug with the following listed separately:

55.7 (i) the national drug code;

55.8 (ii) the product name;

55.9 (iii) the dosage form;

55.10 (iv) the strength; and

55.11 (v) the package size;

55.12 (2) the price of the drug product on the later of:

55.13 (i) the day one year prior to the date of the notification to report;

55.14 (ii) the introduced to market date; or

55.15 (iii) the acquisition date;

55.16 (3) the price of the drug product on the date of the notification to report;

55.17 (4) the year the prescription drug was introduced for sale in the United States;

55.18 ~~(4)~~ (5) the introductory price of the prescription drug when it was introduced for sale in
55.19 the United States and the price of the drug on the last day of each of the five calendar years
55.20 preceding the date of the notification to report;

55.21 ~~(5)~~ (6) the direct costs incurred during the ~~12-month period prior to the date of reporting~~
55.22 period specified in the notification to report by the manufacturers that are associated with
55.23 the prescription drug, listed separately:

55.24 (i) to manufacture the prescription drug;

55.25 (ii) to market the prescription drug, including advertising costs; and

55.26 (iii) to distribute the prescription drug;

55.27 ~~(6)~~ (7) the number of units of the prescription drug sold during the ~~12-month period~~
55.28 prior to the date of reporting period specified in the notification to report;

- 56.1 ~~(7)~~ (8) the total sales revenue for the prescription drug during the ~~12-month period prior~~
56.2 ~~to the date of~~ reporting period specified in the notification to report;
- 56.3 ~~(8)~~ (9) the total rebate payable amount accrued for the prescription drug during the
56.4 ~~12-month period prior to the date of~~ reporting period specified in the notification to report;
- 56.5 ~~(9)~~ (10) the manufacturer's net profit attributable to the prescription drug during the
56.6 ~~12-month period prior to the date of~~ reporting period specified in the notification to report;
- 56.7 ~~(10)~~ (11) the total amount of financial assistance the manufacturer has provided through
56.8 patient prescription assistance programs during the ~~12-month period prior to the date of~~
56.9 reporting period specified in the notification to report, if applicable;
- 56.10 ~~(11)~~ (12) any agreement between a manufacturer and another entity contingent upon
56.11 any delay in offering to market a generic version of the prescription drug;
- 56.12 ~~(12)~~ (13) the patent expiration date of the prescription drug if the prescription drug is
56.13 under patent;
- 56.14 ~~(13)~~ (14) the name and location of the company that manufactured the drug;
- 56.15 ~~(14)~~ (15) if the prescription drug is a brand name prescription drug, the ten countries
56.16 other than the United States that paid the highest prices for the prescription drug during the
56.17 previous calendar year and their prices; and
- 56.18 ~~(15)~~ (16) if the prescription drug was acquired by the manufacturer within a ~~12-month~~
56.19 ~~period prior to the date of~~ the reporting period specified in the notification to report, all of
56.20 the following information:
- 56.21 (i) the price at acquisition;
- 56.22 (ii) the price in the calendar year prior to acquisition;
- 56.23 (iii) the name of the company from which the drug was acquired;
- 56.24 (iv) the date of acquisition; and
- 56.25 (v) the acquisition price.
- 56.26 (c) The manufacturer may submit any documentation necessary to support the information
56.27 reported under this subdivision.

57.1 Sec. 11. Minnesota Statutes 2024, section 62J.84, subdivision 12, is amended to read:

57.2 Subd. 12. **Pharmacy prescription drug substantial public interest reporting.** (a)

57.3 Beginning January 1, 2024, a pharmacy must submit to the commissioner the information
57.4 described in paragraph (b) for any prescription drug:

57.5 (1) included in a notification to report issued to the pharmacy by the department under
57.6 subdivision 10-; and

57.7 (2) that the pharmacy dispensed in Minnesota or mailed to a Minnesota address.

57.8 (b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the
57.9 commissioner no later than 60 days after the date of the notification to report, in the form
57.10 and manner prescribed by the commissioner, the following information, if applicable:

57.11 (1) a description of the drug with the following listed separately:

57.12 (i) the national drug code;

57.13 (ii) the product name;

57.14 (iii) the dosage form;

57.15 (iv) the strength; and

57.16 (v) the package size;

57.17 (2) the number of units of the drug acquired during the ~~12-month period prior to the date~~
57.18 ~~of reporting period specified in the notification to report;~~

57.19 (3) the total spent before rebates by the pharmacy to acquire the drug during the ~~12-month~~
57.20 ~~period prior to the date of~~ reporting period specified in the notification to report;

57.21 (4) the total rebate receivable amount accrued by the pharmacy for the drug during the
57.22 ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

57.23 (5) the number of pricing units of the drug dispensed by the pharmacy during the
57.24 ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

57.25 (6) the total payment receivable by the pharmacy for dispensing the drug including
57.26 ingredient cost, dispensing fee, and administrative fees during the ~~12-month period prior~~
57.27 ~~to the date of~~ reporting period specified in the notification to report;

57.28 (7) the total rebate payable amount accrued by the pharmacy for the drug during the
57.29 ~~12-month period prior to the date of~~ reporting period specified in the notification to report;

57.30 and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the ~~12-month period prior to the date of~~ reporting period specified in the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

(d) The commissioner may grant extensions, exemptions, or both to compliance with the requirements of paragraphs (a) and (b) by small or independent pharmacies, if compliance with paragraphs (a) and (b) would represent a hardship or undue burden to the pharmacy. The commissioner may establish procedures for small or independent pharmacies to request extensions or exemptions under this paragraph.

Sec. 12. Minnesota Statutes 2024, section 62J.84, subdivision 13, is amended to read:

Subd. 13. **PBM prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a PBM must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the PBM by the department under subdivision 10; and

(2) for which the PBM fulfilled pharmacy benefit management duties for Minnesota residents.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug product filled ~~for which the PBM administered claims during the 12-month period prior to the date of~~ reporting period specified in the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of reporting period specified in the notification to report;

(4) the total reimbursement ~~or administrative fee amount, or both,~~ accrued and receivable from payers for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of reporting period specified in the notification to report;

(5) the total administrative fee amount accrued and receivable from payers for pricing units of the drug product filled during the reporting period specified in the notification to report;

~~(5)~~ (6) the total rebate receivable amount accrued by the PBM for the drug product during the 12-month period prior to the date of reporting period specified in the notification to report; and

~~(6)~~ (7) the total rebate payable amount accrued by the PBM for the drug product during the 12-month period prior to the date of reporting period specified in the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 13. Minnesota Statutes 2024, section 62J.84, subdivision 14, is amended to read:

Subd. 14. **Wholesale drug distributor prescription drug substantial public interest reporting.** (a) Beginning January 1, 2024, a wholesale drug distributor that distributes prescription drugs, for which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state, must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the wholesale drug distributor by the department under subdivision 10-; and

(2) that the wholesale drug distributor distributed within or into Minnesota.

(b) For each of the drugs described in paragraph (a), the wholesale drug distributor shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

- 60.1 (i) the national drug code;
- 60.2 (ii) the product name;
- 60.3 (iii) the dosage form;
- 60.4 (iv) the strength; and
- 60.5 (v) the package size;
- 60.6 (2) the number of units of the drug product acquired by the wholesale drug distributor
- 60.7 during the ~~12-month period prior to the date of~~ reporting period specified in the notification
- 60.8 to report;
- 60.9 (3) the total spent before rebates by the wholesale drug distributor to acquire the drug
- 60.10 product during the ~~12-month period prior to the date of~~ reporting period specified in the
- 60.11 notification to report;
- 60.12 (4) the total rebate receivable amount accrued by the wholesale drug distributor for the
- 60.13 drug product during the ~~12-month period prior to the date of~~ reporting period specified in
- 60.14 the notification to report;
- 60.15 (5) the number of units of the drug product sold by the wholesale drug distributor during
- 60.16 the ~~12-month period prior to the date of~~ reporting period specified in the notification to
- 60.17 report;
- 60.18 (6) gross revenue from sales in the United States generated by the wholesale drug
- 60.19 distributor for ~~this the~~ drug product during the ~~12-month period prior to the date of~~ reporting
- 60.20 period specified in the notification to report; and
- 60.21 (7) total rebate payable amount accrued by the wholesale drug distributor for the drug
- 60.22 product during the ~~12-month period prior to the date of~~ reporting period specified in the
- 60.23 notification to report.
- 60.24 (c) The wholesale drug distributor may submit any documentation necessary to support
- 60.25 the information reported under this subdivision.

60.26 Sec. 14. Minnesota Statutes 2024, section 62J.84, subdivision 15, is amended to read:

60.27 Subd. 15. **Registration requirements.** ~~Beginning~~ Effective January 1, ~~2024~~ 2026, a

60.28 reporting entity subject to this chapter shall register, or update existing registration

60.29 information, with the department in a form and manner prescribed by the commissioner by

60.30 January 30 of each year.

61.1 Sec. 15. Minnesota Statutes 2024, section 62K.10, subdivision 2, is amended to read:

61.2 Subd. 2. ~~Primary care; mental health services; general hospital services~~ Time and
61.3 distance standards. ~~The maximum travel distance or time shall be the lesser of 30 miles~~
61.4 ~~or 30 minutes to the nearest provider of each of the following services: primary care services,~~
61.5 ~~mental health services, and general hospital services~~ Health carriers must meet the time and
61.6 distance standards under Code of Federal Regulations, title 45, section 155.1050.

61.7 Sec. 16. Minnesota Statutes 2024, section 62K.10, subdivision 5, is amended to read:

61.8 Subd. 5. **Waiver.** (a) A health carrier may apply to the commissioner of health for a
61.9 waiver of the requirements in subdivision 2 ~~or 3~~ if it is unable to meet the statutory
61.10 requirements. A waiver application must be submitted on a form provided by the
61.11 commissioner, must be accompanied by an application fee of \$500 for each application to
61.12 waive the requirements in subdivision 2 ~~or 3~~ for one or more provider types per county, and
61.13 must:

61.14 (1) demonstrate with specific data that the requirement of subdivision 2 ~~or 3~~ is not
61.15 feasible in a particular service area or part of a service area; and

61.16 (2) include specific information as to the steps that were and will be taken to address
61.17 the network inadequacy, and, for steps that will be taken prospectively to address network
61.18 inadequacy, the time frame within which those steps will be taken.

61.19 (b) The commissioner shall establish guidelines for evaluating waiver applications,
61.20 standards governing approval or denial of a waiver application, and standards for steps that
61.21 health carriers must take to address the network inadequacy and allow the health carrier to
61.22 meet network adequacy requirements within a reasonable time period. The commissioner
61.23 shall review each waiver application using these guidelines and standards and shall approve
61.24 a waiver application only if:

61.25 (1) the standards for approval established by the commissioner are satisfied; and

61.26 (2) the steps that were and will be taken to address the network inadequacy and the time
61.27 frame for taking these steps satisfy the standards established by the commissioner.

61.28 (c) If, in its waiver application, a health carrier demonstrates to the commissioner that
61.29 there are no providers of a specific type or specialty in a county, the commissioner may
61.30 approve a waiver in which the health carrier is allowed to address network inadequacy in
61.31 that county by providing for patient access to providers of that type or specialty via telehealth,
61.32 as defined in section 62A.673, subdivision 2.

(d) The waiver shall automatically expire after one year. Upon or prior to expiration of a waiver, a health carrier unable to meet the requirements in subdivision 2 ~~or 3~~ must submit a new waiver application under paragraph (a) and must also submit evidence of steps the carrier took to address the network inadequacy. When the commissioner reviews a waiver application for a network adequacy requirement which has been waived for the carrier for the most recent one-year period, the commissioner shall also examine the steps the carrier took during that one-year period to address network inadequacy, and shall only approve a subsequent waiver application that satisfies the requirements in paragraph (b), demonstrates that the carrier took the steps it proposed to address network inadequacy, and explains why the carrier continues to be unable to satisfy the requirements in subdivision 2 ~~or 3~~.

(e) Application fees collected under this subdivision shall be deposited in the state government special revenue fund in the state treasury.

Sec. 17. Minnesota Statutes 2024, section 62K.10, subdivision 6, is amended to read:

Subd. 6. **Referral centers.** ~~Subdivisions~~ Subdivision 2 and 3 shall not apply if an enrollee is referred to a referral center for health care services. A referral center is a medical facility that provides highly specialized medical care, including but not limited to organ transplants. A health carrier or preferred provider organization may consider the volume of services provided annually, case mix, and severity adjusted mortality and morbidity rates in designating a referral center.

Sec. 18. Minnesota Statutes 2024, section 103I.005, subdivision 17b, is amended to read:

Subd. 17b. **Temporary boring.** "Temporary boring" means an excavation that is 15 feet or more in depth, is sealed within 72 hours of the time of construction, and is drilled, cored, washed, driven, dug, jetted, or otherwise constructed to:

(1) conduct physical, chemical, or biological testing of groundwater, including groundwater quality monitoring;

(2) monitor or measure physical, chemical, radiological, or biological parameters of earth materials or earth fluids, including hydraulic conductivity, bearing capacity, or resistance;

(3) measure groundwater levels, including use of a piezometer; ~~and~~ or

(4) determine groundwater flow direction or velocity.

63.1 Sec. 19. Minnesota Statutes 2024, section 103I.101, subdivision 2, is amended to read:

63.2 Subd. 2. **Duties.** The commissioner shall:

63.3 (1) regulate the drilling, construction, modification, repair, and sealing of wells and
63.4 borings;

63.5 (2) examine and license:

63.6 (i) well contractors;

63.7 (ii) persons constructing, repairing, and sealing bored geothermal heat exchangers;

63.8 (iii) persons modifying or repairing well casings above the pitless unit or adaptor, well
63.9 screens, well diameters, and installing well pumps or pumping equipment;

63.10 (iv) persons constructing, repairing, and sealing dewatering wells;

63.11 (v) persons sealing wells or borings; ~~and~~

63.12 (vi) persons excavating or drilling holes for the installation of elevator borings; and

63.13 (vii) persons installing, removing, or maintaining groundwater thermal exchange devices
63.14 and submerged closed loop heat exchangers;

63.15 (3) examine and license environmental well contractors;

63.16 (4) license explorers engaged in exploratory boring and examine individuals who
63.17 supervise or oversee exploratory boring;

63.18 (5) after consultation with the commissioner of natural resources and the Pollution
63.19 Control Agency, establish standards for the design, location, construction, repair, and sealing
63.20 of wells and borings within the state; and

63.21 (6) issue permits for wells, groundwater thermal devices, bored geothermal heat
63.22 exchangers, installation of submerged closed loop heat exchanger systems, and elevator
63.23 borings.

63.24 Sec. 20. Minnesota Statutes 2024, section 103I.101, subdivision 5, is amended to read:

63.25 Subd. 5. **Commissioner to adopt rules.** The commissioner shall adopt rules including:

63.26 (1) issuance of licenses for:

63.27 (i) qualified well contractors;

63.28 (ii) persons constructing, repairing, and sealing dewatering wells;

63.29 (iii) persons sealing wells or borings;

- 64.1 (iv) persons installing, modifying, or repairing well casings, well screens, well diameters,
64.2 and well pumps or pumping equipment;
- 64.3 (v) persons constructing, repairing, and sealing bored geothermal heat exchangers;
- 64.4 (vi) persons constructing, repairing, and sealing elevator borings; ~~and~~
- 64.5 (vii) persons constructing, repairing, and sealing environmental wells; and
- 64.6 (viii) persons installing, removing, or maintaining groundwater thermal exchange devices
64.7 and submerged closed loop heat exchangers;
- 64.8 (2) establishment of conditions for examination and review of applications for license
64.9 and certification;
- 64.10 (3) establishment of conditions for revocation and suspension of license and certification;
- 64.11 (4) establishment of minimum standards for design, location, construction, repair, and
64.12 sealing of wells and borings to implement the purpose and intent of this chapter;
- 64.13 (5) establishment of a system for reporting on wells and borings drilled and sealed;
- 64.14 (6) establishment of standards for the construction, maintenance, sealing, and water
64.15 quality monitoring of wells in areas of known or suspected contamination;
- 64.16 (7) establishment of wellhead protection measures for wells serving public water supplies;
- 64.17 (8) establishment of procedures to coordinate collection of well and boring data with
64.18 other state and local governmental agencies;
- 64.19 (9) establishment of criteria and procedures for submission of well and boring logs,
64.20 formation samples or well or boring cuttings, water samples, or other special information
64.21 required for and water resource mapping; and
- 64.22 (10) establishment of minimum standards for design, location, construction, maintenance,
64.23 repair, sealing, safety, and resource conservation related to borings, including exploratory
64.24 borings as defined in section 103I.005, subdivision 9.

64.25 Sec. 21. Minnesota Statutes 2024, section 103I.101, is amended by adding a subdivision
64.26 to read:

64.27 Subd. 7. **Inspection.** At a minimum, the commissioner of health shall inspect at least
64.28 25 percent of well construction notifications each year under this section.

Sec. 22. Minnesota Statutes 2024, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 23. Minnesota Statutes 2024, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the ~~Minnesota Humanities Center~~ Department of Health to provide incentives for low-income Minnesotans to use SNAP or SUN bucks (Summer EBT) benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP or SUN bucks (Summer EBT).

Sec. 24. Minnesota Statutes 2024, section 138.912, subdivision 3, is amended to read:

Subd. 3. **Grants.** The ~~Minnesota Humanities Center~~ commissioner shall allocate grant funds to nonprofit organizations that work with Minnesota-based farmers' markets to provide up to \$10 vouchers to SNAP or SUN bucks (Summer EBT) participants who use electronic benefits transfer (EBT) cards for healthy purchases. Funds may also be provided for vouchers distributed through nonprofit organizations engaged in healthy cooking and food education outreach to eligible households for use at farmers' markets. Funds appropriated under this section may not be used for healthy cooking classes or food education outreach. When awarding grants, the ~~Minnesota Humanities Center~~ commissioner must consider how the nonprofit organizations will achieve geographic balance, including specific efforts to reach eligible households across the state, and the organizations' capacity to manage the programming and outreach.

Sec. 25. Minnesota Statutes 2024, section 138.912, subdivision 4, is amended to read:

Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating, here at home voucher, an eligible household must meet the Minnesota SNAP or SUN bucks (Summer EBT) eligibility requirements ~~under section 142F.10.~~

Sec. 26. Minnesota Statutes 2024, section 138.912, subdivision 6, is amended to read:

Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds must report annually to the ~~Minnesota Humanities Center~~ commissioner with information regarding the operation of the program, including the number of vouchers issued and the number of people served. To the extent practicable, the nonprofit organizations must report on the usage of the vouchers and evaluate the program's effectiveness.

Sec. 27. Minnesota Statutes 2024, section 144.0758, subdivision 3, is amended to read:

Subd. 3. **Eligible grantees.** (a) Organizations eligible to receive grant funding under this section are Minnesota's Tribal Nations in accordance with paragraph (b) and urban American Indian community-based organizations in accordance with paragraph (c).

(b) Minnesota's Tribal Nations may choose to receive funding under this section according to a noncompetitive funding formula specified by the commissioner.

(c) Urban American Indian community-based organizations are eligible to apply for funding under this section by submitting a proposal for consideration by the commissioner.

Sec. 28. Minnesota Statutes 2024, section 144.50, is amended by adding a subdivision to read:

Subd. 8. **Controlling person.** (a) "Controlling person" means an owner and the following individuals and entities, if applicable:

(1) each officer of the organization, including the chief executive officer and the chief financial officer;

(2) the hospital administrator; and

(3) any managerial official.

(b) Controlling person also means any entity or natural person who has any direct or indirect ownership interest in:

(1) any corporation, partnership, or other business association which is a controlling person;

- 67.1 (2) the land on which a hospital is located;
- 67.2 (3) the structure in which a hospital is located;
- 67.3 (4) any entity with at least a five percent mortgage, contract for deed, deed of trust, or
- 67.4 other security interest in the land or structure comprising a hospital; or
- 67.5 (5) any lease or sublease of the land, structure, or facilities comprising a hospital.
- 67.6 (c) Controlling person does not include:
- 67.7 (1) a bank, savings bank, trust company, savings association, credit union, industrial
- 67.8 loan and thrift company, investment banking firm, or insurance company unless the entity
- 67.9 directly or through a subsidiary operates a hospital;
- 67.10 (2) government and government-sponsored entities such as the United States Department
- 67.11 of Housing and Urban Development, Ginnie Mae, Fannie Mae, Freddie Mac, and the
- 67.12 Minnesota Housing Finance Agency which provide loans, financing, and insurance products
- 67.13 for housing sites;
- 67.14 (3) an individual who is a state or federal official, a state or federal employee, or a
- 67.15 member or employee of the governing body of a political subdivision of the state or federal
- 67.16 government that operates one or more hospitals, unless the individual is also an officer,
- 67.17 owner, or managerial official of the hospital, receives any remuneration from a hospital, or
- 67.18 who is a controlling person not otherwise excluded in this subdivision;
- 67.19 (4) a natural person who is a member of a tax-exempt organization under section 290.05,
- 67.20 subdivision 2, unless the individual is also a controlling person not otherwise excluded in
- 67.21 this subdivision; and
- 67.22 (5) a natural person who owns less than five percent of the outstanding common shares
- 67.23 of a corporation:
- 67.24 (i) whose securities are exempt by virtue of section 80A.45, clause (6); or
- 67.25 (ii) whose transactions are exempt by virtue of section 80A.46, clause (7).

67.26 Sec. 29. Minnesota Statutes 2024, section 144.555, subdivision 1a, is amended to read:

67.27 Subd. 1a. **Notice of closing, curtailing operations, relocating services, or ceasing to**

67.28 **offer certain services; hospitals.** (a) The controlling persons of a hospital licensed under

67.29 sections 144.50 to 144.56 or a hospital campus must notify the commissioner of health, the

67.30 public, and others at least 182 days before the hospital or hospital campus voluntarily plans

67.31 to implement one of the scheduled actions listed in paragraph (b), unless the controlling

persons can demonstrate to the commissioner that meeting the advanced notice requirement is not feasible and the commissioner approves a shorter advanced notice.

(b) The following scheduled actions require advanced notice under paragraph (a):

(1) ceasing operations;

(2) curtailing operations to the extent that ~~patients~~ inpatients or emergency department services must be relocated;

(3) relocating the provision of inpatient health services or emergency department services to another hospital or ~~another~~ hospital campus; or

(4) ceasing to offer inpatient maternity care and inpatient newborn care services, inpatient intensive care unit services, inpatient mental health services, or inpatient substance use disorder treatment services.

(c) A notice required under this subdivision must comply with the requirements in subdivision 1d.

(d) The commissioner shall cooperate with the controlling persons and advise them about relocating the patients.

(e) In this subdivision, "inpatient" means services that are provided to a person who has been admitted to a hospital for bed occupancy.

Sec. 30. Minnesota Statutes 2024, section 144.555, subdivision 1b, is amended to read:

Subd. 1b. **Public hearing.** Within 30 days after receiving notice under subdivision 1a, the commissioner shall conduct a public hearing on the scheduled cessation of operations, curtailment of operations, relocation of health services, or cessation in offering health services. The commissioner must provide adequate public notice of the hearing in a time and manner determined by the commissioner. The commissioner must ensure that video conferencing technology will be used to allow members of the public to view and participate in the hearing. The controlling persons of the hospital or hospital campus must participate in the public hearing. The public hearing must be held at a location that is within ten miles of the hospital or hospital campus and which can accommodate anticipated public attendance or with the commissioner's approval as close as is practicable, and that is provided or arranged by the hospital or hospital campus. ~~Video conferencing technology must be used to allow members of the public to view and participate in the hearing.~~ The public hearing must include:

(1) an explanation by the controlling persons of the reasons for ceasing or curtailing operations, relocating health services, or ceasing to offer any of the listed health services;

(2) a description of the actions that controlling persons will take to ensure that residents in the hospital's or campus's service area have continued access to the health services being eliminated, curtailed, or relocated;

(3) an opportunity for public testimony for at least one hour on the scheduled cessation or curtailment of operations, relocation of health services, or cessation in offering any of the listed health services, and on the hospital's or campus's plan to ensure continued access to those health services being eliminated, curtailed, or relocated; and

(4) an opportunity for the controlling persons to respond to questions from interested persons.

Sec. 31. Minnesota Statutes 2024, section 144.608, subdivision 2, is amended to read:

Subd. 2. **Council administration.** (a) The council must meet at least twice a year but may meet more frequently at the call of the chair, a majority of the council members, or the commissioner.

(b) The terms, compensation, and removal of members of the council are governed by section 15.059. The council expires June 30, ~~2025~~ 2035.

(c) The council may appoint subcommittees and work groups. Subcommittees shall consist of council members. Work groups may include noncouncil members. Noncouncil members shall be compensated for work group activities under section 15.059, subdivision 3, but shall receive expenses only.

Sec. 32. Minnesota Statutes 2024, section 144.966, subdivision 2, is amended to read:

Subd. 2. **Newborn Hearing Screening Advisory Committee.** (a) The commissioner of health shall establish a Newborn Hearing Screening Advisory Committee to advise and assist the Department of Health; Department of Children, Youth, and Families; and the Department of Education in:

(1) developing protocols and timelines for screening, rescreening, and diagnostic audiological assessment and early medical, audiological, and educational intervention services for children who are deaf or hard-of-hearing;

70.1 (2) designing protocols for tracking children from birth through age three that may have
70.2 passed newborn screening but are at risk for delayed or late onset of permanent hearing
70.3 loss;

70.4 (3) designing a technical assistance program to support facilities implementing the
70.5 screening program and facilities conducting rescreening and diagnostic audiological
70.6 assessment;

70.7 (4) designing implementation and evaluation of a system of follow-up and tracking; and

70.8 (5) evaluating program outcomes to increase effectiveness and efficiency and ensure
70.9 culturally appropriate services for children with a confirmed hearing loss and their families.

70.10 (b) The commissioner of health shall appoint at least one member from each of the
70.11 following groups with no less than two of the members being deaf or hard-of-hearing:

70.12 (1) a representative from a consumer organization representing culturally deaf persons;

70.13 (2) a parent with a child with hearing loss representing a parent organization;

70.14 (3) a consumer from an organization representing oral communication options;

70.15 (4) a consumer from an organization representing cued speech communication options;

70.16 (5) an audiologist who has experience in evaluation and intervention of infants and
70.17 young children;

70.18 (6) a speech-language pathologist who has experience in evaluation and intervention of
70.19 infants and young children;

70.20 (7) two primary care providers who have experience in the care of infants and young
70.21 children, one of which shall be a pediatrician;

70.22 (8) a representative from the early hearing detection intervention teams;

70.23 (9) a representative from the Department of Education resource center for the deaf and
70.24 hard-of-hearing or the representative's designee;

70.25 (10) a representative of the Commission of the Deaf, DeafBlind and Hard of Hearing;

70.26 (11) a representative from the Department of Human Services Deaf and Hard-of-Hearing
70.27 Services Division;

70.28 (12) one or more of the Part C coordinators from the Department of Education; the
70.29 Department of Health; the Department of Children, Youth, and Families; or the Department
70.30 of Human Services or the department's designees;

71.1 (13) the Department of Health early hearing detection and intervention coordinators;

71.2 (14) two birth hospital representatives from one rural and one urban hospital;

71.3 (15) a pediatric geneticist;

71.4 (16) an otolaryngologist;

71.5 (17) a representative from the Newborn Screening Advisory Committee under this

71.6 subdivision;

71.7 (18) a representative of the Department of Education regional low-incidence facilitators;

71.8 (19) a representative from the deaf mentor program; and

71.9 (20) a representative of the Minnesota State Academy for the Deaf from the Minnesota

71.10 State Academies staff.

71.11 The commissioner must complete the initial appointments required under this subdivision

71.12 by September 1, 2007, and the initial appointments under clauses (19) and (20) by September

71.13 1, 2019.

71.14 (c) The Department of Health member shall chair the first meeting of the committee. At

71.15 the first meeting, the committee shall elect a chair from its membership. The committee

71.16 shall meet at the call of the chair, at least four times a year. The committee shall adopt

71.17 written bylaws to govern its activities. The Department of Health shall provide technical

71.18 and administrative support services as required by the committee. These services shall

71.19 include technical support from individuals qualified to administer infant hearing screening,

71.20 rescreening, and diagnostic audiological assessments.

71.21 Members of the committee shall receive no compensation for their service, but shall be

71.22 reimbursed as provided in section 15.059 for expenses incurred as a result of their duties

71.23 as members of the committee.

71.24 (d) By February 15, 2015, and by February 15 of the odd-numbered years after that date,

71.25 the commissioner shall report to the chairs and ranking minority members of the legislative

71.26 committees with jurisdiction over health and data privacy on the activities of the committee

71.27 that have occurred during the past two years.

71.28 ~~(e) This subdivision expires June 30, 2025.~~

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

71.30 June 30, 2025, whichever is earlier.

72.1 Sec. 33. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

72.2 Subd. 3. **Review.** Prehospital care data may be reviewed by the director or its designees.
72.3 The data shall be classified as private data on individuals under chapter 13, the Minnesota
72.4 Government Data Practices Act. The director may share incident level location data with
72.5 the Washington/Baltimore High Intensity Drug Trafficking Area's Overdose Detection
72.6 Mapping Application Program (ODMAP) which has the ability to:

72.7 (1) allow secure access to the system by authorized users to report information about an
72.8 overdose incident;

72.9 (2) allow secure access to the system by authorized users to view, in near real-time,
72.10 certain information about overdose incidents reported;

72.11 (3) produce a map in near real-time of the approximate locations of confirmed or
72.12 suspected overdose incidents reported; and

72.13 (4) enable access to overdose incident information that assists in state and local decisions
72.14 regarding the allocation of public health, public safety, and educational resources for the
72.15 purposes of monitoring and reporting data related to suspected overdoses.

72.16 Sec. 34. **[145.076] INFORMED CONSENT REQUIRED FOR SENSITIVE**
72.17 **EXAMINATIONS.**

72.18 Subdivision 1. **Definition.** For the purposes of this section, "sensitive examination"
72.19 means a pelvic, breast, urogenital, or rectal examination.

72.20 Subd. 2. **Informed consent required; exceptions.** A health professional, or a student
72.21 or resident participating in a course of instruction, clinical training, or a residency program
72.22 for a health profession, shall not perform a sensitive examination on an anesthetized or
72.23 unconscious patient unless:

72.24 (1) the patient or the patient's legally authorized representative provided prior, written,
72.25 informed consent to the sensitive examination, and the sensitive examination is necessary
72.26 for preventive, diagnostic, or treatment purposes;

72.27 (2) the patient or the patient's legally authorized representative provided prior, written,
72.28 informed consent to a surgical procedure or diagnostic examination, and the sensitive
72.29 examination is within the scope of care ordered for that surgical procedure or diagnostic
72.30 examination;

72.31 (3) the patient is unconscious and incapable of providing informed consent, and the
72.32 sensitive examination is necessary for diagnostic or treatment purposes; or

73.1 (4) a court ordered a sensitive examination to be performed for purposes of collection
73.2 of evidence.

73.3 Subd. 3. **Penalty; ground for disciplinary action.** A person who violates this section
73.4 is subject to disciplinary action by the health-related licensing board regulating the person.

73.5 Sec. 35. Minnesota Statutes 2024, section 145.8811, is amended to read:

73.6 **145.8811 MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE**
73.7 **COMMITTEE.**

73.8 Subdivision 1. **Composition of ~~task force~~ committee.** The commissioner shall establish
73.9 and appoint a Maternal and Child Health Advisory ~~Task Force~~ Committee consisting of 15
73.10 members who will provide equal representation from:

73.11 (1) professionals with expertise in maternal and child health services;

73.12 (2) representatives of community health boards as defined in section 145A.02, subdivision
73.13 5; and

73.14 (3) consumer representatives interested in the health of mothers and children.

73.15 No members shall be employees of the Minnesota Department of Health. Section 15.059
73.16 governs the Maternal and Child Health Advisory ~~Task Force~~ Committee. Notwithstanding
73.17 section 15.059, the Maternal and Child Health Advisory ~~Task Force~~ Committee does not
73.18 expire.

73.19 Subd. 2. **Duties.** The advisory ~~task force~~ committee shall meet on a regular basis to
73.20 perform the following duties:

73.21 (1) review and report on the health care needs of mothers and children throughout the
73.22 state of Minnesota;

73.23 (2) review and report on the type, frequency, and impact of maternal and child health
73.24 care services provided to mothers and children under existing maternal and child health
73.25 care programs, including programs administered by the commissioner of health;

73.26 (3) establish, review, and report to the commissioner a list of program guidelines and
73.27 criteria which the advisory ~~task force~~ committee considers essential to providing an effective
73.28 maternal and child health care program to low-income populations and high-risk persons
73.29 and fulfilling the purposes defined in section 145.88;

73.30 (4) make recommendations to the commissioner for the use of other federal and state
73.31 funds available to meet maternal and child health needs;

74.1 (5) make recommendations to the commissioner of health on priorities for funding the
74.2 following maternal and child health services:

74.3 (i) prenatal, delivery, and postpartum care;

74.4 (ii) comprehensive health care for children, especially from birth through five years of
74.5 age;

74.6 (iii) adolescent health services;

74.7 (iv) family planning services;

74.8 (v) preventive dental care;

74.9 (vi) special services for chronically ill and disabled children; and

74.10 (vii) any other services that promote the health of mothers and children; and

74.11 (6) establish in consultation with the commissioner statewide outcomes that will improve
74.12 the health status of mothers and children.

74.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

74.14 Sec. 36. Minnesota Statutes 2024, section 145.901, subdivision 1, is amended to read:

74.15 Subdivision 1. **Purpose.** Within the limits of available funding, the commissioner of
74.16 health ~~may~~ must conduct maternal death studies to assist the planning, implementation, and
74.17 evaluation of medical, health, and welfare service systems and to reduce the numbers of
74.18 preventable maternal deaths in Minnesota.

74.19 Sec. 37. Minnesota Statutes 2024, section 145.987, subdivision 1, is amended to read:

74.20 Subdivision 1. **Establishment; composition of advisory council.** The health equity
74.21 advisory and leadership (HEAL) council consists of 18 members appointed by the
74.22 commissioner of health, including but not limited to members who will provide representation
74.23 from the following groups:

74.24 (1) African American and African heritage communities;

74.25 (2) Asian American and Pacific Islander communities;

74.26 (3) Latina/o/x communities;

74.27 (4) American Indian communities and Tribal governments and nations;

74.28 (5) disability communities;

74.29 (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and

75.1 (7) representatives who reside outside the seven-county metropolitan area.

75.2 Sec. 38. Minnesota Statutes 2024, section 145.987, subdivision 2, is amended to read:

75.3 Subd. 2. **Organization and meetings.** (a) Terms, compensation, and removal of members
75.4 of the advisory council shall be as provided in section 15.059, subdivisions 2 to 4, except
75.5 that terms for advisory council members shall be for two years. Members may be reappointed
75.6 to serve up to two additional terms. Notwithstanding section 15.059, subdivision 6, the
75.7 advisory council shall not expire. ~~The commissioner shall recommend appointments to~~
75.8 ~~replace members vacating their positions in a timely manner, no more than three months~~
75.9 ~~after the advisory council reviews panel recommendations.~~

75.10 (b) The commissioner must convene meetings at least quarterly and must provide meeting
75.11 space and administrative support to the advisory council. Subcommittees may be convened
75.12 as necessary. Advisory council meetings are subject to the Open Meeting Law under chapter
75.13 13D.

75.14 Sec. 39. [148.781] CENTRAL SERVICE TECHNICIAN.

75.15 Subdivision 1. **Application.** This section applies to persons who perform the functions
75.16 of a central service technician in a health care facility.

75.17 Subd. 2. **Definitions.** For the purposes of this section, the following terms have the
75.18 meanings given:

75.19 (1) "central service technician" means a person who decontaminates, inspects, assembles,
75.20 packages, and sterilizes reusable medical instruments or devices being used by a health care
75.21 facility;

75.22 (2) "health care facility" means a hospital or ambulatory surgical center; and

75.23 (3) "health care practitioner" means an individual regulated by a health-related licensing
75.24 board as defined in section 214.01, subdivision 2, or by the commissioner of health under
75.25 sections 148.511 to 148.5198, to the extent the individual provides services in a health care
75.26 facility and the tasks of a central service technician are within the individual's scope of
75.27 practice. Health care practitioner includes an intern, resident, or fellow who performs or
75.28 assists with surgery.

75.29 Subd. 3. **Requirements for central service technician.** (a) A health care facility shall
75.30 employ or otherwise retain the services of a central service technician only if the central
75.31 service technician:

(1) has successfully passed a nationally accredited examination for central service technicians and holds and maintains one of the following credentials administered by a nationally accredited central service technician credentialing organization: a certified registered central service technician credential, a certified endoscope reprocessor credential, a certified sterile processing and distribution technician credential, or a certified flexible endoscope reprocessor credential; or

(2) provides evidence that the person was employed by or was retained as a central service technician by a health care facility on or before December 31, 2027.

(b) A central service technician who does not meet the requirements of paragraph (a), clause (1), shall have 24 months from the date of hire to obtain a certified registered central service technician credential, a certified endoscope reprocessor credential, a certified sterile processing and distribution technician credential, or a certified flexible endoscope reprocessor credential.

(c) A person who qualifies to operate as a central service technician in a health care facility under paragraph (a) must annually complete ten hours of continuing education credits to remain qualified to operate as a central service technician. The continuing education required under this paragraph must be related to the functions of a central service technician.

(d) Nothing in this subdivision shall prohibit the following persons from performing the tasks or functions of a central service technician:

(1) a health care practitioner;

(2) a person who holds or maintains a registration, certification, or license by a nationally accredited credentialing organization to perform health care services; or

(3) a student or intern performing the functions of a central service technician under the direct supervision of a health care practitioner as part of the student's or intern's training or internship.

(e) A health care facility shall, upon the written request of a central service technician, verify in writing the central service technician's dates of employment or the contract period during which the central service technician provided services to the health care facility.

EFFECTIVE DATE. This section is effective 180 days after final enactment.

77.1 **Sec. 40. TRANSFER OF PROGRAM.**

78.1 Sec. 3. Minnesota Statutes 2024, section 144G.08, subdivision 45, is amended to read:

78.2 Subd. 45. **Occupational therapist.** "Occupational therapist" ~~means a person who is~~
78.3 ~~licensed under sections 148.6401 to 148.6449~~ has the meaning given in section 148.6402,
78.4 subdivision 14.

78.5 Sec. 4. Minnesota Statutes 2024, section 147.01, subdivision 7, is amended to read:

78.6 Subd. 7. **Physician application and license fees.** (a) The board may charge the following
78.7 nonrefundable application and license fees processed pursuant to sections 147.02, 147.03,
78.8 147.037, 147.0375, and 147.38:

78.9 (1) physician application fee, \$200;

78.10 (2) physician annual registration renewal fee, \$192;

78.11 (3) physician endorsement to other states, \$40;

78.12 (4) physician emeritus license, \$50;

78.13 (5) physician late fee, \$60;

78.14 (6) nonrenewable 24-month limited license, \$392;

78.15 (7) initial physician license for limited license holder, \$192;

78.16 ~~(6)~~ (8) duplicate license fee, \$20;

78.17 ~~(7)~~ (9) certification letter fee, \$25;

78.18 ~~(8)~~ (10) education or training program approval fee, \$100;

78.19 ~~(9)~~ (11) report creation and generation fee, \$60 per hour;

78.20 ~~(10)~~ (12) examination administration fee (half day), \$50;

78.21 ~~(11)~~ (13) examination administration fee (full day), \$80;

78.22 ~~(12)~~ (14) fees developed by the Interstate Commission for determining physician
78.23 qualification to register and participate in the interstate medical licensure compact, as
78.24 established in rules authorized in and pursuant to section 147.38, not to exceed \$1,000; and

78.25 ~~(13)~~ (15) verification fee, \$25.

78.26 (b) The board may prorate the initial annual license fee. All licensees are required to
78.27 pay the full fee upon license renewal. The revenue generated from the fee must be deposited
78.28 in an account in the state government special revenue fund.

79.1 Sec. 5. Minnesota Statutes 2024, section 147.037, is amended by adding a subdivision to
79.2 read:

79.3 Subd. 1b. **Limited license.** (a) A limited license under this section is valid for one
79.4 24-month period and is not renewable or eligible for reapplication. The board may issue a
79.5 limited license, valid for 24 months, to any person who satisfies the requirements of
79.6 subdivision 1, paragraphs (a) to (c) and (e) to (g), and who:

79.7 (1) pursuant to a license or other authorization to practice, has practiced medicine, as
79.8 defined in section 147.081, subdivision 3, clauses (2) to (4), for at least 60 months in the
79.9 previous 12 years outside of the United States;

79.10 (2) submits sufficient evidence of an offer to practice within the context of a collaborative
79.11 agreement within a hospital or clinical setting where the limited license holder and physicians
79.12 work together to provide patient care;

79.13 (3) provides services in a designated rural area or underserved urban community as
79.14 defined in section 144.1501; and

79.15 (4) submits two letters of recommendation in support of a limited license, which must
79.16 include one letter from a physician with whom the applicant previously worked and one
79.17 letter from an administrator of the hospital or clinical setting in which the applicant previously
79.18 worked. The letters of recommendation must attest to the applicant's good medical standing.
79.19 The board may accept alternative forms of proof that demonstrate good medical standing
79.20 where there are extenuating circumstances that prevent an applicant from providing letters.

79.21 (b) For purposes of this subdivision, a person has satisfied the requirements of subdivision
79.22 1, paragraph (e), if the person has passed steps or levels one and two of the USMLE or the
79.23 COMLEX-USA with passing scores as recommended by the USMLE program or National
79.24 Board of Osteopathic Medical Examiners within three attempts.

79.25 (c) A person issued a limited license under this subdivision must not be required to
79.26 present evidence satisfactory to the board of the completion of one year of graduate clinical
79.27 medical training in a program accredited by a national accrediting organization approved
79.28 by the board.

79.29 (d) An employer of a limited license holder must pay the limited license holder at least
79.30 an amount equivalent to a medical resident in a comparable field. The employer must carry
79.31 medical malpractice insurance covering a limited license holder for the duration of the
79.32 employment. The commissioner of health may issue a correction order under section 144.99,
79.33 subdivision 3, requiring an employer to comply with this paragraph. An employer must not

80.1 retaliate against or discipline an employee for raising a complaint or pursuing enforcement
80.2 relating to this paragraph.

80.3 (e) The board may issue a full and unrestricted license to practice medicine to a person
80.4 who holds a limited license issued pursuant to paragraph (a) and who has:

80.5 (1) held the limited license for two years and is in good standing to practice medicine
80.6 in this state;

80.7 (2) practiced for a minimum of 1,692 hours per year for each of the previous two years;

80.8 (3) submitted a letter of recommendation in support of a full and unrestricted license
80.9 containing all attestations required under paragraph (i) from any physician who participated
80.10 in the collaborative agreement;

80.11 (4) has passed steps or levels one, two, and three of the USMLE or COMLEX-USA
80.12 with passing scores as recommended by the USMLE program or National Board of
80.13 Osteopathic Medical Examiners within three attempts; and

80.14 (5) completed 20 hours of continuing medical education.

80.15 (f) A limited license holder must submit to the board, every six months or upon request,
80.16 a statement certifying whether the person is still employed as a physician in this state and
80.17 whether the person has been subjected to professional discipline as a result of the person's
80.18 practice. The board may suspend or revoke a limited license if a majority of the board
80.19 determines that the licensee is no longer employed as a physician in this state by an employer.
80.20 The licensee must be granted an opportunity to be heard prior to the board's determination.
80.21 Upon request by the limited license holder, the limited license holder may have 90 days to
80.22 regain employment. A licensee may change employers during the duration of the limited
80.23 license if the licensee has another offer of employment. In the event that a change of
80.24 employment occurs, the licensee must still work the number of hours required under
80.25 paragraph (d), clause (2), to be eligible for a full and unrestricted license to practice medicine.
80.26 The board may suspend or revoke a limited license if a majority of the board determines
80.27 that the licensee is no longer employed as a physician in this state by an employer. The
80.28 licensee must be granted an opportunity to be heard prior to the board's determination.

80.29 (g) In addition to any other remedy provided by law, the board may, without a hearing,
80.30 temporarily suspend the license of a limited license holder if the board finds that the limited
80.31 license holder has violated a statute or rule which the board is empowered to enforce and
80.32 continued practice by the limited license holder would create a serious risk of harm to the
80.33 public. The suspension shall take effect upon written notice to the limited license holder,

81.1 specifying the statute or rule violated. The suspension shall remain in effect until the board
81.2 issues a final order in the matter after a hearing. At the time it issues the suspension notice,
81.3 the board shall schedule a disciplinary hearing to be held pursuant to the Administrative
81.4 Procedure Act. The limited license holder shall be provided with at least 20 days' notice of
81.5 any hearing held pursuant to this subdivision. The hearing shall be scheduled to begin no
81.6 later than 30 days after the issuance of the suspension order.

81.7 (h) For purposes of this subdivision, "collaborative agreement" means a mutually agreed
81.8 upon plan for the overall working relationship and collaborative arrangement between a
81.9 holder of a limited license and one or more physicians licensed under this chapter that
81.10 designates the scope of services that can be provided to manage the care of patients. The
81.11 limited license holder and one of the collaborating physicians must have experience in
81.12 providing care to patients with the same or similar medical conditions. Under the
81.13 collaborative agreement, the limited license holder must shadow the collaborating physician
81.14 for four weeks, after which time the limited license holder must staff all patient encounters
81.15 with the collaborating physician. After that time, the collaborating physician has discretion
81.16 to allow the limited license holder to see patients independently and will require the limited
81.17 license holder to present patients at their discretion. However, the limited license holder
81.18 must be supervised by the collaborating physician for a minimum of two hours per week.
81.19 A limited license holder may practice medicine without a collaborating physician physically
81.20 present, but the limited license holder and collaborating physicians must be able to easily
81.21 contact each other by radio, telephone, or other telecommunication device while the limited
81.22 license holder practices medicine. The limited license holder must have one-on-one practice
81.23 reviews with each collaborating physician, provided in person or through eye-to-eye
81.24 electronic media while maintaining visual contact, for at least two hours per week.

81.25 (i) At least one collaborating physician must submit a letter to the board, after the limited
81.26 license holder has practiced under the license for 12 months, attesting to the following:

81.27 (1) that the limited license holder has a basic understanding of federal and state laws
81.28 regarding the provision of health care, including but not limited to:

81.29 (i) medical licensing obligations and standards; and

81.30 (ii) the Health Insurance Portability and Accountability Act, Public Law 104-191;

81.31 (2) that the limited license holder has a basic understanding of documentation standards;

81.32 (3) that the limited license holder has a thorough understanding of which medications
81.33 are available and unavailable in the United States;

82.1 (4) that the limited license holder has a thorough understanding of American medical
82.2 standards of care;

82.3 (5) that the limited license holder has demonstrated mastery of each of the following:

82.4 (i) gathering a history and performing a physical exam;

82.5 (ii) developing and prioritizing a differential diagnosis following a clinical encounter
82.6 and selecting a working diagnosis;

82.7 (iii) recommending and interpreting common diagnostic and screening tests;

82.8 (iv) entering and discussing orders and prescriptions;

82.9 (v) providing an oral presentation of a clinical encounter;

82.10 (vi) giving a patient handover to transition care responsibly;

82.11 (vii) recognizing a patient requiring urgent care and initiating an evaluation; and

82.12 (viii) obtaining informed consent for tests, procedures, and treatments; and

82.13 (6) that the limited license holder is providing appropriate medical care.

82.14 (j) The board must not grant a license under this section unless the applicant possesses
82.15 federal immigration status that allows the applicant to practice as a physician in the United
82.16 States.

82.17 **EFFECTIVE DATE.** This section is effective January 1, 2026.

82.18 Sec. 6. Minnesota Statutes 2024, section 147A.02, is amended to read:

82.19 **147A.02 QUALIFICATIONS FOR LICENSURE.**

82.20 (a) The board may grant a license as a physician assistant to an applicant who:

82.21 (1) submits an application on forms approved by the board;

82.22 (2) pays the appropriate fee as determined by the board;

82.23 (3) has current certification from the National Commission on Certification of Physician
82.24 Assistants, or its successor agency as approved by the board;

82.25 (4) certifies that the applicant is mentally and physically able to engage safely in practice
82.26 as a physician assistant;

82.27 (5) has no licensure, certification, or registration as a physician assistant under current
82.28 discipline, revocation, suspension, or probation for cause resulting from the applicant's

83.1 practice as a physician assistant, unless the board considers the condition and agrees to
83.2 licensure;

83.3 (6) submits any other information the board deems necessary to evaluate the applicant's
83.4 qualifications; and

83.5 (7) has been approved by the board.

83.6 (b) All persons registered as physician assistants as of June 30, 1995, are eligible for
83.7 continuing license renewal. All persons applying for licensure after that date shall be licensed
83.8 according to this chapter.

83.9 (c) A physician assistant who qualifies for licensure must practice for at least 2,080
83.10 hours, within the context of a collaborative agreement, within a hospital or integrated clinical
83.11 setting where physician assistants and physicians work together to provide patient care. The
83.12 physician assistant shall submit written evidence to the board with the application, or upon
83.13 completion of the required collaborative practice experience. For purposes of this paragraph,
83.14 a collaborative agreement is a mutually agreed upon plan for the overall working relationship
83.15 ~~and collaborative arrangement~~ between a physician assistant, and one or more physicians
83.16 licensed under chapter 147 or licensed in another state or United States territory, that
83.17 designates the scope of ~~services that can be provided~~ collaboration necessary to manage the
83.18 care of patients. The physician assistant and one of the collaborative physicians must have
83.19 experience in providing care to patients with the same or similar medical conditions. The
83.20 collaborating physician is not required to be physically present so long as the collaborating
83.21 physician and physician assistant are or can be easily in contact with each other by radio,
83.22 telephone, or other telecommunication device.

83.23 Sec. 7. Minnesota Statutes 2024, section 147D.03, subdivision 1, is amended to read:

83.24 Subdivision 1. **General.** Within the meaning of sections 147D.01 to 147D.27, a person
83.25 who shall publicly profess to be a traditional midwife and who, for a fee, shall assist or
83.26 attend to a woman in pregnancy, childbirth outside a hospital, and postpartum, shall be
83.27 regarded as practicing traditional midwifery. A certified midwife licensed by the Board of
83.28 Nursing under chapter 148G is not subject to the provisions of this chapter.

83.29 Sec. 8. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to
83.30 read:

83.31 Subd. 5. **Chiropractic license fees.** Fees for chiropractic licensure must not exceed the
83.32 following amounts but may be adjusted lower by board action:

- 84.1 (1) initial application for licensure fee, \$600;
- 84.2 (2) annual renewal of an active license fee, \$400;
- 84.3 (3) annual renewal of an inactive license fee, 75 percent of the current active license
- 84.4 renewal fee under clause (2);
- 84.5 (4) late renewal penalty fee, \$150 per month late; and
- 84.6 (5) application for reinstatement of a voluntarily retired or inactive license fee, \$100.
- 84.7 **EFFECTIVE DATE.** This section is effective July 1, 2025.

84.8 Sec. 9. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision to

84.9 read:

84.10 **Subd. 6. Acupuncture registration fees.** Fees for acupuncture registration must not

84.11 exceed the following amounts but may be adjusted lower by board action:

- 84.12 (1) initial application acupuncture registration fee, \$400;
- 84.13 (2) annual renewal of active acupuncture registration fee, \$200;
- 84.14 (3) annual renewal of inactive acupuncture registration fee, 75 percent of the current
- 84.15 active acupuncture registration renewal fee under clause (2); and
- 84.16 (4) reinstatement of nonrenewed acupuncture registration fee, \$400.

84.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

84.18 Sec. 10. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision

84.19 to read:

84.20 **Subd. 7. Independent examiner registration fees.** Fees for independent examiner

84.21 registration must not exceed the following amounts but may be adjusted lower by board

84.22 action:

- 84.23 (1) initial application independent examiner registration fee, \$400;
- 84.24 (2) annual renewal of independent examiner registration fee, \$200; and
- 84.25 (3) reinstatement of nonrenewed independent examiner registration fee, \$400.

84.26 **EFFECTIVE DATE.** This section is effective July 1, 2025.

85.1 Sec. 11. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
85.2 to read:

85.3 Subd. 8. **Animal chiropractic registration fees.** Fees for animal chiropractic registration
85.4 must not exceed the following amounts but may be adjusted lower by board action:

85.5 (1) initial application animal chiropractic registration fee, \$400;

85.6 (2) annual renewal of active animal chiropractic registration fee, \$200;

85.7 (3) annual renewal of inactive animal chiropractic registration fee, 75 percent of the
85.8 current active animal chiropractic renewal fee under clause (2); and

85.9 (4) reinstatement of nonrenewed animal chiropractic registration fee, \$400.

85.10 **EFFECTIVE DATE.** This section is effective July 1, 2025.

85.11 Sec. 12. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
85.12 to read:

85.13 Subd. 9. **Graduate preceptorship registration fee.** The application fee for graduate
85.14 preceptorship registration is an amount not to exceed \$500, but may be adjusted lower by
85.15 board action.

85.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

85.17 Sec. 13. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
85.18 to read:

85.19 Subd. 10. **Professional firm registration fees.** In addition to fees authorized under
85.20 chapter 319B, the late renewal penalty fee for professional firm registration is \$5 per month
85.21 late.

85.22 **EFFECTIVE DATE.** This section is effective July 1, 2025.

85.23 Sec. 14. Minnesota Statutes 2024, section 148.108, is amended by adding a subdivision
85.24 to read:

85.25 Subd. 11. **Miscellaneous fees.** Fees under this subdivision must not exceed the following
85.26 amounts but may be adjusted lower by board action:

85.27 (1) annual continuing education sponsorship fee, \$1,000;

85.28 (2) individual continuing education seminar sponsorship fee, \$400;

85.29 (3) mailing list request fee, \$500;

86.1 (4) license verification fee, \$50;

86.2 (5) duplicate certificate fee, \$50; and

86.3 (6) document copies fee, \$0.25 per side of document page.

86.4 **EFFECTIVE DATE.** This section is effective July 1, 2025.

86.5 Sec. 15. Minnesota Statutes 2024, section 148.241, is amended to read:

86.6 **148.241 EXPENSES.**

86.7 Subdivision 1. **Appropriation.** The expenses of administering sections 148.171 to
86.8 148.285 and chapter 148G shall be paid from the appropriation made to the Minnesota
86.9 Board of Nursing.

86.10 Subd. 2. **Expenditure.** All amounts appropriated to the board shall be held subject to
86.11 the order of the board to be used only for the purpose of meeting necessary expenses incurred
86.12 in the performance of the purposes of sections 148.171 to 148.285 and chapter 148G, and
86.13 the duties imposed thereby as well as the promotion of nursing or certified midwifery
86.14 education and standards of nursing or certified midwifery care in this state.

86.15 Sec. 16. Minnesota Statutes 2024, section 148.512, subdivision 17a, is amended to read:

86.16 Subd. 17a. **Speech-language pathology assistant.** "Speech-language pathology assistant"
86.17 means a person who meets the qualifications under section 148.5181 and provides
86.18 speech-language pathology services under the supervision of a licensed speech-language
86.19 pathologist under sections 122A.183 and 122A.184 or in accordance with section 148.5192.

86.20 Sec. 17. Minnesota Statutes 2024, section 148.5192, subdivision 3, is amended to read:

86.21 Subd. 3. **Supervision requirements.** (a) A supervising speech-language pathologist
86.22 shall authorize and accept full responsibility for the performance, practice, and activity of
86.23 a speech-language pathology assistant. The amount and type of supervision required must
86.24 be based on the skills and experience of the speech-language pathology assistant. A minimum
86.25 of one hour every 30 days of consultative supervision time must be documented for each
86.26 speech-language pathology assistant.

86.27 (b) A supervising speech-language pathologist must:

86.28 (1) be licensed under sections 122A.183, 122A.184, or 148.511 to 148.5198;

86.29 (2) hold a certificate of clinical competence from the American Speech-Language-Hearing
86.30 Association or its equivalent as approved by the commissioner; and

87.1 (3) have completed at least ten hours of continuing education in supervision.

87.2 (c) Once every 60 days, the supervising speech-language pathologist must treat or cotreat
87.3 with the speech-language pathology assistant each client on the speech-language pathology
87.4 assistant's caseload.

87.5 (d) For purposes of this section, "direct supervision" means observation and guidance
87.6 by the supervising speech-language pathologist during the performance of a delegated duty
87.7 that occurs either on-site and in-view or through the use of real-time, two-way interactive
87.8 audio and visual communication. The supervision requirements described in this section
87.9 are minimum requirements. Additional supervision requirements may be imposed at the
87.10 discretion of the supervising speech-language pathologist.

87.11 (e) A supervising speech-language pathologist must be available to communicate with
87.12 a speech-language pathology assistant at any time the assistant is in direct contact with a
87.13 client.

87.14 (f) A supervising speech-language pathologist must document activities performed by
87.15 the assistant that are directly supervised by the supervising speech-language pathologist.
87.16 At a minimum, the documentation must include:

87.17 (1) information regarding the quality of the speech-language pathology assistant's
87.18 performance of the delegated duties; and

87.19 (2) verification that any delegated clinical activity was limited to duties authorized to
87.20 be performed by the speech-language pathology assistant under this section.

87.21 (g) A supervising speech-language pathologist must review and cosign all informal
87.22 treatment notes signed or initialed by the speech-language pathology assistant.

87.23 (h) A full-time, speech-language pathologist may supervise no more than two full-time,
87.24 speech-language pathology assistants or the equivalent of two full-time assistants.

87.25 Sec. 18. Minnesota Statutes 2024, section 148.5194, subdivision 2, is amended to read:

87.26 Subd. 2. **Speech-language pathologist licensure fees.** (a) The fee for initial licensure
87.27 for a speech-language pathologist is \$210.50.

87.28 (b) The fee for clinical fellowship licensure, doctoral externship, temporary license, or
87.29 renewal for a speech-language pathologist is \$200.

88.1 Sec. 19. Minnesota Statutes 2024, section 148.5194, subdivision 3b, is amended to read:

88.2 Subd. 3b. **Speech-language pathology assistant licensure fees.** The fee for initial
88.3 licensure as a speech-language pathology assistant ~~is \$493~~ must not exceed \$220. The fee
88.4 for licensure renewal for a speech-language pathology assistant ~~is \$493~~ must not exceed
88.5 \$220.

88.6 Sec. 20. Minnesota Statutes 2024, section 148.56, subdivision 1, is amended to read:

88.7 Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing
88.8 optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

88.9 (1) advertise as an optometrist;

88.10 (2) employ any means, including the use of autorefractors or other automated testing
88.11 devices, for the measurement of the powers of vision or the adaptation of lenses or prisms
88.12 for the aid thereof;

88.13 (3) possess testing appliances for the purpose of the measurement of the powers of vision;

88.14 (4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly
88.15 of the visual system consisting of the human eye and its accessory or subordinate anatomical
88.16 parts;

88.17 (5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the
88.18 correction or the relief of same;

88.19 (6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative
88.20 therapeutic vision care; or

88.21 (7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation,
88.22 prevention, treatment, or management of disease, deficiency, deformity, or abnormality of
88.23 the human eye and adnexa included in the curricula of accredited schools or colleges of
88.24 optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry,
88.25 or who holds oneself out as being able to do so.

88.26 (b) In the course of treatment, nothing in this section shall allow:

88.27 (1) legend drugs to be administered intravenously, intramuscularly, or by injection,
88.28 except for treatment of anaphylaxis;

88.29 (2) invasive surgery including, but not limited to, surgery using lasers;

88.30 (3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or
88.31 prescribed; or

89.1 (4) oral ~~antivirals to be prescribed or administered for more than ten days; or steroids~~
89.2 to be administered or prescribed for more than 14 days without consultation with a physician.

89.3 (5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than
89.4 ~~seven days.~~

89.5 Sec. 21. Minnesota Statutes 2024, section 148.6401, is amended to read:

89.6 **148.6401 SCOPE.**

89.7 Sections 148.6401 to ~~148.6449~~ 148.645 apply to persons who are applicants for licensure,
89.8 who are licensed, who use protected titles, or who represent that they are licensed as
89.9 ~~occupational therapists or occupational therapy assistants~~ practitioners.

89.10 Sec. 22. Minnesota Statutes 2024, section 148.6402, subdivision 1, is amended to read:

89.11 Subdivision 1. **Scope.** For the purpose of sections 148.6401 to ~~148.6449~~ 148.645, the
89.12 following terms have the meanings given them.

89.13 Sec. 23. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
89.14 to read:

89.15 Subd. 2a. **Accreditation Council for Occupational Therapy Education or**
89.16 **ACOTE.** "Accreditation Council for Occupational Therapy Education" or "ACOTE" means
89.17 the entity that accredits occupational therapy education programs in the United States and
89.18 its territories and establishes, approves, and administers educational standards ensuring
89.19 consistency across all occupational therapy education.

89.20 Sec. 24. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
89.21 to read:

89.22 Subd. 5a. **Continuing competence.** "Continuing competence" means the process in
89.23 which an occupational therapy practitioner develops and maintains the knowledge, critical
89.24 reasoning, interpersonal skills, performance skills, and ethical practice necessary to perform
89.25 their occupational therapy responsibilities.

89.26 Sec. 25. Minnesota Statutes 2024, section 148.6402, subdivision 7, is amended to read:

89.27 Subd. 7. ~~**Credentialing Certification examination for occupational**~~
89.28 **therapist.** "~~Credentialing Certification~~ examination for occupational therapist" means the
89.29 examination sponsored by the National Board for Certification in Occupational Therapy
89.30 for ~~credentialing certification as an a registered occupational therapist, registered.~~

90.1 Sec. 26. Minnesota Statutes 2024, section 148.6402, subdivision 8, is amended to read:

90.2 Subd. 8. ~~Credentialing~~ **Certification** examination for occupational therapy
90.3 **assistant.** ~~"Credentialing~~ **Certification** examination for occupational therapy assistant"
90.4 means the examination sponsored by the National Board for Certification in Occupational
90.5 Therapy for ~~credentialing~~ **certification** as a certified occupational therapy assistant.

90.6 Sec. 27. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
90.7 to read:

90.8 Subd. 12a. **Face-to-face supervision.** "Face-to-face supervision" means supervision
90.9 occurring between a supervisor and a supervisee within each other's sight or presence.
90.10 Face-to-face supervision includes real time audio and video communication where the
90.11 supervisor and supervisee can see each other and clearly visualize the services being provided.

90.12 Sec. 28. Minnesota Statutes 2024, section 148.6402, subdivision 13, is amended to read:

90.13 Subd. 13. **Licensed health care professional.** "Licensed health care professional" means
90.14 a person licensed in good standing in Minnesota to practice medicine, osteopathic medicine,
90.15 chiropractic, podiatry, advanced practice registered nursing, or dentistry, or ~~is a person~~
90.16 ~~registered~~ as a **licensed** physician assistant in Minnesota.

90.17 Sec. 29. Minnesota Statutes 2024, section 148.6402, is amended by adding a subdivision
90.18 to read:

90.19 Subd. 13a. **National Board for Certification in Occupational Therapy or**
90.20 **NBCOT.** "National Board for Certification in Occupational Therapy" or "NBCOT" means
90.21 the entity that administers the certification examination and provides initial and renewal
90.22 board certification for occupational therapy practitioners providing services in the United
90.23 States, or any successor entity performing the certification examination and initial and
90.24 renewal board certification.

90.25 Sec. 30. Minnesota Statutes 2024, section 148.6402, subdivision 14, is amended to read:

90.26 Subd. 14. **Occupational therapist.** "Occupational therapist" means an individual ~~who~~
90.27 ~~meets the qualifications in sections 148.6401 to 148.6449 and is licensed by the board~~
90.28 licensed to practice occupational therapy under sections 148.6401 to 148.645 who is
90.29 responsible for and directs the evaluation process, discharge planning process, development
90.30 of intervention plans, and provision of occupational therapy services.

91.1 Sec. 31. Minnesota Statutes 2024, section 148.6402, subdivision 16, is amended to read:

91.2 Subd. 16. **Occupational therapy assistant.** "Occupational therapy assistant" means an
91.3 individual ~~who meets the qualifications for an occupational therapy assistant in sections~~
91.4 ~~148.6401 to 148.6449 and is licensed by the board~~ licensed to assist in the practice of
91.5 occupational therapy under sections 148.6401 to 148.645 who works under the appropriate
91.6 supervision of and in partnership with an occupational therapist, unless exempted under
91.7 section 148.6432.

91.8 Sec. 32. Minnesota Statutes 2024, section 148.6402, subdivision 16a, is amended to read:

91.9 Subd. 16a. **Occupational therapy practitioner.** "Occupational therapy practitioner"
91.10 means any individual licensed as either an occupational therapist or occupational therapy
91.11 assistant under sections 148.6401 to ~~148.6449~~ 148.645.

91.12 Sec. 33. Minnesota Statutes 2024, section 148.6402, subdivision 19, is amended to read:

91.13 Subd. 19. **License or licensed.** "License" or "licensed" means the act or status of a
91.14 natural person who meets the requirements of sections 148.6401 to ~~148.6449~~ 148.645.

91.15 Sec. 34. Minnesota Statutes 2024, section 148.6402, subdivision 20, is amended to read:

91.16 Subd. 20. **Licensee.** "Licensee" means a person who meets the requirements of sections
91.17 148.6401 to ~~148.6449~~ 148.645.

91.18 Sec. 35. Minnesota Statutes 2024, section 148.6402, subdivision 23, is amended to read:

91.19 Subd. 23. **Service competency.** (a) "Service competency" of an occupational therapy
91.20 assistant in performing evaluation tasks means the ability of an occupational therapy assistant
91.21 to obtain the same information as the supervising occupational therapist when evaluating
91.22 a client's function.

91.23 (b) "Service competency" of an occupational therapy assistant in performing treatment
91.24 procedures means the ability of an occupational therapy assistant to perform treatment
91.25 procedures in a manner such that the outcome, documentation, and follow-up are equivalent
91.26 to that which would have been achieved had the supervising occupational therapist performed
91.27 the treatment procedure.

91.28 (c) "Service competency" of an occupational therapist means the ability of an occupational
91.29 therapist to consistently perform an assessment task or intervention procedure with the level

92.1 of skill recognized as satisfactory within the ~~appropriate-acceptable-prevailing-practice~~
92.2 national practice standards of occupational therapy.

92.3 Sec. 36. Minnesota Statutes 2024, section 148.6402, subdivision 25, is amended to read:

92.4 Subd. 25. **Temporary licensure.** "Temporary licensure" means a method of licensure
92.5 described in section 148.6418, by which an individual who (1) has completed an approved
92.6 or accredited education program but has not met the examination requirement; or (2)
92.7 possesses a credential from another jurisdiction or the National Board for Certification in
92.8 Occupational Therapy but who has not submitted the documentation required by section
92.9 148.6420, ~~subdivisions 3 and 4~~, may qualify for Minnesota licensure for a limited time
92.10 period.

92.11 Sec. 37. Minnesota Statutes 2024, section 148.6403, is amended to read:

92.12 **148.6403 LICENSURE; PROTECTED TITLES AND RESTRICTIONS ON USE;**
92.13 **EXEMPT PERSONS; SANCTIONS.**

92.14 Subdivision 1. **Unlicensed practice prohibited.** A person must not engage in the practice
92.15 of occupational therapy unless the person is licensed as an occupational therapy practitioner
92.16 in accordance with sections 148.6401 to ~~148.6449~~ 148.645.

92.17 Subd. 2. **Protected titles and restrictions on use.** Use of the phrase "occupational
92.18 therapy," ~~or~~ "occupational therapist," or "occupational therapy assistant," or the initials
92.19 "OT" or "OTA" alone or in combination with any other words or initials to form an
92.20 occupational title, or to indicate or imply that the person is licensed by the state as an
92.21 occupational therapist or occupational therapy assistant, is prohibited unless that person is
92.22 licensed under sections 148.6401 to ~~148.6449~~ 148.645.

92.23 Subd. 3. **Use of "Minnesota licensed."** Use of the term "Minnesota licensed" in
92.24 conjunction with titles protected under this section by any person is prohibited unless that
92.25 person is licensed under sections 148.6401 to ~~148.6449~~ 148.645.

92.26 Subd. 4. **Persons licensed or certified in other states.** A person who is licensed in
92.27 Minnesota and licensed or certified in another state may use the designation "licensed" or
92.28 "certified" with a protected title only if the state jurisdiction of licensure or certification is
92.29 clearly indicated.

92.30 Subd. 5. **Exempt persons.** This section does not apply to:

92.31 (1) a person employed as an occupational therapy practitioner by the government of the
92.32 United States or any agency of it. However, use of the protected titles under those

93.1 circumstances is allowed only in connection with performance of official duties for the
93.2 federal government;

93.3 (2) a student participating in supervised fieldwork or supervised coursework that is
93.4 necessary to meet the requirements of section 148.6408, subdivision 1, or 148.6410,
93.5 subdivision 1, if the person is designated by a title which clearly indicates the person's status
93.6 as a student trainee. Any use of the protected titles under these circumstances is allowed
93.7 only while the person is performing the duties of the supervised fieldwork or supervised
93.8 coursework; ~~or~~

93.9 ~~(3) a person visiting and then leaving the state and performing occupational therapy~~
93.10 ~~services while in the state, if the services are performed no more than 30 days in a calendar~~
93.11 ~~year as part of a professional activity that is limited in scope and duration and is in association~~
93.12 ~~with an occupational therapist licensed under sections 148.6401 to 148.6449, and~~

93.13 ~~(i) the~~ (3) a person who is credentialed under the law of another state ~~which~~ that has
93.14 credentialing requirements at least as stringent as the requirements of sections 148.6401 to
93.15 ~~148.6449~~ 148.645; or

93.16 ~~(ii) the~~ (4) a person who meets the requirements for certification as an occupational
93.17 therapist registered (OTR) or a certified occupational therapy assistant (COTA), established
93.18 by the National Board for Certification in Occupational Therapy; or

93.19 (5) an occupational therapy practitioner who possesses an active compact privilege under
93.20 section 148.645.

93.21 Subd. 6. **Sanctions.** A person who practices occupational therapy or holds out as an
93.22 occupational therapy practitioner by or through the use of any title described in subdivision
93.23 2 without prior licensure according to sections 148.6401 to ~~148.6449~~ 148.645 is subject to
93.24 sanctions or action against continuing the activity according to section 148.6448, chapter
93.25 214, or other statutory authority.

93.26 Subd. 7. **Exemption.** Nothing in sections 148.6401 to ~~148.6449~~ 148.645 shall prohibit
93.27 the practice of any profession or occupation licensed or registered by the state by any person
93.28 duly licensed or registered to practice the profession or occupation or to perform any act
93.29 that falls within the scope of practice of the profession or occupation.

94.1 Sec. 38. Minnesota Statutes 2024, section 148.6404, is amended to read:

94.2 **148.6404 SCOPE OF PRACTICE.**

94.3 (a) The practice of occupational therapy means the therapeutic use of everyday activities
94.4 life occupations with individuals ~~or~~ groups, or populations for the purpose of enhancing
94.5 or enabling participation in those occupations. ~~It is the promotion of~~ The practice of
94.6 occupational therapy promotes health and well-being through the use of occupational therapy
94.7 services that includes screening, evaluation, intervention, and consultation to develop,
94.8 recover, and maintain a client's:

94.9 (1) sensory integrative, neuromuscular, motor, emotional, motivational, cognitive, or
94.10 psychosocial components of performance;

94.11 (2) daily living skills;

94.12 (3) feeding and swallowing skills;

94.13 (4) play and leisure skills;

94.14 (5) educational participation skills;

94.15 (6) functional performance and work participation skills;

94.16 (7) community mobility; and

94.17 (8) health and wellness.

94.18 (b) Occupational therapy services include but are not limited to:

94.19 (1) designing, fabricating, or applying rehabilitative technology, such as selected orthotic
94.20 and prosthetic devices, and providing training in the functional use of these devices;

94.21 (2) designing, fabricating, or adapting assistive technology and providing training in the
94.22 functional use of assistive devices;

94.23 (3) adapting environments using assistive technology such as environmental controls,
94.24 wheelchair modifications, and positioning; ~~and~~

94.25 (4) ~~employing~~ applying physical agent, manual, and mechanical modalities in preparation
94.26 for or as an adjunct to purposeful activity to meet established functional occupational therapy
94.27 goals; and

94.28 (5) educating and training individuals including family, caregivers, groups, and
94.29 populations.

95.1 (c) Occupational therapy services must be based on nationally established standards of
95.2 practice.

95.3 Sec. 39. Minnesota Statutes 2024, section 148.6405, is amended to read:

95.4 **148.6405 LICENSURE APPLICATION REQUIREMENTS: PROCEDURES AND**
95.5 **QUALIFICATIONS.**

95.6 (a) An applicant for licensure must comply with the application requirements in section
95.7 148.6420. To qualify for licensure, an applicant must satisfy one of the requirements in
95.8 ~~paragraphs (b) to (f)~~ section 148.6408 to 148.6415, or 148.645 and not be subject to denial
95.9 of licensure under section 148.6448.

95.10 ~~(b) A person who applies for licensure as an occupational therapist and who has not~~
95.11 ~~been credentialed by the National Board for Certification in Occupational Therapy or another~~
95.12 ~~jurisdiction must meet the requirements in section 148.6408.~~

95.13 ~~(c) A person who applies for licensure as an occupational therapy assistant and who has~~
95.14 ~~not been credentialed by the National Board for Certification in Occupational Therapy or~~
95.15 ~~another jurisdiction must meet the requirements in section 148.6410.~~

95.16 ~~(d) A person who is certified by the National Board for Certification in Occupational~~
95.17 ~~Therapy may apply for licensure by equivalency and must meet the requirements in section~~
95.18 ~~148.6412.~~

95.19 ~~(e) A person who is credentialed in another jurisdiction and who was previously certified~~
95.20 ~~by the National Board for Certification in Occupational Therapy may apply for licensure~~
95.21 ~~by reciprocity and must meet the requirements in section 148.6415.~~

95.22 ~~(f)~~ (b) A person who applies for temporary licensure must meet the requirements in
95.23 section 148.6418.

95.24 (c) A person who applies for licensure under section 148.6408 or 148.6410 more than
95.25 two years after the person's initial NBCOT certification was issued and who has not practiced
95.26 in any jurisdiction must submit:

95.27 (1) a completed and signed application for licensure on forms provided by the board
95.28 that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1)
95.29 and (2); and

95.30 (2) proof of a minimum of 24 continuing education contact hours by an occupational
95.31 therapist applicant, or a minimum of 18 hours by an occupational therapy assistant applicant,

96.1 completed within the two years proceeding the application and meeting the requirements
96.2 of section 148.6443.

96.3 ~~(g) (d)~~ A person who applies for licensure under paragraph (b), (c), or (f) ~~more than two~~
96.4 ~~and less than four years after meeting the examination requirements in section 148.6408,~~
96.5 ~~subdivision 2, or 148.6410, subdivision 2, section 148.6408 or 148.6410 after the person's~~
96.6 initial NBCOT certification has expired must submit the following:

96.7 (1) a completed and signed application for licensure on forms provided by the board
96.8 that meet the requirements of section 148.6420, subdivision 1, paragraph (a), clauses (1)
96.9 and (2); and

96.10 (2) ~~the license application fee required under section 148.6445; evidence of:~~

96.11 (i) completion of an occupational therapy refresher program that contains both theoretical
96.12 and clinical components completed within the last year; or

96.13 (ii) current NBCOT certification.

96.14 ~~(3) if applying for occupational therapist licensure, proof of having met a minimum of~~
96.15 ~~24 contact hours of continuing education in the two years preceding licensure application;~~
96.16 ~~or if applying for occupational therapy assistant licensure, proof of having met a minimum~~
96.17 ~~of 18 contact hours of continuing education in the two years preceding licensure application;~~

96.18 ~~(4) verified documentation of successful completion of 160 hours of supervised practice~~
96.19 ~~approved by the board under a limited license specified in section 148.6425, subdivision 3,~~
96.20 ~~paragraph (c); and~~

96.21 ~~(5) additional information as requested by the board to clarify information in the~~
96.22 ~~application, including information to determine whether the individual has engaged in~~
96.23 ~~conduct warranting disciplinary action under section 148.6448. The information must be~~
96.24 ~~submitted within 30 calendar days from the date of the board's request.~~

96.25 ~~(h) A person who applies for licensure under paragraph (b), (c), or (f) four years or more~~
96.26 ~~after meeting the examination requirements in section 148.6408, subdivision 2, or 148.6410,~~
96.27 ~~subdivision 2, must:~~

96.28 (1) meet all the requirements in paragraph (g) except clauses (3) and (4);

96.29 ~~(2) submit documentation of having retaken and achieved a qualifying score on the~~
96.30 ~~credentialing examination for occupational therapists or occupational therapy assistants, or~~
96.31 ~~of having completed an occupational therapy refresher program that contains both a~~
96.32 ~~theoretical and clinical component approved by the board; and~~

~~(3) submit verified documentation of successful completion of 480 hours of supervised practice approved by the board under a limited license specified in section 148.6425, subdivision 3, paragraph (c). The 480 hours of supervised practice must be completed in six months and may be completed at the applicant's place of work. Only refresher courses completed within one year prior to the date of application qualify for approval.~~

Sec. 40. Minnesota Statutes 2024, section 148.6408, is amended by adding a subdivision to read:

Subd. 1a. **Qualifications.** To be licensed as an occupational therapist, an applicant must:

(1) satisfy the education and examination requirements of subdivisions 1b and 2; or

(2) satisfy the requirements for licensure by equivalency under section 148.6412 or licensure by reciprocity under section 148.6415 as applicable based on the current status of the applicant's NBCOT certification.

Sec. 41. Minnesota Statutes 2024, section 148.6408, subdivision 2, is amended to read:

Subd. 2. **Qualifying examination score required.** (a) An applicant must achieve a qualifying score on the ~~credentialing~~ credentialing certification examination for occupational therapist.

(b) The board shall determine the qualifying score for the ~~credentialing~~ credentialing certification examination for occupational therapist. ~~In determining the qualifying score, the board shall consider the cut score as recommended by the National Board for Certification in Occupational Therapy, or other national credentialing certification organization approved by the board, using the modified Angoff method for determining cut score or another method for determining cut score that is recognized as appropriate and acceptable by industry standards.~~

~~(c) The applicant is responsible for~~ Applicants for licensure must:

~~(1) making~~ make arrangements to take the ~~credentialing~~ credentialing certification examination for an occupational therapist;

~~(2) bearing~~ bear all expenses associated with taking the examination; and

~~(3) having the examination scores sent directly to the board from the testing service that administers the examination~~ submit an application and other materials as required by the board under section 148.6420.

98.1 Sec. 42. Minnesota Statutes 2024, section 148.6410, is amended by adding a subdivision
98.2 to read:

98.3 Subd. 1a. **Qualifications.** To be licensed as an occupational therapist, an applicant must:

98.4 (1) satisfy the education and examination requirements of subdivisions 1b and 2; or

98.5 (2) satisfy the requirements for licensure by equivalency under section 148.6412 or

98.6 licensure by reciprocity under section 148.6415 as applicable based on the current status of
98.7 the applicant's NBCOT certification.

98.8 Sec. 43. Minnesota Statutes 2024, section 148.6410, subdivision 2, is amended to read:

98.9 Subd. 2. **Qualifying examination score required.** (a) An applicant for licensure must
98.10 achieve a qualifying score on the ~~credentialing~~ credentialing certification examination for occupational
98.11 therapy assistants.

98.12 (b) The board shall determine the qualifying score for the ~~credentialing~~ credentialing certification
98.13 examination for occupational therapy assistants. ~~In determining the qualifying score, the~~
98.14 ~~board shall consider the cut score as~~ recommended by the National Board for Certification
98.15 in Occupational Therapy, or other national ~~credentialing~~ credentialing certification organization approved
98.16 by the board, ~~using the modified Angoff method for determining cut score or another method~~
98.17 ~~for determining cut score that is recognized as appropriate and acceptable by industry~~
98.18 ~~standards.~~

98.19 (c) ~~The applicant is responsible for~~ Applicants for licensure must:

98.20 (1) ~~making~~ make all arrangements to take the ~~credentialing~~ credentialing certification examination
98.21 for occupational therapy assistants;

98.22 (2) ~~bearing~~ bear all expense associated with taking the examination; and

98.23 (3) ~~having the examination scores sent directly to the board from the testing service that~~
98.24 ~~administers the examination~~ submit an application and other materials as required by the
98.25 board under section 148.6420.

98.26 Sec. 44. Minnesota Statutes 2024, section 148.6412, subdivision 2, is amended to read:

98.27 Subd. 2. **Persons currently certified by ~~National Board for Certification in~~**
98.28 **~~Occupational Therapy~~ NBCOT.** The board may license any person ~~certified by the National~~
98.29 ~~Board for Certification in Occupational Therapy~~ who holds current NBCOT certification
98.30 as an occupational therapist ~~if the board determines the requirements for certification are~~
98.31 ~~equivalent to or exceed the requirements for licensure as an occupational therapist under~~

~~section 148.6408~~ therapy practitioner. The board may license any person certified by the National Board for Certification in Occupational Therapy as an occupational therapy assistant if the board determines the requirements for certification are equivalent to or exceed the requirements for licensure as an occupational therapy assistant under section 148.6410. Nothing in this section limits the board's authority to deny licensure based upon the grounds for discipline in sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 45. Minnesota Statutes 2024, section 148.6412, subdivision 3, is amended to read:

Subd. 3. **Application procedures.** Applicants for licensure by equivalency must provide:

~~(1) the application materials as required by section 148.6420, subdivisions~~ subdivision 1, 3, and 4; and

~~(2) the fees required by section 148.6445.~~

Sec. 46. Minnesota Statutes 2024, section 148.6415, is amended to read:

148.6415 LICENSURE BY RECIPROCITY.

~~A person who is not certified by the National Board for Certification in Occupational Therapy~~ The board may license any person who does not hold current NBCOT certification but who holds a compact privilege or a current credential as an occupational therapist therapy practitioner in the District of Columbia or a state or territory of the United States whose standards for credentialing are determined by the board to be equivalent to or exceed the requirements for licensure under section 148.6408 ~~may be eligible for licensure by reciprocity as an occupational therapist. A person who is not certified by the National Board for Certification in Occupational Therapy but who holds a current credential as an occupational therapy assistant in the District of Columbia or a state or territory of the United States whose standards for credentialing are determined by the board to be equivalent to or exceed the requirements for licensure under section 148.6410~~ may be eligible for licensure by reciprocity as an occupational therapy assistant, or 148.6410 as an occupational therapy practitioner. Nothing in this section limits the board's authority to deny licensure based upon the grounds for discipline in sections 148.6401 to ~~148.6449~~ 148.645. An applicant must provide:

(1) the application materials as required by section 148.6420, ~~subdivisions~~ subdivision 1, 3, and 4; and

~~(2) the fees required by section 148.6445;~~

~~(3) a copy of a current and unrestricted credential for the practice of occupational therapy as either an occupational therapist or occupational therapy assistant;~~

~~(4) a letter from the jurisdiction that issued the credential describing the applicant's qualifications that entitled the applicant to receive the credential; and~~

~~(5)~~ (2) other information necessary to determine whether the credentialing standards of the jurisdiction that issued the credential are equivalent to or exceed the requirements for licensure under sections 148.6401 to ~~148.6449~~ 148.645.

Sec. 47. Minnesota Statutes 2024, section 148.6418, is amended to read:

148.6418 TEMPORARY LICENSURE.

Subdivision 1. **Application.** The board shall issue temporary licensure as an occupational ~~therapist or occupational therapy assistant~~ practitioner to applicants who are not the subject of a disciplinary action or past disciplinary action, nor disqualified on the basis of items listed in section 148.6448, subdivision 1.

Subd. 2. **Procedures.** To be eligible for temporary licensure, an applicant must submit a completed application for temporary licensure on forms provided by the board, the fees required by section 148.6445, and one of the following:

(1) evidence of successful completion of the requirements in section 148.6408, subdivision 1, or 148.6410, subdivision 1;

(2) a copy of a current and unrestricted credential for the practice of occupational therapy as ~~either an occupational therapist or occupational therapy assistant~~ practitioner in another jurisdiction; or

(3) a copy of a current and unrestricted ~~certificate~~ certification from the National Board for Certification in Occupational Therapy stating that the applicant is certified as an occupational ~~therapist or occupational therapy assistant~~ practitioner.

Subd. 3. **Additional documentation.** Persons who are ~~credentialed~~ certified by the National Board for Certification in Occupational Therapy or credentialed by another jurisdiction must provide ~~an affidavit~~ a statement with the application for temporary licensure stating that they are not the subject of a pending investigation or disciplinary action and have not been the subject of a disciplinary action in the past.

Subd. 4. **Supervision required.** An applicant who has graduated from an accredited occupational therapy program, as required by section 148.6408, subdivision 1, or 148.6410, subdivision 1, and who has not passed the examination required by section 148.6408, subdivision 2, or 148.6410, subdivision 2, must practice under the supervision of a licensed occupational therapist. The supervising therapist must, at a minimum, supervise the person

working under temporary licensure in the performance of the initial evaluation, determination of the appropriate intervention plan, and periodic review and modification of the intervention plan. The supervising therapist must observe the person working under temporary licensure in order to ensure service competency in carrying out evaluation, intervention planning, and intervention implementation. The frequency of face-to-face collaboration between the person working under temporary licensure and the supervising therapist must be based on the condition of each patient or client, the complexity of intervention and evaluation procedures, and the proficiencies of the person practicing under temporary licensure. Following demonstrated service competency of the applicant, supervision must occur no less than every ten intervention days or every 30 calendar days, whichever occurs first. The occupational therapist or occupational therapy assistant practitioner working under temporary licensure must provide verification of supervision on the application form provided by the board. Supervising occupational therapists must have a minimum of six months of fully licensed practice to supervise a temporary licensee. The occupational therapy practitioner working under temporary licensure must notify the board before changing supervision.

Subd. 5. **Qualifying examination requirement; expiration and renewability.** (a) A person issued a temporary license pursuant to subdivision 2, clause (1), must demonstrate to the board within the temporary licensure period successful completion of the qualifying examination requirement under section 148.6408, subdivision 2, or section 148.6410, subdivision 2. A temporary license holder who fails the qualifying examination for a second time shall have their temporary license revoked effective upon notification to the temporary license holder of the examination score. It is the temporary license holder's obligation to submit to the board their qualifying examination scores and to refrain from practice if their temporary license is revoked. Failure to do so subjects the temporary license holder to disciplinary action pursuant to section 148.6448, subdivision 1, clause ~~(5)~~ (6). The board must not issue a temporary license to a person with two or more certification examination failures.

(b) A temporary license expires six months from the date of issuance or on the date the board grants or denies licensure, whichever occurs first.

(c) A temporary license is not renewable.

Sec. 48. Minnesota Statutes 2024, section 148.6420, subdivision 1, is amended to read:

Subdivision 1. **Applications for initial licensure.** (a) An applicant for initial licensure must:

- 102.1 (1) submit a completed application for licensure on forms provided by the board and
102.2 must supply ~~the~~ all information and documentation requested on the application, including:
- 102.3 (i) the applicant's name, business address and business telephone number, ~~business~~
102.4 ~~setting~~, primary email address, and ~~daytime~~ home or mobile telephone number;
- 102.5 ~~(ii) the name and location of the occupational therapy program the applicant completed;~~
- 102.6 ~~(iii)~~ (ii) a description of the applicant's education and training, including the name and
102.7 location of the occupational therapy program the applicant completed and a list of degrees
102.8 ~~received from all other~~ educational institutions attended;
- 102.9 ~~(iv)~~ (iii) the applicant's work history for the six years preceding the application;
- 102.10 ~~(v)~~ (iv) a list of all credentials currently and previously held in Minnesota and other
102.11 jurisdictions;
- 102.12 ~~(vi)~~ (v) a description of any jurisdiction's refusal to credential the applicant;
- 102.13 ~~(vii)~~ (vi) a description of all professional disciplinary actions initiated against the applicant
102.14 in any jurisdiction;
- 102.15 ~~(viii)~~ (vii) information on any physical or mental condition or substance use disorder
102.16 that impairs the person's ability to engage in the practice of occupational therapy with
102.17 reasonable judgment or safety;
- 102.18 ~~(ix)~~ (viii) a description of any misdemeanor or felony ~~conviction that relates to honesty~~
102.19 ~~or to the practice of occupational therapy~~ charges or convictions; and
- 102.20 ~~(x)~~ (ix) a description of any state or federal court order, including a conciliation court
102.21 judgment or a disciplinary order, related to the individual's occupational therapy practice;
- 102.22 ~~(2) submit with the application all fees required by section 148.6445;~~
- 102.23 ~~(3) sign a statement that the information in the application is true and correct to the best~~
102.24 ~~of the applicant's knowledge and belief;~~
- 102.25 ~~(4) sign a waiver authorizing the board to obtain access to the applicant's records in this~~
102.26 ~~or any other state in which the applicant holds or previously held a credential for the practice~~
102.27 ~~of an occupation, has completed an accredited occupational therapy education program, or~~
102.28 ~~engaged in the practice of occupational therapy;~~
- 102.29 (x) any legal information required under chapter 214;
- 102.30 (xi) either documentation to demonstrate the completion of the required education and
102.31 examination requirements under section 148.6408, subdivisions 1b and 2, or 148.6410,

103.1 subdivisions 1b and 2; for applicants for licensure by equivalency under section 148.6412,
103.2 documentation of current NBCOT certification; or for applicants for licensure by reciprocity
103.3 under section 148.6415, documentation submitted directly by the appropriate commission
103.4 or government body verifying the license or credential, or verification from the Compact
103.5 Commission of the applicant's practice status in Compact Commission states;

103.6 (xii) all application fees required by section 148.6445;

103.7 (xiii) evidence of completing a criminal background check according to section 214.075;
103.8 and

103.9 (xiv) a signed statement affirming that the information in the application is true and
103.10 correct to the best of the applicant's knowledge and belief;

103.11 ~~(5)~~ (2) submit additional information as requested by the board; and

103.12 ~~(6)~~ (3) submit ~~the~~ any additional information required for licensure by equivalency,
103.13 licensure by reciprocity, licensure by compact privilege, and temporary licensure as specified
103.14 in sections 148.6408 to 148.6418; and 148.645. An applicant applying under section 148.6418
103.15 is exempt from providing documentation related to a criminal background check under
103.16 clause (1), item (xiii). An applicant applying under section 148.6418, subdivision 4, is
103.17 exempt from providing documentation related to previously held licenses or credentials
103.18 under clause (1), item (iv).

103.19 (b) The board must not verify the status of an applicant under paragraph (a), clause (1),
103.20 item (xi), by using another jurisdiction's publicly available website unless the other
103.21 jurisdiction fails to provide the requested documentation after the applicant provides
103.22 documentation of making the request.

103.23 Sec. 49. Minnesota Statutes 2024, section 148.6423, subdivision 1, is amended to read:

103.24 Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a licensee
103.25 must:

103.26 (1) submit a completed and signed application for licensure renewal; on forms provided
103.27 by the board, including:

103.28 (i) updated personal information, including the renewal applicant's name, business
103.29 address and business telephone number, primary email address, and home or mobile telephone
103.30 number;

103.31 (ii) information regarding any change to the renewal applicant's responses to section
103.32 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);

104.1 (iii) a signed statement affirming that the information in the renewal application is true
104.2 and correct to the best of the applicant's knowledge and belief; and

104.3 (iv) any legal information required under chapter 214;

104.4 (2) submit the renewal fee required under section 148.6445;

104.5 (3) if audited, submit proof of having met the continuing education requirement of section
104.6 148.6443; and

104.7 (4) submit additional information as requested by the board to clarify information
104.8 presented in the renewal application. The information must be submitted within 30 calendar
104.9 days of the board's request.

104.10 Sec. 50. Minnesota Statutes 2024, section 148.6423, is amended by adding a subdivision
104.11 to read:

104.12 Subd. 1a. **License period.** Following the initial license period, a license period begins
104.13 on the first day of the month after the licensee's birth month and must be renewed biennially.

104.14 Sec. 51. Minnesota Statutes 2024, section 148.6423, subdivision 2, is amended to read:

104.15 Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must be
104.16 renewed every two years on or before the first day of the month after the licensee's birth
104.17 month. Licensees must comply with the following procedures in paragraphs (b) to (e).

104.18 (b) Each license must state an expiration date. An application for licensure renewal must
104.19 be received by the board ~~at least 30 calendar days~~ on or before the expiration date.

104.20 (c) If the board changes the renewal schedule and the expiration date is less than two
104.21 years, the fee and the continuing education contact hours to be reported at the next renewal
104.22 must be prorated.

104.23 (d) An application for licensure renewal not received within the time required under
104.24 paragraph (b), ~~but received on or before the expiration date~~, must be accompanied by a late
104.25 fee in addition to the renewal fee specified by section 148.6445.

104.26 (e) Licensure renewals received after the expiration date must comply with the
104.27 requirements of section 148.6425.

105.1 Sec. 52. Minnesota Statutes 2024, section 148.6425, subdivision 2, is amended to read:

105.2 Subd. 2. **Licensure renewal within one year after licensure expiration date.** A licensee
105.3 whose application for licensure renewal is received after the licensure expiration date but
105.4 within one year of the expiration date must submit the following:

105.5 (1) a completed and signed renewal application for licensure following lapse in licensed
105.6 status; on forms provided by the board, including:

105.7 (i) updated personal information, including the renewal applicant's name, business
105.8 address and business telephone number, primary email address, and home or mobile telephone
105.9 number;

105.10 (ii) information regarding any change to the renewal applicant's responses to section
105.11 148.6420, subdivision 1, paragraph (a), clause (1), items (v) to (ix);

105.12 (iii) a signed statement affirming that the information in the renewal application is true
105.13 and correct to the best of the applicant's knowledge and belief;

105.14 (iv) information regarding any change to the renewal applicant's responses to section
105.15 148.6420, subdivision 1, paragraph (a), clause (1), item (xi);

105.16 (v) NBCOT verification of certification documentation; and

105.17 (vi) any legal information required under chapter 214;

105.18 (2) the renewal fee and the late fee required under section 148.6445;

105.19 (3) proof of having met the continuing education requirements in section 148.6443;
105.20 ~~subdivision 1; and~~

105.21 (4) an employment verification form; and

105.22 ~~(4)~~ (5) additional information as requested by the board to clarify information in the
105.23 application, including information to determine whether the licensee has engaged in conduct
105.24 warranting disciplinary action as set forth in section 148.6448. The information must be
105.25 submitted within 30 calendar days from the date of the board's request.

105.26 Sec. 53. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision
105.27 to read:

105.28 Subd. 4. **Licensure renewal within two years after license expiration date.** A licensee
105.29 whose application for license renewal is received more than one year but less than two years
105.30 after the expiration date must submit the following:

106.1 (1) a completed and signed renewal application for licensure following lapse in licensed
106.2 status on forms provided by the board, including all information listed in subdivision 2,
106.3 clause (1);

106.4 (2) the renewal fee and the late fee required under section 148.6445;

106.5 (3) proof of having met the continuing education requirements in section 148.6443;

106.6 (4) an employment verification form;

106.7 (5) evidence of completion of a criminal background check as required under section
106.8 214.075 and the associated fee; and

106.9 (6) additional information as requested by the board to clarify information in the
106.10 application, including information to determine whether the licensee has engaged in conduct
106.11 warranting disciplinary action as set forth in section 148.6448. The information must be
106.12 submitted within 30 calendar days from the date of the board's request.

106.13 Sec. 54. Minnesota Statutes 2024, section 148.6425, is amended by adding a subdivision
106.14 to read:

106.15 Subd. 5. **Expiration due to nonrenewal after two years.** The board shall not renew,
106.16 reissue, reinstate, or restore a license that is not subject to a pending review, investigation,
106.17 or disciplinary action and has not been renewed within one biennial renewal cycle of the
106.18 license expiration. An individual whose license has expired under this subdivision for
106.19 nonrenewal must obtain a new license by applying for licensure and fulfilling all requirements
106.20 then in existence for an initial license to practice occupational therapy in Minnesota.

106.21 Sec. 55. Minnesota Statutes 2024, section 148.6428, is amended to read:

106.22 **148.6428 CHANGE OF CONTACT INFORMATION OR EMPLOYMENT.**

106.23 A licensee who changes a name, primary email address, address, employment, business
106.24 address, or business telephone number must inform the board of the change of name, primary
106.25 email address, address, employment, business address, or business telephone number within
106.26 30 calendar days from the effective date of the change. A change in name must be
106.27 accompanied by a copy of a marriage certificate, government-issued identification card,
106.28 Social Security card, or court order. All notices or other correspondence served on a licensee
106.29 by the board at the licensee's contact information on file with the board must be considered
106.30 as having been received by the licensee.

107.1 Sec. 56. [148.6431] JURISPRUDENCE EXAMINATION.

107.2 The board may require occupational therapy practitioners to take an open-book
107.3 jurisprudence examination on state laws and rules regarding the practice of occupational
107.4 therapy and occupational therapy assisting.

107.5 Sec. 57. Minnesota Statutes 2024, section 148.6432, subdivision 1, is amended to read:

107.6 Subdivision 1. **Applicability.** If the professional standards identified in ~~section 148.6430~~
107.7 subdivision 1a permit an occupational therapist to delegate an evaluation, reevaluation, or
107.8 treatment procedure, the occupational therapist must provide supervision consistent with
107.9 this section.

107.10 Sec. 58. Minnesota Statutes 2024, section 148.6432, is amended by adding a subdivision
107.11 to read:

107.12 Subd. 1a. **Delegation of duties.** (a) The occupational therapist may delegate to an
107.13 occupational therapy assistant those portions of the client's evaluation, reevaluation, and
107.14 intervention that, according to prevailing national practice standards, can be performed by
107.15 an occupational therapy assistant.

107.16 (b) The occupational therapist is responsible for all duties delegated to the occupational
107.17 therapy assistant.

107.18 (c) The occupational therapist may not delegate portions of an evaluation or reevaluation
107.19 of a person whose condition is changing rapidly.

107.20 Sec. 59. Minnesota Statutes 2024, section 148.6432, subdivision 2, is amended to read:

107.21 Subd. 2. **Evaluations.** The occupational therapist shall determine the frequency of
107.22 evaluations and reevaluations for each client. The occupational therapy assistant shall inform
107.23 the occupational therapist of the need for more frequent reevaluation if indicated by the
107.24 client's condition or response to treatment. Before delegating a portion of a client's evaluation
107.25 pursuant to ~~section 148.6430~~ subdivision 1a, the occupational therapist shall ensure the
107.26 service competency of the occupational therapy assistant in performing the evaluation
107.27 procedure and shall provide supervision consistent with the condition of the patient or client
107.28 and the complexity of the evaluation procedure.

108.1 Sec. 60. Minnesota Statutes 2024, section 148.6432, subdivision 3, is amended to read:

108.2 Subd. 3. **Intervention.** (a) The occupational therapist must determine the frequency and
108.3 manner of supervision of an occupational therapy assistant performing intervention
108.4 procedures delegated pursuant to ~~section 148.6430~~ subdivision 1a based on the condition
108.5 of the patient or client, the complexity of the intervention procedure, and the service
108.6 competency of the occupational therapy assistant.

108.7 (b) Face-to-face collaboration between the occupational therapist and the occupational
108.8 therapy assistant must occur for all clients every ten intervention days or every 30 days,
108.9 whichever comes first, during which time the occupational therapist is responsible for:

108.10 (1) planning and documenting an initial intervention plan and discharge from
108.11 interventions;

108.12 (2) reviewing intervention goals, therapy programs, and client progress;

108.13 (3) supervising changes in the intervention plan;

108.14 (4) conducting or observing intervention procedures for selected clients and documenting
108.15 appropriateness of intervention procedures. Clients must be selected based on the
108.16 occupational therapy services provided to the client and the role of the occupational therapist
108.17 and the occupational therapy assistant in those services; and

108.18 (5) ensuring the service competency of the occupational therapy assistant in performing
108.19 delegated intervention procedures.

108.20 (c) Face-to-face collaboration must occur more frequently if necessary to meet the
108.21 requirements of paragraph (a) or (b).

108.22 (d) The occupational therapist must document compliance with this subdivision in the
108.23 client's file or chart.

108.24 Sec. 61. Minnesota Statutes 2024, section 148.6432, subdivision 4, is amended to read:

108.25 Subd. 4. **Exception.** (a) The supervision requirements of this section do not apply to an
108.26 occupational therapy assistant who:

108.27 (1) works in an activities program; and

108.28 (2) does not perform occupational therapy services.

108.29 (b) The occupational therapy assistant must meet all other applicable requirements of
108.30 sections 148.6401 to ~~148.6449~~ 148.645.

109.1 Sec. 62. Minnesota Statutes 2024, section 148.6435, is amended to read:

109.2 **148.6435 COORDINATION OF SERVICES.**

109.3 An occupational therapist must:

109.4 (1) collect information necessary to ensure that the provision of occupational therapy
109.5 services are consistent with the client's physical and mental health status. The information
109.6 required to make this determination may include, but is not limited to, contacting the client's
109.7 licensed health care professional for health history, current health status, current medications,
109.8 and precautions;

109.9 ~~(2) modify or terminate occupational therapy intervention of a client that is not beneficial~~
109.10 ~~to the client, not tolerated by the client, or refused by the client, and if intervention was~~
109.11 ~~terminated for a medical reason, notify the client's licensed health care professional by~~
109.12 ~~correspondence postmarked or delivered to the licensed health care professional within one~~
109.13 ~~week of the termination of intervention;~~

109.14 ~~(3)~~ (2) refer a client to an appropriate health care, social service, or education practitioner
109.15 if the client's condition requires services not within the occupational therapist's service
109.16 competency or not within the practice of occupational therapy generally, or if the client's
109.17 acuity warrants alternative care; and

109.18 ~~(4)~~ (3) participate and cooperate in the coordination of occupational therapy services
109.19 with other related services, as a member of the professional community serving the client.

109.20 Sec. 63. Minnesota Statutes 2024, section 148.6438, is amended to read:

109.21 **148.6438 RECIPIENT NOTIFICATION.**

109.22 Subdivision 1. **Required notification.** (a) In the absence of a ~~physician, advanced~~
109.23 ~~practice registered nurse, or physician assistant~~ licensed health care provider referral or
109.24 prior authorization, and before providing occupational therapy services for remuneration
109.25 or expectation of payment from the client, an occupational therapist must provide the
109.26 following ~~written notification in all capital letters of 12-point or larger boldface type, to the~~
109.27 client, parent, or guardian in a format meeting national accessibility standards and the needs
109.28 of the client, parent, or guardian:

109.29 "Your health care provider, insurer, or plan may require a ~~physician, advanced practice~~
109.30 ~~registered nurse, or physician assistant~~ licensed health care provider referral or prior
109.31 authorization and you may be obligated for partial or full payment for occupational therapy
109.32 services rendered."

(b) Information other than this notification may be included as long as the notification remains conspicuous on the face of the document. ~~A nonwritten disclosure format may be used to satisfy the recipient notification requirement when necessary to accommodate the physical condition of a client or client's guardian.~~

Subd. 2. **Evidence of recipient notification.** The occupational therapist is responsible for providing evidence of compliance with the recipient notification requirement of this section with documentation of the client, parent, or guardian agreement.

Sec. 64. Minnesota Statutes 2024, section 148.6443, subdivision 3, is amended to read:

Subd. 3. **Activities qualifying for continuing education contact hours.** (a) The activities in this subdivision qualify for continuing education contact hours if they meet all other requirements of this section.

(b) A minimum of one-half of the required contact hours must be directly related to occupational therapy practice. The remaining contact hours may be related to occupational therapy practice, the delivery of occupational therapy services, or to the practitioner's current professional role.

(c) A licensee may obtain an unlimited number of contact hours in any two-year continuing education period through participation in the following:

(1) attendance at educational programs of annual conferences, lectures, panel discussions, workshops, in-service training, seminars, and symposiums;

(2) successful completion of college or university courses. The licensee must obtain a grade of at least a "C" or a pass in a pass/fail course in order to receive credit. One college credit equals six continuing education contact hours; or

(3) successful completion of ~~home study~~ courses that ~~require the participant to demonstrate the participant's knowledge following completion of the course~~ provide documentation that the course was completed and that meet the requirements in subdivision 2.

(d) A licensee may obtain a maximum of one-half of the required contact hours in any two-year continuing education period for:

(1) teaching continuing education or occupational therapy related courses that meet the requirements of this section. A licensee is entitled to earn a maximum of two contact hours as preparation time for each contact hour of presentation time. Contact hours may be claimed

111.1 only once for teaching the same course in any two-year continuing education period. A
111.2 course schedule or brochure must be maintained for audit;

111.3 (2) supervising occupational therapist or occupational therapy assistant students. A
111.4 licensee may earn one contact hour for every eight hours of student supervision. Licensees
111.5 must ensure they receive documentation regarding each student supervised and the dates
111.6 and hours each student was supervised. Contact hours obtained by student supervision must
111.7 be obtained by supervising students from an occupational therapy education program
111.8 accredited by the Accreditation Council for Occupational Therapy Education; and

111.9 ~~(3) teaching or participating in courses related to leisure activities, recreational activities,~~
111.10 ~~or hobbies if the practitioner uses these interventions within the practitioner's current practice~~
111.11 ~~or employment; and~~

111.12 ~~(4)~~ (3) engaging in research activities or outcome studies that are related to the practice
111.13 of occupational therapy and associated with grants, postgraduate studies, or publications in
111.14 professional journals or books.

111.15 (e) A licensee may obtain a maximum of two contact hours in any two-year continuing
111.16 education period for continuing education activities in the following areas:

111.17 (1) personal skill topics: career burnout, communication skills, human relations, and
111.18 similar topics;

111.19 ~~(2) training that is obtained in conjunction with a licensee's employment, occurs during~~
111.20 ~~a licensee's normal workday, and does not include subject matter specific to the fundamentals~~
111.21 ~~of occupational therapy~~ basic life support and CPR training; and

111.22 (3) participation for a minimum of one year on a professional committee or board.

111.23 Sec. 65. Minnesota Statutes 2024, section 148.6443, subdivision 4, is amended to read:

111.24 Subd. 4. **Activities not qualifying for continuing education contact hours.** Credit
111.25 must not be granted for the following activities: hospital patient rounds; entertainment or
111.26 recreational activities; volunteering; noneducational association meetings; and employment
111.27 orientation sessions and meetings, including but not limited to training required at the
111.28 beginning of employment, annually, or routinely that is related to the employer's organization
111.29 requirements.

112.1 Sec. 66. Minnesota Statutes 2024, section 148.6443, subdivision 5, is amended to read:

112.2 Subd. 5. **Reporting continuing education contact hours.** Each licensee must use the
112.3 continuing education reporting form to verify meeting the continuing education requirements
112.4 of this section. The licensee must maintain documentation, including but not limited to a
112.5 signed certificate, transcript, or similar evidence of participation in an activity. The
112.6 documentation must include a:

112.7 (1) the title of the continuing education activity;

112.8 (2) a brief description of the continuing education activity prepared by the presenter or
112.9 sponsor;

112.10 (3) the name of the sponsor, presenter, or author;

112.11 (4) the location and attendance dates;

112.12 (5) the number of contact hours; and

112.13 (6) the licensee's name.

112.14 Sec. 67. Minnesota Statutes 2024, section 148.6443, subdivision 6, is amended to read:

112.15 Subd. 6. **Auditing continuing education reports.** (a) The board may audit a percentage
112.16 of the continuing education reports based on random selection. A licensee shall maintain
112.17 all documentation required by this section for two years after the last day of the biennial
112.18 licensure period in which the contact hours were earned.

112.19 (b) All renewal applications that are received after the expiration date may be subject
112.20 to a continuing education report audit.

112.21 (c) Any licensee against whom a complaint is filed may be subject to a continuing
112.22 education report audit.

112.23 (d) The licensee shall make the following information available to the board for auditing
112.24 purposes:

112.25 (1) a copy of the completed continuing education reporting form for the continuing
112.26 education reporting period that is the subject of the audit including all supporting
112.27 documentation required by subdivision 5;

112.28 (2) documentation of university, college, or vocational school courses by a transcript
112.29 and a course syllabus, listing in a course bulletin, or equivalent documentation that includes
112.30 the course title, instructor's name, course dates, number of contact hours, and course content,
112.31 objectives, or goals; and

113.1 (3) verification of attendance ~~by~~ that meets the requirements of subdivision 5 by
113.2 submitting:

113.3 (i) ~~a signature of~~ certificate of attendance, or if a certificate is not available, other
113.4 documentation from the presenter or a designee ~~at the continuing education activity on the~~
113.5 ~~continuing education report form or a certificate of attendance with the course name, course~~
113.6 ~~date, and licensee's name~~ submitted directly to the board confirming the requirements; or

113.7 (ii) ~~a summary or outline of the educational content of an audio or video educational~~
113.8 ~~activity to verify the licensee's participation in the activity if a designee is not available to~~
113.9 ~~sign the continuing education report form; or~~

113.10 (iii) ~~(ii)~~ verification of self-study programs by a certificate of completion ~~or other~~
113.11 ~~documentation indicating that the individual has demonstrated knowledge and has~~
113.12 ~~successfully completed the program.~~

113.13 Sec. 68. Minnesota Statutes 2024, section 148.6443, subdivision 7, is amended to read:

113.14 Subd. 7. **Waiver Deferral of continuing education requirements.** The board may
113.15 ~~waive or~~ defer all or part of the continuing education requirements of this section if the
113.16 licensee submits a written request and provides satisfactory evidence to the board of illness,
113.17 injury, financial hardship, family hardship, or other similar extenuating circumstances that
113.18 preclude completion of the requirements during the licensure period. The request for a
113.19 ~~waiver~~ deferral must be in writing, state the circumstances that constitute hardship, state
113.20 the period of time the licensee wishes to have the continuing education requirement ~~waived~~
113.21 deferred, and state the alternative measures that will be taken if a ~~waiver~~ deferral is granted.
113.22 The board must set forth, in writing, the reasons for granting or denying the ~~waiver~~ deferral.
113.23 ~~Waivers~~ Deferrals granted by the board must specify, in writing, the time limitation and
113.24 required alternative measures to be taken by the licensee. A request for ~~waiver~~ deferral must
113.25 be denied if the board finds that the circumstances stated by the licensee do not support a
113.26 claim of hardship, the requested time period for ~~waiver~~ deferral is unreasonable, the
113.27 alternative measures proposed by the licensee are not equivalent to the continuing education
113.28 activity being ~~waived~~ deferred, or the request for ~~waiver~~ deferral is not submitted to the
113.29 board within 60 calendar days of the expiration date.

113.30 Sec. 69. Minnesota Statutes 2024, section 148.6443, subdivision 8, is amended to read:

113.31 Subd. 8. **Penalties for noncompliance.** The board shall refuse to renew or grant, or
113.32 shall suspend, condition, limit, or otherwise qualify the license of any person who the board
113.33 determines has failed to comply with the continuing education requirements of this section.

114.1 A licensee may request reconsideration of the board's determination of noncompliance or
114.2 the penalty imposed under this section by making a written request to the board within 30
114.3 calendar days of the date of notification to the applicant. Individuals requesting
114.4 reconsideration may submit information that the licensee wants considered in the
114.5 reconsideration.

114.6 Sec. 70. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision
114.7 to read:

114.8 Subd. 5a. **Compact privilege fee.** The fee for interstate licensure compact privilege to
114.9 practice is \$150.

114.10 Sec. 71. Minnesota Statutes 2024, section 148.6445, is amended by adding a subdivision
114.11 to read:

114.12 Subd. 7a. **Active mailing list.** The fee for the standard active licensee mailing list
114.13 delivered electronically is \$500.

114.14 Sec. 72. Minnesota Statutes 2024, section 148.6448, subdivision 1, is amended to read:

114.15 Subdivision 1. **Grounds for denial of licensure or discipline.** The board may deny an
114.16 application for licensure, may approve licensure with conditions, or may discipline a licensee
114.17 using any disciplinary actions listed in subdivision 3 on proof that the individual has:

114.18 (1) intentionally submitted false or misleading information to the board;

114.19 (2) obtained a license by means of fraud, misrepresentation, or concealment of material
114.20 facts;

114.21 (3) failed, within 30 days, to provide information in response to a written request by the
114.22 board;

114.23 ~~(3)~~ (4) performed services of an occupational therapist or occupational therapy assistant
114.24 practitioner in an incompetent manner or in a manner that falls below the community standard
114.25 of care or national practice standards of care;

114.26 ~~(4)~~ (5) failed to satisfactorily perform occupational therapy services during a period of
114.27 temporary licensure;

114.28 ~~(5)~~ (6) violated sections 148.6401 to ~~148.6449~~ 148.645;

114.29 ~~(6)~~ (7) failed to perform services with reasonable judgment, skill, or safety due to the
114.30 use of alcohol or drugs, or other physical or mental impairment;

115.1 ~~(7)~~ (8) been convicted of violating any state or federal law, rule, or regulation which
115.2 ~~directly~~ reasonably relates to the practice of occupational therapy;

115.3 (9) failed to report other licensees that have violated sections 148.6401 to 148.645;

115.4 ~~(8)~~ (10) aided or abetted another person in violating any provision of sections 148.6401
115.5 to ~~148.6449~~ 148.645;

115.6 ~~(9)~~ (11) been disciplined for conduct in the practice of an occupation by the state of
115.7 Minnesota, another jurisdiction, or a national professional association, if any of the grounds
115.8 for discipline are the same or substantially equivalent to those in sections 148.6401 to
115.9 ~~148.6449~~ 148.645;

115.10 ~~(10)~~ (12) not cooperated with the board in an investigation conducted according to
115.11 subdivision 2;

115.12 ~~(11)~~ (13) advertised in a manner that is false or misleading;

115.13 ~~(12)~~ (14) engaged in dishonest, unethical, or unprofessional conduct in connection with
115.14 the practice of occupational therapy that is likely to deceive, defraud, or harm the public;

115.15 (15) improperly managed client records, including but not limited to failure to maintain
115.16 client records in a manner that meets community standards of care or nationally accepted
115.17 practice standards;

115.18 ~~(13)~~ (16) demonstrated a willful or careless disregard for the health, welfare, or safety
115.19 of a client;

115.20 (17) inappropriately supervised or delegated or assigned tasks to an occupational therapy
115.21 assistant, occupational therapy student, rehabilitation aide, or other licensed professional;

115.22 ~~(14)~~ (18) performed medical diagnosis or provided intervention, other than occupational
115.23 therapy, without being licensed to do so under the laws of this state;

115.24 ~~(15)~~ (19) paid or promised to pay a commission or part of a fee to any person who
115.25 contacts the occupational ~~therapist~~ therapy practitioner for consultation or sends patients to
115.26 the occupational ~~therapist~~ therapy practitioner for intervention;

115.27 ~~(16)~~ (20) engaged in an incentive payment arrangement, other than that prohibited by
115.28 clause ~~(15)~~ (19), that promotes occupational therapy overutilization, whereby the referring
115.29 person or person who controls the availability of occupational therapy services to a client
115.30 profits unreasonably as a result of client intervention;

116.1 ~~(17)~~ (21) engaged in abusive or fraudulent billing practices, ~~including violations of~~
116.2 ~~federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state~~
116.3 ~~medical assistance laws;~~

116.4 ~~(18)~~ (22) obtained money, property, or services from a consumer through the use of
116.5 undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

116.6 ~~(19)~~ (23) performed services for a client who had no possibility of benefiting from the
116.7 services;

116.8 ~~(20)~~ (24) failed to refer a client for medical evaluation when appropriate or when a client
116.9 indicated symptoms associated with diseases that could be medically or surgically treated;

116.10 ~~(21)~~ (25) engaged in conduct with a client that is sexual or may reasonably be interpreted
116.11 by the client as sexual, or in any verbal behavior that is seductive or sexually demeaning to
116.12 a patient;

116.13 ~~(22)~~ (26) violated a federal or state court order, including a conciliation court judgment,
116.14 or a disciplinary order issued by the board, related to the person's occupational therapy
116.15 practice; or

116.16 ~~(23)~~ (27) any other just cause related to the practice of occupational therapy.

116.17 Sec. 73. Minnesota Statutes 2024, section 148.6448, subdivision 2, is amended to read:

116.18 Subd. 2. **Investigation of complaints.** The board may initiate an investigation upon
116.19 receiving a complaint or other oral or written communication that alleges or implies that a
116.20 person has violated sections 148.6401 to ~~148.6449~~ 148.645. In the receipt, investigation,
116.21 and hearing of a complaint that alleges or implies a person has violated sections 148.6401
116.22 to ~~148.6449~~ 148.645, the board must follow the procedures in sections 214.10 and 214.103.

116.23 Sec. 74. Minnesota Statutes 2024, section 148.6448, subdivision 4, is amended to read:

116.24 Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from the
116.25 board denying licensure renewal or upon notice that disciplinary actions have been imposed
116.26 and the person is no longer entitled to practice occupational therapy and use the occupational
116.27 therapy and licensed titles, the person shall cease to practice occupational therapy, to use
116.28 titles protected by sections 148.6401 to ~~148.6449~~ 148.645, and to represent to the public
116.29 that the person is licensed by the board.

117.1 Sec. 75. Minnesota Statutes 2024, section 148.6448, subdivision 6, is amended to read:

117.2 Subd. 6. **Authority to contract.** The board shall contract with the health professionals
117.3 services program as authorized by sections 214.31 to 214.37 to provide these services to
117.4 practitioners under this chapter. The health professionals services program does not affect
117.5 the board's authority to discipline violations of sections 148.6401 to ~~148.6449~~ 148.645.

117.6 Sec. 76. Minnesota Statutes 2024, section 148.6449, subdivision 1, is amended to read:

117.7 Subdivision 1. **Creation.** The Board of Occupational Therapy Practice consists of 11
117.8 members appointed by the governor. The members are:

117.9 (1) five occupational therapists licensed under sections 148.6401 to ~~148.6449~~ 148.645;

117.10 (2) three occupational therapy assistants licensed under sections 148.6401 to ~~148.6449~~
117.11 148.645; and

117.12 (3) three public members, including two members who have received occupational
117.13 therapy services or have a family member who has received occupational therapy services,
117.14 and one member who is a health care professional or health care provider licensed in
117.15 Minnesota.

117.16 Sec. 77. Minnesota Statutes 2024, section 148.6449, subdivision 2, is amended to read:

117.17 Subd. 2. **Qualifications of board members.** (a) The occupational therapy practitioners
117.18 appointed to the board must represent a variety of practice areas and settings.

117.19 (b) At least ~~two occupational therapy practitioners~~ three members of the board must be
117.20 employed or reside outside the seven-county metropolitan area.

117.21 (c) Board members must not serve for more than two full consecutive terms.

117.22 (d) Interstate licensure compact privilege holders are not eligible to serve on the board.

117.23 Sec. 78. Minnesota Statutes 2024, section 148.6449, subdivision 7, is amended to read:

117.24 Subd. 7. **Duties of the Board of Occupational Therapy Practice.** (a) The board shall:

117.25 (1) adopt and enforce rules and laws necessary for licensing occupational therapy
117.26 practitioners;

117.27 (2) adopt and enforce rules for regulating the professional conduct of the practice of
117.28 occupational therapy;

118.1 (3) issue licenses to qualified individuals in accordance with sections 148.6401 to
118.2 ~~148.6449~~ 148.645;

118.3 (4) assess and collect fees for the issuance and renewal of licenses;

118.4 (5) educate the public about the requirements for licensing occupational therapy
118.5 practitioners, educate occupational therapy practitioners about the rules of conduct, and
118.6 enable the public to file complaints against applicants and licensees who may have violated
118.7 sections 148.6401 to ~~148.6449~~ 148.645; and

118.8 (6) investigate individuals engaging in practices that violate sections 148.6401 to
118.9 ~~148.6449~~ 148.645 and take necessary disciplinary, corrective, or other action according to
118.10 section 148.6448.

118.11 (b) The board may adopt rules necessary to define standards or carry out the provisions
118.12 of sections 148.6401 to ~~148.6449~~ 148.645. Rules shall be adopted according to chapter 14.

118.13 Sec. 79. Minnesota Statutes 2024, section 148B.53, subdivision 3, is amended to read:

118.14 Subd. 3. ~~Fee~~ Fees. Nonrefundable fees are as follows:

118.15 (1) initial license application fee for licensed professional counseling (LPC) - \$150;

118.16 (2) initial license fee for LPC - \$250;

118.17 (3) annual active license renewal fee for LPC - \$250 or equivalent;

118.18 (4) annual inactive license renewal fee for LPC - \$125;

118.19 (5) initial license application fee for licensed professional clinical counseling (LPCC) -
118.20 \$150;

118.21 (6) initial license fee for LPCC - \$250;

118.22 (7) annual active license renewal fee for LPCC - \$250 or equivalent;

118.23 (8) annual inactive license renewal fee for LPCC - \$125;

118.24 (9) license renewal late fee - \$100 per month or portion thereof;

118.25 (10) copy of board order or stipulation - \$10;

118.26 (11) certificate of good standing or license verification - \$25;

118.27 (12) duplicate certificate fee - \$25;

118.28 (13) professional firm renewal fee - \$25;

118.29 (14) sponsor application for approval of a continuing education course - \$60;

- 119.1 (15) initial registration fee - \$50;
- 119.2 (16) annual registration renewal fee - \$25;
- 119.3 (17) approved supervisor application processing fee - \$30; ~~and~~
- 119.4 (18) temporary license for members of the military - \$250; and
- 119.5 (19) interstate compact privilege to practice fee - not to exceed \$100.

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

119.7 Sec. 80. Minnesota Statutes 2024, section 148E.180, subdivision 1, is amended to read:

119.8 Subdivision 1. **Application fees.** (a) Nonrefundable application fees for licensure may

119.9 not exceed the following amounts but may be adjusted lower by board action:

- 119.10 (1) for a licensed social worker, \$75;
- 119.11 (2) for a licensed graduate social worker, \$75;
- 119.12 (3) for a licensed independent social worker, \$75;
- 119.13 (4) for a licensed independent clinical social worker, \$75;
- 119.14 (5) for a temporary license, \$50; ~~and~~
- 119.15 (6) for a license by endorsement, \$115; and
- 119.16 (7) for a compact multistate license, \$75.

119.17 (b) The fee for criminal background checks is the fee charged by the Bureau of Criminal

119.18 Apprehension. The criminal background check fee must be included with the application

119.19 fee as required according to section 148E.055.

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

119.21 Sec. 81. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision

119.22 to read:

119.23 Subd. 2a. **Compact multistate license fees.** Nonrefundable compact multistate license

119.24 fees must not exceed the following amounts but may be adjusted lower by board action:

- 119.25 (1) for a licensed social worker, \$115;
- 119.26 (2) for a licensed graduate social worker, \$210;
- 119.27 (3) for a licensed independent social worker, \$305; and
- 119.28 (4) for a licensed independent clinical social worker, \$335.

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

120.2 Sec. 82. Minnesota Statutes 2024, section 148E.180, is amended by adding a subdivision
120.3 to read:

120.4 Subd. 3a. **Compact multistate renewal fees.** Nonrefundable renewal fees for compact
120.5 multistate licensure must not exceed the following amounts but may be adjusted lower by
120.6 board action:

120.7 (1) for a licensed social worker, \$115;

120.8 (2) for a licensed graduate social worker, \$210;

120.9 (3) for a licensed independent social worker, \$305; and

120.10 (4) for a licensed independent clinical social worker, \$335.

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

120.12 Sec. 83. Minnesota Statutes 2024, section 148E.180, subdivision 5, is amended to read:

120.13 Subd. 5. **Late fees.** Late fees are the following nonrefundable amounts:

120.14 (1) renewal late fee, one-fourth of the applicable renewal fee specified in ~~subdivision~~
120.15 subdivisions 3 and 3a;

120.16 (2) supervision plan late fee, \$40; and

120.17 (3) license late fee, \$100 plus the prorated share of the applicable license fee ~~fee~~ fees specified
120.18 in ~~subdivision~~ subdivisions 2 and 2a for the number of months during which the individual
120.19 practiced social work without a license.

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

120.21 Sec. 84. Minnesota Statutes 2024, section 148E.180, subdivision 7, is amended to read:

120.22 Subd. 7. **Reactivation fees.** Reactivation fees are the following nonrefundable amounts:

120.23 (1) reactivation from a temporary leave or emeritus status, the prorated share of the
120.24 renewal fee specified in subdivision 3; and

120.25 (2) reactivation of an expired license, 1-1/2 times the applicable renewal fees specified
120.26 in ~~subdivision~~ subdivisions 3 and 3a.

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

121.1 Sec. 85. [148G.01] TITLE.

121.2 This chapter shall be referred to as the Minnesota Certified Midwife Practice Act.

121.3 Sec. 86. [148G.02] SCOPE.

121.4 This chapter applies to all applicants and licensees, all persons who use the title certified
121.5 midwife, and all persons in or out of this state who provide certified midwifery services to
121.6 patients who reside in this state, unless there are specific applicable exemptions provided
121.7 by law.

121.8 Sec. 87. [148G.03] DEFINITIONS.

121.9 Subdivision 1. **Scope.** For purposes of this chapter, the definitions in this section have
121.10 the meanings given.

121.11 Subd. 2. **Board.** "Board" means the Minnesota Board of Nursing.

121.12 Subd. 3. **Certification.** "Certification" means the formal recognition by the American
121.13 Midwifery Certification Board of the knowledge, skills, and experience demonstrated by
121.14 the achievement of standards identified by the American College of Nurse Midwives or any
121.15 successor organization.

121.16 Subd. 4. **Certified midwife.** "Certified midwife" means an individual who holds a current
121.17 and valid national certification as a certified midwife from the American Midwifery
121.18 Certification Board or any successor organization, and who is licensed by the board under
121.19 this chapter.

121.20 Subd. 5. **Certified midwifery practice.** "Certified midwifery practice" means:

121.21 (1) managing, diagnosing, and treating women's primary health care, including pregnancy,
121.22 childbirth, postpartum period, care of the newborn, family planning, partner care management
121.23 relating to sexual health, and gynecological care of women across the life span;

121.24 (2) ordering, performing, supervising, and interpreting diagnostic studies within the
121.25 scope of certified midwifery practice, excluding:

121.26 (i) interpreting and performing specialized ultrasound examinations; and

121.27 (ii) interpreting computed tomography scans, magnetic resonance imaging scans, positron
121.28 emission tomography scans, nuclear scans, and mammography;

121.29 (3) prescribing pharmacologic and nonpharmacologic therapies appropriate to midwifery
121.30 practice;

122.1 (4) consulting with, collaborating with, or referring to other health care providers as
122.2 warranted by the needs of the patient; and

122.3 (5) performing the role of educator in the theory and practice of midwifery.

122.4 Subd. 6. **Collaborating.** "Collaborating" means the process in which two or more health
122.5 care professionals work together to meet the health care needs of a patient, as warranted by
122.6 the needs of the patient.

122.7 Subd. 7. **Consulting.** "Consulting" means the process in which a certified midwife who
122.8 maintains primary management responsibility for a patient's care seeks advice or opinion
122.9 of a physician, an advanced practice registered nurse, or another member of the health care
122.10 team.

122.11 Subd. 8. **Encumbered.** "Encumbered" means:

122.12 (1) a license or other credential that is revoked, suspended, or contains limitations on
122.13 the full and unrestricted practice of certified midwifery when the revocation, suspension,
122.14 or limitation is imposed by a state licensing board or other state regulatory entity; or

122.15 (2) a license or other credential that is voluntarily surrendered.

122.16 Subd. 9. **Licensure period.** "Licensure period" means the interval of time during which
122.17 the certified midwife is authorized to engage in certified midwifery. The initial licensure
122.18 period is from six to 29 full calendar months starting on the day of licensure and ending on
122.19 the last day of the certified midwife's month of birth in an even-numbered year if the year
122.20 of birth is an even-numbered year, or in an odd-numbered year if the year of birth is in an
122.21 odd-numbered year. Subsequent licensure renewal periods are 24 months. For licensure
122.22 renewal, the period starts on the first day of the month following expiration of the previous
122.23 licensure period. The period ends the last day of the certified midwife's month of birth in
122.24 an even- or odd-numbered year according to the certified midwife's year of birth.

122.25 Subd. 10. **Licensed practitioner.** "Licensed practitioner" means a physician licensed
122.26 under chapter 147, an advanced practice registered nurse licensed under sections 148.171
122.27 to 148.235, or a certified midwife licensed under this chapter.

122.28 Subd. 11. **Midwifery education program.** "Midwifery education program" means a
122.29 university or college that provides a program of theory and practice that leads to the
122.30 preparation and eligibility for certification in midwifery and is accredited by the Accreditation
122.31 Commission for Midwifery Education or any successor organization recognized by the
122.32 United States Department of Education or the Council for Higher Education Accreditation.

123.1 Subd. 12. **Patient.** "Patient" means a recipient of care provided by a certified midwife,
123.2 including an individual, family, group, or community.

123.3 Subd. 13. **Prescribing.** "Prescribing" means the act of generating a prescription for the
123.4 preparation of, use of, or manner of using a drug or therapeutic device under section 148G.09.
123.5 Prescribing does not include recommending the use of a drug or therapeutic device that is
123.6 not required by the federal Food and Drug Administration to meet the labeling requirements
123.7 for prescription drugs and devices.

123.8 Subd. 14. **Prescription.** "Prescription" means a written direction or an oral direction
123.9 reduced to writing provided to or for a patient for the preparation or use of a drug or
123.10 therapeutic device. The requirements of section 151.01, subdivisions 16, 16a, and 16b, apply
123.11 to prescriptions for drugs.

123.12 Subd. 15. **Referral.** "Referral" means the process in which a certified midwife directs
123.13 a patient to a physician or another health care professional for management of a particular
123.14 problem or aspect of the patient's care.

123.15 Subd. 16. **Supervision.** "Supervision" means monitoring and establishing the initial
123.16 direction, setting expectations, directing activities and courses of action, evaluating, and
123.17 changing a course of action in certified midwifery care.

123.18 Sec. 88. **[148G.04] CERTIFIED MIDWIFE LICENSING.**

123.19 Subdivision 1. **Licensure.** (a) No person shall practice as a certified midwife or serve
123.20 as the faculty of record for clinical instruction in a midwifery distance learning program
123.21 unless the certified midwife is licensed by the board under this chapter.

123.22 (b) An applicant for a license to practice as a certified midwife must apply to the board
123.23 in a format prescribed by the board and pay a fee in an amount determined under section
123.24 148G.11.

123.25 (c) To be eligible for licensure, an applicant must:

123.26 (1) not hold an encumbered license or other credential as a certified midwife or equivalent
123.27 professional designation in any state or territory;

123.28 (2) hold a current and valid certification as a certified midwife from the American
123.29 Midwifery Certification Board or any successor organization acceptable to the board and
123.30 provide primary source verification of certification to the board in a format prescribed by
123.31 the board;

(3) have completed a graduate level midwifery program that includes clinical experience, is accredited by the Accreditation Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation, and leads to a graduate degree. The applicant must submit primary source verification of program completion to the board in a format prescribed by the board. The primary source verification must verify the applicant completed three separate graduate-level courses in physiology and pathophysiology; advanced health assessment; and advanced pharmacology, including pharmacodynamics, pharmacokinetics, and pharmacotherapeutics of all broad categories of agents;

(4) report any criminal conviction, nolo contendere plea, Alford plea, or other plea arrangement in lieu of conviction; and

(5) not have committed any acts or omissions that are grounds for disciplinary action in another jurisdiction or, if these acts were committed and would be grounds for disciplinary action as set forth in section 148G.13, the board has found after an investigation that sufficient remediation was made.

Subd. 2. **Clinical practice component.** If more than five years have elapsed since the applicant has practiced in the certified midwife role, the applicant must complete a reorientation plan as a certified midwife. The plan must include supervision during the clinical component by a licensed practitioner with experience in providing care to patients with the same or similar health care needs. The applicant must submit the plan and the name of the practitioner to the board. The plan must include a minimum of 500 hours of supervised certified midwifery practice. The certified midwife must submit verification of completion of the clinical reorientation to the board when the reorientation is complete.

Sec. 89. [148G.05] LICENSURE RENEWAL; RELICENSURE.

Subdivision 1. **Renewal; current applicants.** (a) A certified midwife must apply for renewal of the certified midwife's license before the certified midwife's licensure period ends. To be considered timely, the board must receive the certified midwife's application on or before the last day of the certified midwife's licensure period. A certified midwife's license lapses if the certified midwife's application is untimely.

(b) An applicant for certified midwifery renewal must provide the board evidence of current certification or recertification as a certified midwife by the American Midwifery Certification Board or any successor organization.

125.1 (c) An applicant for certified midwifery renewal must submit to the board the fee under
125.2 section 148G.11, subdivision 2.

125.3 Subd. 2. **Clinical practice component.** If more than five years have elapsed since the
125.4 applicant has practiced as a certified midwife, the applicant must complete a reorientation
125.5 plan as a certified midwife. The plan must include supervision during the clinical component
125.6 by a licensed practitioner with experience in providing care to patients with the same or
125.7 similar health care needs. The licensee must submit the plan and the name of the practitioner
125.8 to the board. The plan must include a minimum of 500 hours of supervised certified
125.9 midwifery practice. The certified midwife must submit verification of completion of the
125.10 clinical reorientation to the board when the reorientation is complete.

125.11 Subd. 3. **Relicensure; lapsed applicants.** A person whose license has lapsed desiring
125.12 to resume practice as a certified midwife must apply for relicensure, submit to the board
125.13 satisfactory evidence of compliance with the procedures and requirements established by
125.14 the board, and pay the board the relicensure fee under section 148G.11, subdivision 4, for
125.15 the current period. A penalty fee under section 148G.11, subdivision 4, is required from a
125.16 person who practiced certified midwifery without current licensure. The board must relicense
125.17 a person who meets the requirements of this subdivision.

125.18 Sec. 90. **[148G.06] FAILURE OR REFUSAL TO PROVIDE INFORMATION.**

125.19 Subdivision 1. **Notification requirement.** An individual licensed as a certified midwife
125.20 must notify the board when the individual renews their certification. If a licensee fails to
125.21 provide notification, the licensee is prohibited from practicing as a certified midwife.

125.22 Subd. 2. **Denial of license.** Refusal of an applicant to supply information necessary to
125.23 determine the applicant's qualifications, failure to demonstrate qualifications, or failure to
125.24 satisfy the requirements for a license contained in this chapter or rules of the board may
125.25 result in denial of a license. The burden of proof is upon the applicant to demonstrate the
125.26 qualifications and satisfaction of the requirements.

125.27 Sec. 91. **[148G.07] NAME CHANGE AND CHANGE OF ADDRESS.**

125.28 A certified midwife must maintain a current name and address with the board and must
125.29 notify the board in writing within 30 days of any change in name or address. All notices or
125.30 other correspondence mailed to or served upon a certified midwife by the board at the
125.31 licensee's address on file with the board are considered received by the licensee.

126.1 Sec. 92. **[148G.08] IDENTIFICATION OF CERTIFIED MIDWIVES.**

126.2 Only those persons who hold a current license to practice certified midwifery in this
126.3 state may use the title of certified midwife. A certified midwife licensed by the board must
126.4 use the designation of "CM" for professional identification and in documentation of services
126.5 provided.

126.6 Sec. 93. **[148G.09] PRESCRIBING DRUGS AND THERAPEUTIC DEVICES.**

126.7 Subdivision 1. Diagnosing, prescribing, and ordering. Certified midwives, within the
126.8 scope of certified midwifery practice, are authorized to:

126.9 (1) diagnose, prescribe, and institute therapy or referrals of patients to health care agencies
126.10 and providers;

126.11 (2) prescribe, procure, sign for, record, administer, and dispense over-the-counter, legend,
126.12 and controlled substances, including sample drugs; and

126.13 (3) plan and initiate a therapeutic regimen that includes ordering and prescribing durable
126.14 medical devices and equipment, nutrition, diagnostic services, and supportive services,
126.15 including but not limited to home health care, physical therapy, and occupational therapy.

126.16 Subd. 2. Drug Enforcement Administration requirements. (a) Certified midwives
126.17 must:

126.18 (1) comply with federal Drug Enforcement Administration (DEA) requirements related
126.19 to controlled substances; and

126.20 (2) file the certified midwife's DEA registrations and numbers, if any, with the board.

126.21 (b) The board must maintain current records of all certified midwives with a DEA
126.22 registration and number.

126.23 Sec. 94. **[148G.10] FEES.**

126.24 The fees specified in section 148G.11 are nonrefundable and must be deposited in the
126.25 state government special revenue fund.

126.26 Sec. 95. **[148G.11] FEE AMOUNTS.**

126.27 Subdivision 1. Licensure. The fee for licensure is \$105.

126.28 Subd. 2. Renewal. The fee for licensure renewal is \$85.

Subd. 3. **Practicing without current certification.** The penalty fee for a person who practices certified midwifery without a current certification or recertification, or who practices certified midwifery without current certification or recertification on file with the board, is \$200 for the first month or part of a month and an additional \$100 for each subsequent month or parts of months of practice. The penalty fee must be calculated from the first day the certified midwife practiced without a current certification to the last day of practice without a current certification, or from the first day the certified midwife practiced without a current license and certification on file with the board until the day the current license and certification is filed with the board.

Subd. 4. **Relicensure.** The fee for relicensure is \$105. The fee for practicing without current licensure is two times the amount of the current renewal fee for any part of the first calendar month, plus the current renewal fee for any part of each subsequent month up to 24 months.

Subd. 5. **Dishonored check fee.** The service fee for a dishonored check is as provided in section 604.113.

Sec. 96. [148G.12] APPROVED MIDWIFERY EDUCATION PROGRAM.

Subdivision 1. **Initial approval.** An institution desiring to conduct a certified midwifery program must submit evidence to the board that the institution is prepared to:

(1) provide a program of theory and practice in certified midwifery leading to eligibility for certification in midwifery;

(2) achieve preaccreditation and eventual full accreditation by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. Instruction and required experience may be obtained in one or more institutions or agencies outside the applying institution if the program retains accountability for all clinical and nonclinical teaching; and

(3) meet other standards established by law and by the board.

Subd. 2. **Continuing approval.** The board must, through the board's representative, annually survey all midwifery programs in the state for current accreditation status by the American Commission for Midwifery Education or any successor organization recognized by the United States Department of Education or the Council for Higher Education Accreditation. If the results of the survey show that a certified midwifery program meets

128.1 all standards for continuing accreditation, the board must continue approval of the certified
128.2 midwifery program.

128.3 Subd. 3. **Loss of approval.** If the board determines that an accredited certified midwifery
128.4 program is not maintaining the standards required by the American Commission on
128.5 Midwifery Education or any successor organization, the board must obtain the defect in
128.6 writing from the accrediting body. If a program fails to correct the defect to the satisfaction
128.7 of the accrediting body and the accrediting body revokes the program's accreditation, the
128.8 board must remove the program from the list of approved certified midwifery programs.

128.9 Subd. 4. **Reinstatement of approval.** The board must reinstate approval of a certified
128.10 midwifery program upon submission of satisfactory evidence that the certified midwifery's
128.11 program of theory and practice meets the standards required by the accrediting body.

128.12 Sec. 97. **[148G.13] GROUNDS FOR DISCIPLINARY ACTION.**

128.13 Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition
128.14 the license of any person to practice certified midwifery under this chapter or otherwise
128.15 discipline a licensee or applicant as described in section 148G.14. The following are grounds
128.16 for disciplinary action:

128.17 (1) failure to demonstrate the qualifications or satisfy the requirements for a license
128.18 contained in this chapter or rules of the board. In the case of a person applying for a license,
128.19 the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction
128.20 of the requirements;

128.21 (2) employing fraud or deceit in procuring or attempting to procure a license to practice
128.22 certified midwifery;

128.23 (3) conviction of a felony or gross misdemeanor reasonably related to the practice of
128.24 certified midwifery. Conviction, as used in this subdivision, includes a conviction of an
128.25 offense that if committed in this state would be considered a felony or gross misdemeanor
128.26 without regard to its designation elsewhere, or a criminal proceeding where a finding or
128.27 verdict of guilt is made or returned, but the adjudication of guilt is either withheld or not
128.28 entered;

128.29 (4) revocation, suspension, limitation, conditioning, or other disciplinary action against
128.30 the person's certified midwife credential in another state, territory, or country; failure to
128.31 report to the board that charges regarding the person's certified midwifery license,
128.32 certification, or other credential are pending in another state, territory, or country; or failure

129.1 to report to the board having been refused a license or other credential by another state,
129.2 territory, or country;

129.3 (5) failure or inability to practice as a certified midwife with reasonable skill and safety,
129.4 or departure from or failure to conform to standards of acceptable and prevailing certified
129.5 midwifery, including failure of a certified midwife to adequately supervise or monitor the
129.6 performance of acts by any person working at the certified midwife's direction;

129.7 (6) engaging in unprofessional conduct, including but not limited to a departure from
129.8 or failure to conform to statutes relating to certified midwifery practice or to the minimal
129.9 standards of acceptable and prevailing certified midwifery practice, or engaging in any
129.10 certified midwifery practice that may create unnecessary danger to a patient's life, health,
129.11 or safety. Actual injury to a patient need not be established under this clause;

129.12 (7) supervision or accepting the supervision of a midwifery function or a prescribed
129.13 health care function when the acceptance could reasonably be expected to result in unsafe
129.14 or ineffective patient care;

129.15 (8) actual or potential inability to practice certified midwifery with reasonable skill and
129.16 safety to patients by reason of illness; use of alcohol, drugs, chemicals, or any other material;
129.17 or as a result of any mental or physical condition;

129.18 (9) adjudication as mentally incompetent, mentally ill, a chemically dependent person,
129.19 or a person dangerous to the public by a court of competent jurisdiction, within or outside
129.20 of this state;

129.21 (10) engaging in any unethical conduct, including but not limited to conduct likely to
129.22 deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for
129.23 the health, welfare, or safety of a patient. Actual injury need not be established under this
129.24 clause;

129.25 (11) engaging in conduct with a patient that is sexual or may reasonably be interpreted
129.26 by the patient as sexual, in any verbal behavior that is seductive or sexually demeaning to
129.27 a patient, or in sexual exploitation of a patient or former patient;

129.28 (12) obtaining money, property, or services from a patient, other than reasonable fees
129.29 for services provided to the patient, through the use of undue influence, harassment, duress,
129.30 deception, or fraud;

129.31 (13) revealing a privileged communication from or relating to a patient except when
129.32 otherwise required or permitted by law;

- 130.1 (14) engaging in abusive or fraudulent billing practices, including violations of federal
130.2 Medicare and Medicaid laws or state medical assistance laws;
- 130.3 (15) improper management of patient records, including failure to maintain adequate
130.4 patient records, to comply with a patient's request made pursuant to sections 144.291 to
130.5 144.298, or to furnish a patient record or report required by law;
- 130.6 (16) knowingly aiding, assisting, advising, or allowing an unlicensed person to engage
130.7 in the unlawful practice of certified midwifery;
- 130.8 (17) violating a rule adopted by the board, an order of the board, a state or federal law
130.9 relating to the practice of certified midwifery, or a state or federal narcotics or controlled
130.10 substance law;
- 130.11 (18) knowingly providing false or misleading information to a patient that is directly
130.12 related to the care of that patient unless done for an accepted therapeutic purpose such as
130.13 the administration of a placebo;
- 130.14 (19) aiding suicide or aiding attempted suicide in violation of section 609.215 as
130.15 established by any of the following:
- 130.16 (i) a copy of the record of criminal conviction or plea of guilty for a felony in violation
130.17 of section 609.215, subdivision 1 or 2;
- 130.18 (ii) a copy of the record of a judgment of contempt of court for violating an injunction
130.19 issued under section 609.215, subdivision 4;
- 130.20 (iii) a copy of the record of a judgment assessing damages under section 609.215,
130.21 subdivision 5; or
- 130.22 (iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2.
130.23 The board must investigate any complaint of a violation of section 609.215, subdivision 1
130.24 or 2;
- 130.25 (20) practicing outside the scope of certified midwifery practice as defined under section
130.26 148G.03, subdivision 5;
- 130.27 (21) making a false statement or knowingly providing false information to the board,
130.28 failing to make reports as required by section 148G.15, or failing to cooperate with an
130.29 investigation of the board as required by section 148G.17;
- 130.30 (22) engaging in false, fraudulent, deceptive, or misleading advertising;
- 130.31 (23) failure to inform the board of the person's certification or recertification status as
130.32 a certified midwife;

131.1 (24) engaging in certified midwifery practice without a license and current certification
131.2 or recertification by the American Midwifery Certification Board or any successor
131.3 organization; or

131.4 (25) failure to maintain appropriate professional boundaries with a patient. A certified
131.5 midwife must not engage in practices that create an unacceptable risk of patient harm or of
131.6 the impairment of a certified midwife's objectivity or professional judgment. A certified
131.7 midwife must not act or fail to act in a way that, as judged by a reasonable and prudent
131.8 certified midwife, inappropriately encourages the patient to relate to the certified midwife
131.9 outside of the boundaries of the professional relationship, or in a way that interferes with
131.10 the patient's ability to benefit from certified midwife services. A certified midwife must not
131.11 use the professional relationship with a patient, student, supervisee, or intern to further the
131.12 certified midwife's personal, emotional, financial, sexual, religious, political, or business
131.13 benefit or interests.

131.14 Subd. 2. **Conviction of a felony-level criminal sexual offense.** (a) Except as provided
131.15 in paragraph (e), the board must not grant or renew a license to practice certified midwifery
131.16 to any person who has been convicted on or after August 1, 2014, of any of the provisions
131.17 of section 609.342, subdivision 1 or 1a; 609.343, subdivision 1 or 1a; 609.344, subdivision
131.18 1 or 1a, paragraphs (c) to (g); or 609.345, subdivision 1 or 1a, paragraphs (c) to (g); or a
131.19 similar statute in another jurisdiction.

131.20 (b) A license to practice certified midwifery is automatically revoked if the licensee is
131.21 convicted of an offense listed in paragraph (a).

131.22 (c) A license to practice certified midwifery that has been denied or revoked under this
131.23 subdivision is not subject to chapter 364.

131.24 (d) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of
131.25 guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or
131.26 execution of the sentence and final disposition of the case is accomplished at a nonfelony
131.27 level.

131.28 (e) The board may establish criteria whereby an individual convicted of an offense listed
131.29 in paragraph (a) may become licensed if the criteria:

131.30 (1) utilize a rebuttable presumption that the applicant is not suitable for licensing;

131.31 (2) provide a standard for overcoming the presumption; and

131.32 (3) require that a minimum of ten years has elapsed since the applicant's sentence was
131.33 discharged.

(f) The board must not consider an application under paragraph (e) if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Subd. 3. **Evidence.** In disciplinary actions alleging a violation of subdivision 1, clause (3) or (4), or 2, a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same is admissible into evidence without further authentication and constitutes prima facie evidence of the violation concerned.

Subd. 4. **Examination; access to medical data.** (a) If the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9), it may direct the applicant or certified midwife to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision, when a certified midwife licensed under this chapter is directed in writing by the board to submit to a mental or physical examination or chemical dependency evaluation, that person is considered to have consented and to have waived all objections to admissibility on the grounds of privilege. Failure of the applicant or certified midwife to submit to an examination when directed constitutes an admission of the allegations against the applicant or certified midwife, unless the failure was due to circumstances beyond the person's control, and the board may enter a default and final order without taking testimony or allowing evidence to be presented. A certified midwife affected under this paragraph must, at reasonable intervals, be given an opportunity to demonstrate that the competent practice of certified midwifery can be resumed with reasonable skill and safety to patients. Neither the record of proceedings nor the orders entered by the board in a proceeding under this paragraph may be used against a certified midwife in any other proceeding.

(b) Notwithstanding sections 13.384, 144.651, and 595.02, or any other law limiting access to medical or other health data, the board may obtain medical data and health records relating to a certified midwife or applicant for a license without that person's consent if the board has probable cause to believe that grounds for disciplinary action exist under subdivision 1, clause (8) or (9). The medical data may be requested from a provider, as defined in section 144.291, subdivision 2, paragraph (h); an insurance company; or a government agency, including the Department of Human Services or Direct Care and Treatment. A provider, insurance company, or government agency must comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider giving the

133.1 information knew or had reason to believe the information was false. Information obtained
133.2 under this subdivision is classified as private data on individuals as defined in section 13.02.

133.3 Sec. 98. **[148G.14] FORMS OF DISCIPLINARY ACTION; AUTOMATIC**
133.4 **SUSPENSION; TEMPORARY SUSPENSION; REISSUANCE.**

133.5 Subdivision 1. **Forms of disciplinary action.** If the board finds that grounds for
133.6 disciplinary action exist under section 148G.13, it may take one or more of the following
133.7 actions:

133.8 (1) deny the license application or licensure renewal;

133.9 (2) revoke the license;

133.10 (3) suspend the license;

133.11 (4) impose limitations on the certified midwife's practice of certified midwifery, including
133.12 but not limited to limitation of scope of practice or the requirement of practice under
133.13 supervision;

133.14 (5) impose conditions on the retention of the license, including but not limited to the
133.15 imposition of retraining or rehabilitation requirements or the conditioning of continued
133.16 practice on demonstration of knowledge or skills by appropriate examination, monitoring,
133.17 or other review;

133.18 (6) impose a civil penalty not exceeding \$10,000 for each separate violation. The amount
133.19 of the civil penalty must be fixed so as to deprive the certified midwife of any economic
133.20 advantage gained by reason of the violation charged; to reimburse the board for the cost of
133.21 counsel, investigation, and proceeding; and to discourage repeated violations;

133.22 (7) order the certified midwife to provide unremunerated service;

133.23 (8) censure or reprimand the certified midwife; or

133.24 (9) any other action justified by the facts in the case.

133.25 Subd. 2. **Automatic suspension of license.** (a) Unless the board orders otherwise, a
133.26 license to practice certified midwifery is automatically suspended if:

133.27 (1) a guardian of a certified midwife is appointed by order of a court under sections
133.28 524.5-101 to 524.5-502;

133.29 (2) the certified midwife is committed by order of a court under chapter 253B; or

(3) the certified midwife is determined to be mentally incompetent, mentally ill, chemically dependent, or a person dangerous to the public by a court of competent jurisdiction within or outside of this state.

(b) The license remains suspended until the certified midwife is restored to capacity by a court and, upon petition by the certified midwife, the suspension is terminated by the board after a hearing or upon agreement between the board and the certified midwife.

Subd. 3. Temporary suspension of license. In addition to any other remedy provided by law, the board may, through its designated board member under section 214.10, subdivision 2, temporarily suspend the license of a certified midwife without a hearing if the board finds that there is probable cause to believe the certified midwife has violated a statute or rule the board is empowered to enforce and continued practice by the certified midwife would create a serious risk of harm to others. The suspension takes effect upon written notice to the certified midwife, served by first-class mail, specifying the statute or rule violated. The suspension must remain in effect until the board issues a temporary stay of suspension or a final order in the matter after a hearing or upon agreement between the board and the certified midwife. At the time it issues the suspension notice, the board must schedule a disciplinary hearing to be held under the Administrative Procedure Act. The board must provide the certified midwife at least 20 days' notice of any hearing held under this subdivision. The board must schedule the hearing to begin no later than 30 days after the issuance of the suspension order.

Subd. 4. Reissuance. The board may reinstate and reissue a license to practice certified midwifery, but as a condition may impose any disciplinary or corrective measure that it might originally have imposed. Any person whose license has been revoked, suspended, or limited may have the license reinstated and a new license issued when, at the discretion of the board, the action is warranted, provided that the board must require the person to pay the costs of the proceedings resulting in the revocation, suspension, or limitation of the license; the relicensure fee; and the fee for the current licensure period. The cost of proceedings includes but is not limited to the cost paid by the board to the Office of Administrative Hearings and the Office of the Attorney General for legal and investigative services; the costs of a court reporter and witnesses, reproduction of records, board staff time, travel, and expenses; and the costs of board members' per diem reimbursements, travel costs, and expenses.

135.1 **Sec. 99. [148G.15] REPORTING OBLIGATIONS.**

135.2 **Subdivision 1. Permission to report.** A person who has knowledge of any conduct
135.3 constituting grounds for discipline under section 148G.13 may report the alleged violation
135.4 to the board.

135.5 **Subd. 2. Institutions.** The chief nursing executive or chief administrative officer of any
135.6 hospital, clinic, prepaid medical plan, or other health care institution or organization located
135.7 in this state must report to the board any action taken by the institution or organization or
135.8 any of its administrators or committees to revoke, suspend, limit, or condition a certified
135.9 midwife's privilege to practice in the institution, or as part of the organization, any denial
135.10 of privileges, any dismissal from employment, or any other disciplinary action. The institution
135.11 or organization must also report the resignation of any certified midwife before the conclusion
135.12 of any disciplinary proceeding, or before commencement of formal charges, but after the
135.13 certified midwife had knowledge that formal charges were contemplated or in preparation.
135.14 The reporting described by this subdivision is required only if the action pertains to grounds
135.15 for disciplinary action under section 148G.13.

135.16 **Subd. 3. Licensed professionals.** A person licensed by a health-related licensing board
135.17 as defined in section 214.01, subdivision 2, must report to the board personal knowledge
135.18 of any conduct the person reasonably believes constitutes grounds for disciplinary action
135.19 under section 148G.13 by any certified midwife, including conduct indicating that the
135.20 certified midwife may be incompetent, may have engaged in unprofessional or unethical
135.21 conduct, or may be mentally or physically unable to engage safely in the practice of certified
135.22 midwifery.

135.23 **Subd. 4. Insurers.** (a) By the first day of February, May, August, and November, each
135.24 insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13),
135.25 and providing professional liability insurance to certified midwives must submit to the board
135.26 a report concerning any certified midwife against whom a malpractice award has been made
135.27 or who has been a party to a settlement. The report must contain at least the following
135.28 information:

135.29 (1) the total number of settlements or awards;

135.30 (2) the date a settlement or award was made;

135.31 (3) the allegations contained in the claim or complaint leading to the settlement or award;

135.32 (4) the dollar amount of each malpractice settlement or award and whether that amount
135.33 was paid as a result of a settlement or of an award; and

(5) the name and address of the practice of the certified midwife against whom an award was made or with whom a settlement was made.

(b) An insurer must also report to the board any information it possesses that tends to substantiate a charge that a certified midwife may have engaged in conduct in violation of this chapter.

Subd. 5. **Courts.** The court administrator of district court or another court of competent jurisdiction must report to the board any judgment or other determination of the court that adjudges or includes a finding that a certified midwife is a person who is mentally ill, mentally incompetent, chemically dependent, dangerous to the public, guilty of a felony or gross misdemeanor, guilty of a violation of federal or state narcotics laws or controlled substances act, guilty of operating a motor vehicle while under the influence of alcohol or a controlled substance, or guilty of an abuse or fraud under Medicare or Medicaid; or if the court appoints a guardian of the certified midwife under sections 524.5-101 to 524.5-502 or commits a certified midwife under chapter 253B.

Subd. 6. **Deadlines; forms.** Reports required by subdivisions 2 to 5 must be submitted no later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that the reports be submitted on the forms provided, and may adopt rules necessary to ensure prompt and accurate reporting. The board must review all reports, including those submitted after the deadline.

Subd. 7. **Failure to report.** Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 is subject to civil penalties for failing to report as required by law.

Sec. 100. [148G.16] IMMUNITY.

Subdivision 1. **Reporting.** Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting in good faith a report to the board under section 148G.15 or for otherwise reporting in good faith to the board violations or alleged violations of this chapter. All such reports are investigative data as defined in chapter 13.

Subd. 2. **Investigation.** (a) Members of the board and persons employed by the board or engaged in the investigation of violations and in the preparation and management of charges of violations of this chapter on behalf of the board, or persons participating in the investigation or testifying regarding charges of violations, are immune from civil liability

137.1 and criminal prosecution for any actions, transactions, or publications in the execution of,
137.2 or relating to, their duties under this chapter.

137.3 (b) Members of the board and persons employed by the board or engaged in maintaining
137.4 records and making reports regarding adverse health care events are immune from civil
137.5 liability and criminal prosecution for any actions, transactions, or publications in the
137.6 execution of, or relating to, their duties under this chapter.

137.7 **Sec. 101. [148G.17] CERTIFIED MIDWIFE COOPERATION.**

137.8 A certified midwife who is the subject of an investigation by or on behalf of the board
137.9 must cooperate fully with the investigation. Cooperation includes responding fully and
137.10 promptly to any question raised by or on behalf of the board relating to the subject of the
137.11 investigation and providing copies of patient or other records in the certified midwife's
137.12 possession, as reasonably requested by the board, to assist the board in its investigation and
137.13 to appear at conferences and hearings scheduled by the board. The board must pay for copies
137.14 requested. If the board does not have written consent from a patient permitting access to
137.15 the patient's records, the certified midwife must delete any data in the record that identify
137.16 the patient before providing it to the board. The board must maintain any records obtained
137.17 pursuant to this section as investigative data under chapter 13. The certified midwife must
137.18 not be excused from giving testimony or producing any documents, books, records, or
137.19 correspondence on the grounds of self-incrimination, but the testimony or evidence must
137.20 not be used against the certified midwife in any criminal case.

137.21 **Sec. 102. [148G.18] DISCIPLINARY RECORD ON JUDICIAL REVIEW.**

137.22 Upon judicial review of any board disciplinary action taken under this chapter, the
137.23 reviewing court must seal the administrative record, except for the board's final decision,
137.24 and must not make the administrative record available to the public.

137.25 **Sec. 103. [148G.19] EXEMPTIONS.**

137.26 The provisions of this chapter do not prohibit:

137.27 (1) the furnishing of certified midwifery assistance in an emergency;

137.28 (2) the practice of certified midwifery by any legally qualified certified midwife of
137.29 another state who is employed by the United States government or any bureau, division, or
137.30 agency thereof while in the discharge of official duties;

138.1 (3) the practice of any profession or occupation licensed by the state, other than certified
138.2 midwifery, by any person licensed to practice the profession or occupation, or the
138.3 performance by a person of any acts properly coming within the scope of the profession,
138.4 occupation, or license;

138.5 (4) the practice of traditional midwifery as specified under section 147D.03;

138.6 (5) certified midwifery practice by a student practicing under the supervision of an
138.7 instructor while the student is enrolled in an approved certified midwifery education program;
138.8 or

138.9 (6) certified midwifery practice by a certified midwife licensed in another state, territory,
138.10 or jurisdiction who is in Minnesota temporarily:

138.11 (i) providing continuing or in-service education;

138.12 (ii) serving as a guest lecturer;

138.13 (iii) presenting at a conference; or

138.14 (iv) teaching didactic content via distance education to a student located in Minnesota
138.15 who is enrolled in a formal, structured course of study, such as a course leading to a higher
138.16 degree in midwifery.

138.17 **Sec. 104. [148G.20] VIOLATIONS; PENALTY.**

138.18 Subdivision 1. **Violations described.** It is unlawful for any person, corporation, firm,
138.19 or association to:

138.20 (1) sell or fraudulently obtain or furnish any certified midwifery diploma, license, or
138.21 record, or aid or abet therein;

138.22 (2) practice certified midwifery under cover of any diploma, permit, license certified
138.23 midwife credential, or record illegally or fraudulently obtained or signed or issued unlawfully
138.24 or under fraudulent representation;

138.25 (3) practice certified midwifery unless the person is licensed to do so under this chapter;

138.26 (4) use the professional title certified midwife or licensed certified midwife unless
138.27 licensed to practice certified midwifery under this chapter;

138.28 (5) use any abbreviation or other designation tending to imply licensure as a certified
138.29 midwife unless licensed to practice certified midwifery under this chapter;

138.30 (6) practice certified midwifery in a manner prohibited by the board in any limitation
138.31 of a license issued under this chapter;

139.1 (7) practice certified midwifery during the time a license issued under this section is
139.2 suspended or revoked;

139.3 (8) knowingly employ persons in the practice of certified midwifery who have not been
139.4 issued a current license to practice as a certified midwife in this state; or

139.5 (9) conduct a certified midwifery program for the education of persons to become certified
139.6 midwives unless the program has been approved by the board.

139.7 Subd. 2. **Penalty.** Any person, corporation, or association violating any provision of
139.8 subdivision 1 is guilty of a gross misdemeanor and must be punished according to law.

139.9 Subd. 3. **Penalty; certified midwives.** In addition to subdivision 2, a certified midwife
139.10 who practices certified midwifery without a current license and certification or recertification,
139.11 or without current certification or recertification on file with the board, is subject to the
139.12 applicable penalties in section 148G.11.

139.13 **Sec. 105. [148G.21] UNAUTHORIZED PRACTICE OF MIDWIFERY.**

139.14 The practice of certified midwifery by any person who is not licensed to practice certified
139.15 midwifery under this chapter, or whose license has been suspended or revoked, or whose
139.16 national certification credential has expired, is inimical to the public health and welfare and
139.17 constitutes a public nuisance. Upon a complaint being made by the board or any prosecuting
139.18 officer, and upon a proper showing of the facts, the district court of the county where such
139.19 practice occurred may enjoin such acts and practice. The injunction proceeding is in addition
139.20 to, and not in lieu of, all other penalties and remedies provided by law.

139.21 **Sec. 106. Minnesota Statutes 2024, section 151.01, subdivision 15, is amended to read:**

139.22 **Subd. 15. Pharmacist intern or intern.** "Pharmacist intern" or "intern" means:

139.23 (1) a natural person who has completed college or school of pharmacy orientation or is
139.24 otherwise enrolled in a doctor of pharmacy program accredited by the Accreditation Council
139.25 for Pharmacy Education (ACPE) and is satisfactorily progressing toward the degree in
139.26 pharmacy required for licensure; or;

139.27 (2) a graduate of the University of Minnesota College of Pharmacy, or other pharmacy
139.28 college approved by the board, a doctor of pharmacy program accredited by ACPE who is
139.29 registered by the Board of Pharmacy for the purpose of obtaining practical experience as a
139.30 requirement for licensure as a pharmacist; or;

139.31 (3) a qualified applicant awaiting examination for licensure;

140.1 (4) a participant in a residency or fellowship program who is not licensed to practice
140.2 pharmacy in Minnesota but is:

140.3 (i) licensed to practice pharmacy in another state; or

140.4 (ii) a graduate of a doctor of pharmacy program accredited by ACPE and not registered
140.5 by the board under clause (2); or

140.6 (5) a foreign pharmacy graduate who:

140.7 (i) has passed the Foreign Pharmacy Graduate Equivalency Examination;

140.8 (ii) is certified by the Foreign Pharmacy Graduate Equivalency Commission; and

140.9 (iii) is seeking internship experience in accordance with Minnesota Rules, part 6800.1250.

140.10 Sec. 107. Minnesota Statutes 2024, section 151.01, subdivision 23, is amended to read:

140.11 Subd. 23. **Practitioner.** "Practitioner" means a licensed doctor of medicine, licensed
140.12 doctor of osteopathic medicine duly licensed to practice medicine, licensed doctor of
140.13 dentistry, licensed doctor of optometry, licensed podiatrist, licensed veterinarian, licensed
140.14 advanced practice registered nurse, licensed certified midwife, or licensed physician assistant.
140.15 For purposes of sections 151.15, subdivision 4; 151.211, subdivision 3; 151.252, subdivision
140.16 3; 151.37, subdivision 2, paragraph (b); and 151.461, "practitioner" also means a dental
140.17 therapist authorized to dispense and administer under chapter 150A. For purposes of sections
140.18 151.252, subdivision 3, and 151.461, "practitioner" also means a pharmacist authorized to
140.19 prescribe self-administered hormonal contraceptives, nicotine replacement medications, or
140.20 opiate antagonists under section 151.37, subdivision 14, 15, or 16, or authorized to prescribe
140.21 drugs to prevent the acquisition of human immunodeficiency virus (HIV) under section
140.22 151.37, subdivision 17.

140.23 Sec. 108. Minnesota Statutes 2024, section 151.065, subdivision 1, is amended to read:

140.24 Subdivision 1. **Application fees.** Application fees for licensure and registration are as
140.25 follows:

140.26 (1) pharmacist licensed by examination, \$225;

140.27 (2) pharmacist licensed by reciprocity, \$300;

140.28 (3) pharmacy intern, ~~\$75~~ \$25;

140.29 (4) pharmacy technician, \$60;

140.30 (5) pharmacy, \$450;

- 141.1 (6) drug wholesaler, legend drugs only, \$5,500;
- 141.2 (7) drug wholesaler, legend and nonlegend drugs, \$5,500;
- 141.3 (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;
- 141.4 (9) drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each
- 141.5 additional facility;
- 141.6 (10) third-party logistics provider, \$300;
- 141.7 (11) drug manufacturer, nonopiate legend drugs only, \$5,500;
- 141.8 (12) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;
- 141.9 (13) drug manufacturer, nonlegend or veterinary legend drugs, \$5,500;
- 141.10 (14) drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for each
- 141.11 additional facility;
- 141.12 (15) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;
- 141.13 (16) drug manufacturer of opiate-containing controlled substances listed in section
- 141.14 152.02, subdivisions 3 to 5, \$55,500;
- 141.15 (17) medical gas dispenser, \$400;
- 141.16 (18) controlled substance researcher, \$150; and
- 141.17 (19) pharmacy professional corporation, \$150.

141.18 Sec. 109. Minnesota Statutes 2024, section 151.065, subdivision 3, is amended to read:

141.19 Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as

141.20 follows:

- 141.21 (1) pharmacist, \$225;
- 141.22 (2) pharmacy technician, \$60;
- 141.23 (3) beginning January 1, 2026, pharmacy intern, \$25;
- 141.24 ~~(3)~~ (4) pharmacy, \$450;
- 141.25 ~~(4)~~ (5) drug wholesaler, legend drugs only, \$5,500;
- 141.26 ~~(5)~~ (6) drug wholesaler, legend and nonlegend drugs, \$5,500;
- 141.27 ~~(6)~~ (7) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$5,500;

142.1 ~~(7)~~ (8) drug wholesaler, medical gases, \$5,500 for the first facility and \$500 for each
142.2 additional facility;

142.3 ~~(8)~~ (9) third-party logistics provider, \$300;

142.4 ~~(9)~~ (10) drug manufacturer, nonopiate legend drugs only, \$5,500;

142.5 ~~(10)~~ (11) drug manufacturer, nonopiate legend and nonlegend drugs, \$5,500;

142.6 ~~(11)~~ (12) drug manufacturer, nonlegend, veterinary legend drugs, or both, \$5,500;

142.7 ~~(12)~~ (13) drug manufacturer, medical gases, \$5,500 for the first facility and \$500 for
142.8 each additional facility;

142.9 ~~(13)~~ (14) drug manufacturer, also licensed as a pharmacy in Minnesota, \$5,500;

142.10 ~~(14)~~ (15) drug manufacturer of opiate-containing controlled substances listed in section
142.11 152.02, subdivisions 3 to 5, \$55,500;

142.12 ~~(15)~~ (16) medical gas dispenser, \$400;

142.13 ~~(16)~~ (17) controlled substance researcher, \$150; and

142.14 ~~(17)~~ (18) pharmacy professional corporation, \$150.

142.15 Sec. 110. Minnesota Statutes 2024, section 151.065, subdivision 6, is amended to read:

142.16 Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license
142.17 to lapse may reinstate the license with board approval and upon payment of any fees and
142.18 late fees in arrears, up to a maximum of \$1,000.

142.19 (b) A pharmacy technician who has allowed the technician's registration to lapse may
142.20 reinstate the registration with board approval and upon payment of any fees and late fees
142.21 in arrears, up to a maximum of \$250.

142.22 (c) A pharmacy intern who has allowed the intern's registration to lapse may reinstate
142.23 the registration with board approval and upon payment of any fees and late fees in arrears,
142.24 up to a maximum of \$100.

142.25 ~~(e)~~ (d) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party
142.26 logistics provider, or a medical gas dispenser who has allowed the license of the establishment
142.27 to lapse may reinstate the license with board approval and upon payment of any fees and
142.28 late fees in arrears.

(d) (e) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

(e) (f) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 111. Minnesota Statutes 2024, section 151.101, is amended to read:

151.101 INTERNSHIP.

Subdivision 1. Registration requirements. (a) Upon payment of the fee specified in section 151.065, the board may register as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern registration prescribed by the board. ~~The board shall prescribe standards and requirements for interns, pharmacist preceptors, and internship training but may not require more than one year of such training.~~

(b) The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Subd. 2. Renewal requirements. (a) Beginning January 1, 2026, an intern registration expires on September 30 each year or when the intern receives a pharmacist license, whichever is earlier.

(b) To renew an intern registration, the intern must file an application for renewal and submit the fee established under section 151.065 on or before September 1 each year.

(c) If the board does not receive the intern's registration renewal application on or before September 1 each year, the intern is subject to a late filing fee equal to 50 percent of the renewal fee under section 151.065 in addition to the renewal fee.

(d) An individual who received an intern registration under the criteria in section 151.01, subdivision 15, clause (1), and paid \$75 for the individual's application fee between May 1, 2024, and June 30, 2025, is not subject to the \$25 renewal fee for the first two renewal cycles following the \$75 fee payment.

144.1 (e) If an individual is no longer enrolled in a doctor of pharmacy program accredited by
144.2 the Accreditation Council for Pharmacy Education, the board must terminate that individual's
144.3 intern registration effective the last date the individual was enrolled in a qualifying program.

144.4 (f) The board must not renew an intern registration unless the individual:

144.5 (1) has maintained current notices of employment for internship training with the board;

144.6 (2) submitted a progress report affidavit of the intern credit hours completed by June 15
144.7 each year;

144.8 (3) meets all other eligibility criteria for a pharmacist intern; and

144.9 (4) demonstrates to the board's satisfaction the individual is in good faith and with
144.10 reasonable diligence pursuing a degree in pharmacy or is completing a pharmacy residency
144.11 or fellowship.

144.12 (g) An intern whose registration has lapsed may renew the intern registration within one
144.13 year of expiration, subject to the fees in paragraph (c). An intern whose registration has
144.14 lapsed for more than one year must meet the registration requirements for an initial intern
144.15 applicant in effect at the time the individual applies for reinstatement and pay any fees and
144.16 late fees in arrears in accordance with section 151.065.

144.17 (h) If the board receives a late renewal, reinstatement, or initial intern application from
144.18 an eligible individual within 90 days before September 30, the board may extend the
144.19 registration expiration date for that applicant to September 30 of the subsequent calendar
144.20 year and prorate the application fee accordingly.

144.21 **Subd. 3. Internship credit hour requirements.** (a) To apply for licensure as a pharmacist
144.22 under section 151.10, an individual must complete at least 1,600 intern credit hours under
144.23 the direction and supervision of a preceptor.

144.24 (b) Of the 1,600 credit hours required under this subdivision, an intern may earn:

144.25 (1) a maximum of 80 credit hours in the individual's first professional academic year
144.26 for a structured experience directed by the college of pharmacy that the individual attends
144.27 and is overseen by college faculty, registered preceptors, or supervising licensed pharmacists;

144.28 (2) a maximum of 400 credit hours of concurrent time internship; and

144.29 (3) a maximum of 54 credit hours per week that may be earned from more than one site.

145.1 Sec. 112. Minnesota Statutes 2024, section 152.12, subdivision 1, is amended to read:

145.2 Subdivision 1. **Prescribing, dispensing, administering controlled substances in**
145.3 **Schedules II through V.** A licensed doctor of medicine, a doctor of osteopathic medicine,
145.4 duly licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine,
145.5 a licensed doctor of podiatry, a licensed advanced practice registered nurse, a licensed
145.6 certified midwife, a licensed physician assistant, or a licensed doctor of optometry limited
145.7 to Schedules IV and V, and in the course of professional practice only, may prescribe,
145.8 administer, and dispense a controlled substance included in Schedules II through V of section
145.9 152.02, may cause the same to be administered by a nurse, an intern or an assistant under
145.10 the direction and supervision of the doctor, and may cause a person who is an appropriately
145.11 certified and licensed health care professional to prescribe and administer the same within
145.12 the expressed legal scope of the person's practice as defined in Minnesota Statutes.

145.13 Sec. 113. **[153.30] FEES.**

145.14 Subdivision 1. **Nonrefundable fees.** The fees in this section are nonrefundable.

145.15 Subd. 2. **Fee amounts.** The amount of fees must be set by the board so that the total
145.16 fees collected by the board equals as closely as possible the anticipated expenditures during
145.17 the fiscal biennium, as provided in section 16A.1285. Fees must not exceed the following
145.18 amounts but may be adjusted lower by board action:

145.19 (1) application for licensure fee, \$1,000;

145.20 (2) renewal licensure fee, \$1,000;

145.21 (3) late renewal fee, \$250;

145.22 (4) temporary permit fee, \$250;

145.23 (5) duplicate license fee or duplicate renewal certificate fee, \$25;

145.24 (6) reinstatement fee, \$1,250;

145.25 (7) examination administration fee for persons who have not applied for a license or
145.26 permit, \$50;

145.27 (8) verification of licensure fee, \$50;

145.28 (9) label fee, \$50;

145.29 (10) list of licensees fee, \$50; and

145.30 (11) copies fee, \$0.50 per page.

146.1 Subd. 3. **Current fee information.** Information about fees in effect at any time must
146.2 be available from the board office.

146.3 Subd. 4. **Deposit of fees.** The license fees collected under this section must be deposited
146.4 in the state government special revenue fund.

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

146.6 Sec. 114. Minnesota Statutes 2024, section 153B.85, subdivision 1, is amended to read:

146.7 Subdivision 1. **Fees.** (a) The application fee for initial licensure shall not exceed \$600.

146.8 (b) The biennial renewal fee for a license to practice as an orthotist, prosthetist, prosthetist
146.9 orthotist, or pedorthist shall not exceed \$600.

146.10 (c) The biennial renewal fee for a license to practice as an assistant or a fitter shall not
146.11 exceed \$300.

146.12 (d) The fee for license restoration shall not exceed \$600.

146.13 (e) The fee for license verification shall not exceed ~~\$30~~ \$50.

146.14 (f) The fee to obtain a list of licensees shall not exceed ~~\$25~~ \$50.

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

146.16 Sec. 115. Minnesota Statutes 2024, section 153B.85, subdivision 3, is amended to read:

146.17 Subd. 3. **Late fee.** The fee for late license renewal is the license renewal fee in effect at
146.18 the time of renewal plus ~~\$100~~ \$250.

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

146.20 Sec. 116. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision
146.21 to read:

146.22 Subd. 1a. **Nonrefundable fees.** All fees are nonrefundable.

146.23 **EFFECTIVE DATE.** This section is effective July 1, 2025.

146.24 Sec. 117. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision
146.25 to read:

146.26 Subd. 3. **Fee amounts.** Fees must not exceed the following amounts but may be adjusted
146.27 lower by board action:

146.28 (1) initial application fee, \$75;

- 147.1 (2) state examination fee, \$75;
- 147.2 (3) duplicate license fee, \$25;
- 147.3 (4) continuing education sponsor application fee, \$75;
- 147.4 (5) mailing list fee, \$250;
- 147.5 (6) initial veterinary license fee, \$300;
- 147.6 (7) initial veterinary technician fee, \$100;
- 147.7 (8) active veterinary renewal fee, \$300;
- 147.8 (9) active veterinary technician renewal fee, \$100;
- 147.9 (10) inactive veterinary renewal fee, \$150;
- 147.10 (11) inactive veterinary technician renewal fee, \$50;
- 147.11 (12) institutional license fee, \$300;
- 147.12 (13) active late veterinary renewal fee, \$150;
- 147.13 (14) active late veterinary technician renewal fee, \$50;
- 147.14 (15) inactive late veterinary renewal fee, \$100;
- 147.15 (16) inactive late veterinary technician renewal fee, \$25; and
- 147.16 (17) institutional late renewal fee, \$150.
- 147.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

147.18 Sec. 118. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision

147.19 to read:

147.20 **Subd. 4. License verification.** The board may charge a fee not to exceed \$25 per license

147.21 verification to a licensee for verification of licensure status provided to other veterinary

147.22 licensing boards.

147.23 **EFFECTIVE DATE.** This section is effective July 1, 2025.

147.24 Sec. 119. Minnesota Statutes 2024, section 156.015, is amended by adding a subdivision

147.25 to read:

147.26 **Subd. 5. Deposit of fees.** The license fees collected under this section must be deposited

147.27 in the state government special revenue fund.

148.1 Sec. 120. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
148.2 to read:

148.3 Subd. 28c. **Certified midwifery practice services.** Medical assistance covers services
148.4 performed by a licensed certified midwife if:

148.5 (1) the service provided on an inpatient basis is not included as part of the cost for
148.6 inpatient services included in the facility payment;

148.7 (2) the service is otherwise covered under this chapter as a physician service; and

148.8 (3) the service is within the scope of practice of the certified midwife's license as defined
148.9 under chapter 148G.

148.10 Sec. 121. **REVISOR INSTRUCTION.**

148.11 (a) The revisor of statutes shall renumber Minnesota Statutes, section 148.6408,
148.12 subdivision 1, as Minnesota Statutes, section 148.6408, subdivision 1b.

148.13 (b) The revisor of statutes shall renumber Minnesota Statutes, section 148.6410,
148.14 subdivision 1, as Minnesota Statutes, section 148.6410, subdivision 1b.

148.15 Sec. 122. **REPEALER.**

148.16 Minnesota Statutes 2024, sections 148.6402, subdivision 22a; 148.6420, subdivisions
148.17 2, 3, and 4; 148.6423, subdivisions 4, 5, 7, 8, and 9; 148.6425, subdivision 3; 148.6430;
148.18 and 148.6445, subdivisions 5, 6, and 8, are repealed.

148.19 Minnesota Rules, parts 6800.5100, subpart 5; and 6800.5400, subparts 5 and 6, are
148.20 repealed.

148.21 **ARTICLE 4**

148.22 **MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY**

148.23 Section 1. Minnesota Statutes 2024, section 3.732, subdivision 1, is amended to read:

148.24 Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined
148.25 in this section have the meanings given them.

148.26 (1) "State" includes each of the departments, boards, agencies, commissions, courts, and
148.27 officers in the executive, legislative, and judicial branches of the state of Minnesota and
148.28 includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher
148.29 Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology
148.30 Advisory Committee, the Armory Building Commission, the Zoological Board, the

149.1 Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society,
149.2 the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges
149.3 and Universities, state hospitals, and state penal institutions. It does not include a city, town,
149.4 county, school district, or other local governmental body corporate and politic.

149.5 (2) "Employee of the state" means all present or former officers, members, directors, or
149.6 employees of the state, members of the Minnesota National Guard, members of a bomb
149.7 disposal unit approved by the commissioner of public safety and employed by a municipality
149.8 defined in section 466.01 when engaged in the disposal or neutralization of bombs or other
149.9 similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the
149.10 municipality but within the state, or persons acting on behalf of the state in an official
149.11 capacity, temporarily or permanently, with or without compensation. It does not include
149.12 either an independent contractor except, for purposes of this section and section 3.736 only,
149.13 a guardian ad litem acting under court appointment, or members of the Minnesota National
149.14 Guard while engaged in training or duty under United States Code, title 10, or title 32,
149.15 section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding
149.16 sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee
149.17 of the state" includes a district public defender or assistant district public defender in the
149.18 Second or Fourth Judicial District, a member of the Health Technology Advisory Committee,
149.19 and any officer, agent, or employee of the state of Wisconsin performing work for the state
149.20 of Minnesota pursuant to a joint state initiative.

149.21 (3) "Scope of office or employment" means that the employee was acting on behalf of
149.22 the state in the performance of duties or tasks lawfully assigned by competent authority.

149.23 (4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

149.24 Sec. 2. Minnesota Statutes 2024, section 10A.01, subdivision 35, is amended to read:

149.25 Subd. 35. **Public official.** "Public official" means any:

149.26 (1) member of the legislature;

149.27 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
149.28 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
149.29 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
149.30 Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis
149.31 Department;

149.32 (3) constitutional officer in the executive branch and the officer's chief administrative
149.33 deputy;

- 150.1 (4) solicitor general or deputy, assistant, or special assistant attorney general;
- 150.2 (5) commissioner, deputy commissioner, or assistant commissioner of any state
- 150.3 department or agency as listed in section 15.01 or 15.06, or the state chief information
- 150.4 officer;
- 150.5 (6) member, chief administrative officer, or deputy chief administrative officer of a state
- 150.6 board or commission that has either the power to adopt, amend, or repeal rules under chapter
- 150.7 14, or the power to adjudicate contested cases or appeals under chapter 14;
- 150.8 (7) individual employed in the executive branch who is authorized to adopt, amend, or
- 150.9 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- 150.10 (8) executive director of the State Board of Investment;
- 150.11 (9) deputy of any official listed in clauses (7) and (8);
- 150.12 (10) judge of the Workers' Compensation Court of Appeals;
- 150.13 (11) administrative law judge or compensation judge in the State Office of Administrative
- 150.14 Hearings or unemployment law judge in the Department of Employment and Economic
- 150.15 Development;
- 150.16 (12) member, regional administrator, division director, general counsel, or operations
- 150.17 manager of the Metropolitan Council;
- 150.18 (13) member or chief administrator of a metropolitan agency;
- 150.19 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
- 150.20 of Public Safety;
- 150.21 (15) member or executive director of the ~~Higher~~ Health and Education Facilities
- 150.22 Authority;
- 150.23 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 150.24 (17) member of the board of directors or executive director of the Minnesota State High
- 150.25 School League;
- 150.26 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 150.27 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 150.28 (20) manager of a watershed district, or member of a watershed management organization
- 150.29 as defined under section 103B.205, subdivision 13;
- 150.30 (21) supervisor of a soil and water conservation district;

- 151.1 (22) director of Explore Minnesota Tourism;
- 151.2 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
- 151.3 97A.056;
- 151.4 (24) citizen member of the Clean Water Council established in section 114D.30;
- 151.5 (25) member or chief executive of the Minnesota Sports Facilities Authority established
- 151.6 in section 473J.07;
- 151.7 (26) district court judge, appeals court judge, or supreme court justice;
- 151.8 (27) county commissioner;
- 151.9 (28) member of the Greater Minnesota Regional Parks and Trails Commission;
- 151.10 (29) member of the Destination Medical Center Corporation established in section
- 151.11 469.41; or
- 151.12 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges
- 151.13 and Universities.

151.14 Sec. 3. Minnesota Statutes 2024, section 136A.25, is amended to read:

151.15 **136A.25 CREATION.**

151.16 A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority

151.17 is hereby created.

151.18 Sec. 4. Minnesota Statutes 2024, section 136A.26, is amended to read:

151.19 **136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.**

151.20 Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities

151.21 Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice

151.22 and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

151.23 All members to be appointed by the governor shall be residents of the state. At least two

151.24 members must reside outside the metropolitan area as defined in section 473.121, subdivision

151.25 2. At least one of the members shall be a person having a favorable reputation for skill,

151.26 knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall

151.27 be a person having a favorable reputation for skill, knowledge, and experience in the building

151.28 construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or

151.29 employee of an institution of higher education; and at least one of the members shall be a

151.30 trustee, director, officer, or employee of a health care organization.

Subd. 1a. **Private College Council member.** The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. **Nonprofit health care association member.** The chief executive officer of a Minnesota nonprofit membership association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit membership association shall be determined and may be changed from time to time by the members of the authority in accordance with and as shall be provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, ~~and~~ the president of the Private College Council, or the chief executive officer of the Minnesota nonprofit membership association described in subdivision 1b shall be as provided in section 15.0575.

Sec. 5. Minnesota Statutes 2024, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations within the state be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~ that institutions of higher education within the state be provided with appropriate additional means to assist ~~such~~ youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for ~~such~~ those purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges; ~~and~~. It is hereby further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are sorely

153.1 needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit
153.2 and good, to the extent and manner provided herein.

153.3 Sec. 6. Minnesota Statutes 2024, section 136A.28, is amended to read:

153.4 **136A.28 DEFINITIONS.**

153.5 Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms
153.6 shall, unless the context otherwise requires, have the meanings ascribed to them.

153.7 Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is
153.8 controlled by, or is under common control with, another entity. For the purposes of this
153.9 subdivision, "control" means either the power to elect a majority of the members of the
153.10 governing body of an entity or the power, whether by contract or otherwise, to direct the
153.11 management and policies of the entity. Affiliate also means an entity whose business or
153.12 substantially all of whose property is operated under a lease, management agreement, or
153.13 operating agreement by another entity, or an entity who operates the business or substantially
153.14 all of the property of another entity under a lease, management agreement, or operating
153.15 agreement.

153.16 Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities
153.17 Authority created by sections 136A.25 to 136A.42.

153.18 Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory~~
153.19 ~~or other student housing facility, a dining hall, student union, administration building,~~
153.20 ~~academic building, library, laboratory, research facility, classroom, athletic facility, health~~
153.21 ~~care facility, child care facility, and maintenance, storage, or utility facility and other~~
153.22 ~~structures or facilities related thereto or required or useful for the instruction of students or~~
153.23 ~~the conducting of research or the operation of an institution of higher education, whether~~
153.24 ~~proposed, under construction, or completed, including parking and other facilities or~~
153.25 ~~structures essential or convenient for the orderly conduct of such institution for higher~~
153.26 ~~education, and shall also include landscaping, site preparation, furniture, equipment and~~
153.27 ~~machinery, and other similar items necessary or convenient for the operation of a particular~~
153.28 ~~facility or structure in the manner for which its use is intended but shall not include such~~
153.29 ~~items as books, fuel, supplies, or other items the costs of which are customarily deemed to~~
153.30 ~~result in a current operating charge, and shall~~ a health care facility or an education facility
153.31 whether proposed, under construction, or completed, and includes land or interests in land,
153.32 appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures,
153.33 furniture, machinery, equipment, and parking. Project also includes other structures, facilities,
153.34 improvements, machinery, equipment, and means of transport of a capital nature that are

154.1 necessary or convenient for the operation of the facility. Project does not include: (1) any
 154.2 facility used or to be used for sectarian instruction or as a place of religious worship nor;
 154.3 (2) any facility which is used or to be used primarily in connection with any part of the
 154.4 program of a school or department of divinity for any religious denomination; nor (3) any
 154.5 books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are
 154.6 customarily deemed to result in a current operating charge.

154.7 Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the
 154.8 provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,
 154.9 acquisition, alteration, enlargement, reconstruction and remodeling of a project including
 154.10 all lands, structures, real or personal property, rights, rights-of-way, franchises, easements
 154.11 and interests acquired or used for or in connection with a project, the cost of demolishing
 154.12 or removing any buildings or structures on land so acquired, including the cost of acquiring
 154.13 any lands to which ~~such~~ the buildings or structures may be moved, the cost of all machinery
 154.14 and equipment, financing charges, interest prior to, during and for a period after completion
 154.15 of ~~such~~ construction and acquisition, provisions for reserves for principal and interest and
 154.16 for extensions, enlargements, additions and improvements, the cost of architectural,
 154.17 engineering, financial and legal services, plans, specifications, studies, surveys, estimates
 154.18 of cost and of revenues, administrative expenses, expenses necessary or incident to
 154.19 determining the feasibility or practicability of constructing the project and ~~such~~ other
 154.20 expenses as may be necessary or incident to the construction and acquisition of the project,
 154.21 the financing of ~~such~~ construction and acquisition and the placing of the project in operation.

154.22 Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority
 154.23 issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding
 154.24 bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit
 154.25 of a participating institution ~~for higher education~~ or any other lawfully pledged security of
 154.26 a participating institution ~~for higher education~~.

154.27 Subd. 6. **Institution of higher education.** "Institution of higher education" means a
 154.28 nonprofit educational institution within the state authorized to provide a program of education
 154.29 beyond the high school level.

154.30 Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit
 154.31 organization located within the state and authorized by law to operate a nonprofit health
 154.32 care facility in the state. Health care organization also means a nonprofit affiliate of a health
 154.33 care organization as defined under this paragraph, provided the affiliate is located within
 154.34 the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located within another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located within the contiguous state is an affiliate of a health care organization located within Minnesota.

Subd. 6b. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related to the essential or convenient orderly conduct of an institution of higher education.

Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures available for use within this state as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, housing with services establishment, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research, or the delivery or administration of health care services, and includes other structures or facilities related to the essential or convenient orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. **Participating institution of higher education.** "Participating institution of higher education" means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities and parking facilities.

156.1 Sec. 7. Minnesota Statutes 2024, section 136A.29, subdivision 1, is amended to read:

156.2 Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care
156.3 organizations and institutions of higher education in the construction, financing, and
156.4 refinancing of projects. The exercise by the authority of the powers conferred by sections
156.5 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public
156.6 function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the
156.7 powers and duties set forth in subdivisions 2 to 23.

156.8 Sec. 8. Minnesota Statutes 2024, section 136A.29, subdivision 3, is amended to read:

156.9 Subd. 3. **Employees; office space.** The authority is authorized and empowered to appoint
156.10 and employ employees as it may deem necessary to carry out its duties, determine the title
156.11 of the employees so employed, and fix the salary of ~~said~~ its employees. Employees of the
156.12 authority shall participate in retirement and other benefits in the same manner that employees
156.13 in the ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision
156.14 3, participate. The authority may maintain an office space as it may designate.

156.15 Sec. 9. Minnesota Statutes 2024, section 136A.29, subdivision 6, is amended to read:

156.16 Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine
156.17 the location and character of any project to be financed under the provisions of sections
156.18 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,
156.19 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into
156.20 contracts for any or all of ~~such~~ these purposes, to enter into contracts for the management
156.21 and operation of a project, and to designate a participating institution ~~of higher education~~
156.22 as its agent to determine the location and character of a project undertaken by ~~such a~~
156.23 ~~participating institution of higher education~~ under the provisions of sections 136A.25 to
156.24 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain,
156.25 manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the
156.26 same, and as the agent of the authority, to enter into contracts for any or all of ~~such~~ these
156.27 purposes, including contracts for the management and operation of ~~such~~ the project.

156.28 (b) Notwithstanding paragraph (a), a project involving a health care facility within the
156.29 state financed under sections 136A.25 to 136A.42, must comply with all applicable
156.30 requirements in state law related to authorizing construction of or modifications to a health
156.31 care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and
156.32 252.291.

157.1 (c) Contracts of the authority or of a participating institution ~~of higher education~~ to
157.2 acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair
157.3 projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other
157.4 public contract or competitive bid law.

157.5 Sec. 10. Minnesota Statutes 2024, section 136A.29, subdivision 9, is amended to read:

157.6 Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue
157.7 revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$2,000,000,000~~
157.8 \$5,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds
157.9 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
157.10 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
157.11 furnishing, or equipping one or more projects or parts thereof.

157.12 (b) Of the \$5,000,000,000 limit in paragraph (a), the aggregate principal amount used
157.13 to fund education facilities may not exceed \$2,250,000,000 at any time, and the aggregate
157.14 principal amount used to fund health care facilities may not exceed \$2,750,000,000 at any
157.15 time.

157.16 Sec. 11. Minnesota Statutes 2024, section 136A.29, subdivision 10, is amended to read:

157.17 Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized
157.18 and empowered to issue revenue bonds to acquire projects from or to make loans to
157.19 participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness
157.20 incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition,
157.21 construction or improvement of a facility before or after the enactment of sections 136A.25
157.22 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the
157.23 authority finds that ~~such~~ the refinancing will enhance or preserve such participating
157.24 institutions and ~~such~~ the facilities or utilization ~~thereof~~ that is for health care or educational
157.25 purposes or extend or adjust maturities to correspond to the resources available for their
157.26 payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges,
157.27 or fees imposed on students for the use or occupancy of the facilities of such the participating
157.28 ~~institutions of higher education~~ or costs met by federal or state public funds, or enhance or
157.29 preserve health care or educational programs and research or the acquisition or improvement
157.30 of other facilities eligible to be a project or part thereof by the participating institution ~~of~~
157.31 ~~higher education~~. The amount of revenue bonds to be issued to refinance outstanding
157.32 indebtedness of a participating institution ~~of higher education~~ shall not exceed the lesser of
157.33 (a) the fair value of the project to be acquired by the authority from the institution or

158.1 mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness
158.2 including any premium thereon and any interest accrued or to accrue to the date of redemption
158.3 and any legal, fiscal and related costs in connection with ~~such~~ the refinancing and reasonable
158.4 reserves, as determined by the authority. The provisions of this subdivision do not prohibit
158.5 the authority from issuing revenue bonds within and charged against the limitations provided
158.6 in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of
158.7 the project refinanced.

158.8 Sec. 12. Minnesota Statutes 2024, section 136A.29, subdivision 14, is amended to read:

158.9 Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to
158.10 establish rules for the use of a project or any portion thereof and to designate a participating
158.11 institution of ~~higher education~~ as its agent to establish rules for the use of a project undertaken
158.12 for ~~such a~~ participating institution of ~~higher education~~.

158.13 Sec. 13. Minnesota Statutes 2024, section 136A.29, subdivision 19, is amended to read:

158.14 Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of
158.15 sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution
158.16 of the authority to handle funds or sign checks of the authority shall be covered under a
158.17 surety or fidelity bond in an amount to be determined by the authority. Each ~~such~~ bond shall
158.18 be conditioned upon the faithful performance of the duties of the office of the member or
158.19 officer, and shall be executed by a surety company authorized to transact business in the
158.20 state of Minnesota as surety. The cost of each ~~such~~ bond shall be paid by the authority.

158.21 Sec. 14. Minnesota Statutes 2024, section 136A.29, subdivision 20, is amended to read:

158.22 Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and
158.23 empowered to sell, lease, release, or otherwise dispose of real and personal property or
158.24 interests therein, or a combination thereof, acquired by the authority under authority of
158.25 sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such~~ this chapter or
158.26 of the authority, and grant ~~such~~ easements and other rights in, over, under, or across a project
158.27 as will not interfere with its use of ~~such~~ the property. ~~Such~~ The sale, lease, release,
158.28 disposition, or grant may be made without competitive bidding and in ~~such~~ the manner and
158.29 for such consideration as the authority in its judgment deems appropriate.

159.1 Sec. 15. Minnesota Statutes 2024, section 136A.29, subdivision 21, is amended to read:

159.2 Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any
159.3 participating institution ~~of higher education~~ for the cost of a project in accordance with an
159.4 agreement between the authority and the participating institution ~~of higher education~~;
159.5 provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the
159.6 participating institution ~~of higher education~~ and approved by the authority.

159.7 Sec. 16. Minnesota Statutes 2024, section 136A.29, subdivision 22, is amended to read:

159.8 Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and
159.9 empowered to charge to and apportion among participating institutions ~~of higher education~~
159.10 its administrative costs and expenses incurred in the exercise of the powers and duties
159.11 conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment
159.12 deems appropriate.

159.13 Sec. 17. Minnesota Statutes 2024, section 136A.29, is amended by adding a subdivision
159.14 to read:

159.15 Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered
159.16 to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a.
159.17 A determination by the authority of affiliate status shall be deemed conclusive for the
159.18 purposes of sections 136A.25 to 136A.42.

159.19 Sec. 18. Minnesota Statutes 2024, section 136A.32, subdivision 1, is amended to read:

159.20 Subdivision 1. **Bonds; generally.** (a) The authority may from time to time issue revenue
159.21 bonds for purposes of sections 136A.25 to 136A.42, and all ~~such~~ revenue bonds, notes,
159.22 bond anticipation notes or other obligations of the authority issued pursuant to sections
159.23 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes
159.24 notwithstanding their payment from a limited source and without regard to any other law
159.25 or laws. In anticipation of the sale of ~~such~~ revenue bonds, the authority may issue negotiable
159.26 bond anticipation notes and may renew the same from time to time, but the maximum
159.27 maturity of any ~~such~~ note, including renewals ~~thereof~~, shall not exceed five years from the
159.28 date of issue of the original note. ~~Such~~ Notes shall be paid from any revenues of the authority
159.29 available therefor and not otherwise pledged, or from the proceeds of sale of the revenue
159.30 bonds of the authority in anticipation of which they were issued. The notes shall be issued
159.31 in the same manner as the revenue bonds. Such notes and the resolution or resolutions

authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the authority may contain.

(b) Before issuing revenue bonds, notes, or other obligations under paragraph (a) on behalf of a health care organization to finance health care facilities, the authority must obtain consent by resolution from each city or town in which the project is located, except that consent need not be obtained in the case of a city or town with a population of less than 100,000. The consent by resolution requirement does not apply to financing under paragraph (a) on behalf of a participating institution which is primarily an institution of higher education.

Sec. 19. Minnesota Statutes 2024, section 136A.32, subdivision 4, is amended to read:

Subd. 4. Provisions of resolution authorizing bonds. Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with ~~any individual partnership, corporation or association or other body~~ one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to ~~such~~ agreements with bondholders as may then exist;

(2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

(3) the setting aside of reserves or sinking funds, and the regulation and disposition ~~thereof~~ of them;

(4) limitations on the right of the authority or its agent to restrict and regulate the use of the project;

(5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging ~~such~~ the proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

(6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds;

(7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent ~~thereto~~ to, and the manner in which ~~such~~ consent may be given;

(8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

(9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of ~~such~~ the holders in the event of a default; or

(10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 20. Minnesota Statutes 2024, section 136A.32, is amended by adding a subdivision to read:

Subd. 4a. **Health care certification.** Health care organizations must provide the authority with a signed certificate from the health care organization stating that so long as authority financing for the health care organization remains outstanding, none of the proceeds of the bonds to the health care organization may be directly or indirectly used to benefit a private party or private equity-funded entity.

Sec. 21. Minnesota Statutes 2024, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion ~~thereof~~ of it. ~~Such~~ The trust agreement or resolution providing for the issuance of ~~such~~ revenue bonds may contain ~~such~~ provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including ~~particularly such~~ particular provisions ~~as have hereinabove that~~ have been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds ~~thereof~~. Any bank or trust company incorporated under the laws of the state ~~which~~ that may act as depository of the proceeds of bonds or of revenues or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or

162.1 resolution may contain ~~such~~ other provisions as the authority may deem reasonable and
162.2 proper for the security of the bondholders. All expenses incurred in carrying out the
162.3 provisions of ~~such~~ the trust agreement or resolution may be treated as a part of the cost of
162.4 the operation of a project.

162.5 Sec. 22. Minnesota Statutes 2024, section 136A.34, subdivision 3, is amended to read:

162.6 Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending ~~such~~ use, may be invested
162.7 and reinvested in direct obligations of the United States of America, or in certificates of
162.8 deposit or time deposits secured by direct obligations of the United States of America, or
162.9 in shares or units in any money market mutual fund whose investment portfolio consists
162.10 solely of direct obligations of the United States of America, maturing at ~~such~~ a time or times
162.11 as shall be appropriate to assure the prompt payment, as to principal, interest and redemption
162.12 premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income
162.13 and profits, if any, earned or realized on any ~~such~~ investment may also be applied to the
162.14 payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow
162.15 have been fully satisfied and carried out, any balance of ~~such~~ the proceeds and interest,
162.16 income and profits, if any, earned or realized on the investments ~~thereof~~ may be returned
162.17 to the authority for use by it in any lawful manner.

162.18 Sec. 23. Minnesota Statutes 2024, section 136A.34, subdivision 4, is amended to read:

162.19 Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~
162.20 revenue bonds issued for the additional purpose of paying all or any part of the cost of
162.21 constructing and acquiring additions, improvements, extensions or enlargements of a project
162.22 may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision
162.23 7.

162.24 Sec. 24. Minnesota Statutes 2024, section 136A.36, is amended to read:

162.25 **136A.36 REVENUES.**

162.26 The authority may fix, revise, charge and collect rates, rents, fees and charges for the
162.27 use of and for the services furnished or to be furnished by each project and ~~to~~ may contract
162.28 with any person, partnership, association or corporation, or other body, public or private,
162.29 in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects
162.30 involving an education facility and projects involving a health care facility and shall be
162.31 fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~
162.32 the project so as to provide funds sufficient with other revenues, if any:

163.1 (1) to pay the cost of maintaining, repairing and operating the project and each and every
163.2 portion ~~thereof~~ of it, to the extent that the payment of ~~such~~ the cost has not otherwise been
163.3 adequately provided for;

163.4 (2) to pay the principal of and the interest on outstanding revenue bonds of the authority
163.5 issued in respect of such project as the same shall become due and payable; and

163.6 (3) to create and maintain reserves required or provided for in any resolution authorizing,
163.7 or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees
163.8 and charges shall not be subject to supervision or regulation by any department, commission,
163.9 board, body, bureau or agency of this state other than the authority. A sufficient amount of
163.10 the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may
163.11 be necessary to pay the cost of maintenance, repair and operation and to provide reserves
163.12 and for renewals, replacements, extensions, enlargements and improvements as may be
163.13 provided for in the resolution authorizing the issuance of any revenue bonds of the authority
163.14 or in the trust agreement securing the same, shall be set aside at ~~such~~ regular intervals as
163.15 may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund
163.16 ~~which that~~ is hereby pledged to, and charged with, the payment of the principal of and the
163.17 interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or
163.18 the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge
163.19 shall be valid and binding from the time when the pledge is made; the rates, rents, fees and
163.20 charges and other revenues or other moneys so pledged and thereafter received by the
163.21 authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery
163.22 ~~thereof~~ or further act, and the lien of any ~~such~~ pledge shall be valid and binding as against
163.23 all parties having claims of any kind against the authority, irrespective of whether ~~such~~ the
163.24 parties have notice ~~thereof~~ of it. Neither the resolution nor any trust agreement by which a
163.25 pledge is created need be filed or recorded except in the records of the authority. The use
163.26 and disposition of moneys to the credit of ~~such~~ a sinking or other similar fund shall be
163.27 subject to the provisions of the resolution authorizing the issuance of ~~such~~ bonds or of ~~such~~
163.28 a trust agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust
163.29 agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds
163.30 issued to finance a project or projects at one or more participating institutions ~~of higher~~
163.31 ~~education~~ without distinction or priority of one over another; provided the authority in any
163.32 ~~such~~ resolution or trust agreement may provide that ~~such~~ the sinking or other similar fund
163.33 shall be the fund for a particular project at ~~an a~~ a participating institution ~~of higher education~~
163.34 and for the revenue bonds issued to finance a particular project and may, additionally, permit
163.35 and provide for the issuance of revenue bonds having a subordinate lien in respect of the

164.1 security herein authorized to other revenue bonds of the authority and, in such case, the
164.2 authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien
164.3 bonds.

164.4 Sec. 25. Minnesota Statutes 2024, section 136A.38, is amended to read:

164.5 **136A.38 BONDS ELIGIBLE FOR INVESTMENT.**

164.6 Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are
164.7 hereby made securities in which all public officers and public bodies of the state and its
164.8 political subdivisions, all insurance companies, trust companies, banking associations,
164.9 investment companies, executors, administrators, trustees and other fiduciaries may properly
164.10 and legally invest funds, including capital in their control or belonging to them; it being the
164.11 purpose of this section to authorize the investment in ~~such~~ bonds of all sinking, insurance,
164.12 retirement, compensation, pension and trust funds, whether owned or controlled by private
164.13 or public persons or officers; provided, however, that nothing contained in this section may
164.14 be construed as relieving any person, firm, or corporation from any duty of exercising due
164.15 care in selecting securities for purchase or investment; and provide further, that in no event
164.16 shall assets of pension funds of public employees of the state of Minnesota or any of its
164.17 agencies, boards or subdivisions, whether publicly or privately administered, be invested
164.18 in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby
164.19 constituted "authorized securities" within the meaning and for the purposes of Minnesota
164.20 Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may
164.21 properly and legally be deposited with and received by any state or municipal officer or any
164.22 agency or political subdivision of the state for any purpose for which the deposit of bonds
164.23 or obligations of the state now or may hereafter be authorized by law.

164.24 Sec. 26. Minnesota Statutes 2024, section 136A.41, is amended to read:

164.25 **136A.41 CONFLICT OF INTEREST.**

164.26 Notwithstanding any other law to the contrary it shall not be or constitute a conflict of
164.27 interest for a trustee, director, officer or employee of any participating institution ~~of higher~~
164.28 ~~education~~, financial institution, investment banking firm, brokerage firm, commercial bank
164.29 or trust company, architecture firm, insurance company, construction company, or any other
164.30 firm, person or corporation to serve as a member of the authority, provided ~~such~~ the trustee,
164.31 director, officer or employee shall abstain from deliberation, action and vote by the authority
164.32 in each instance where the business affiliation of any ~~such~~ trustee, director, officer or
164.33 employee is involved.

Sec. 27. Minnesota Statutes 2024, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and ~~shall annually report to the office.~~ Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

Sec. 28. Minnesota Statutes 2024, section 136F.67, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.

Sec. 29. Minnesota Statutes 2024, section 354B.20, subdivision 7, is amended to read:

Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

(1) the board;

(2) the Minnesota Office of Higher Education; and

(3) the ~~Higher~~ Health and Education Facilities Authority.

Sec. 30. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the law establishing and governing the Minnesota Higher Education Facilities Authority, renamed the Minnesota Health and Education Facilities Authority in this act, as Minnesota Statutes, chapter 15D, coded in Minnesota Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A, revise any statutory cross-references consistent with the recoding, and report the history in Minnesota Statutes, chapter 15D. The revisor of statutes shall change "Minnesota Higher Education Facilities Authority" to "Minnesota Health and Higher Education Facilities Authority" where it appears in Minnesota Statutes.

Sec. 31. **REPEALER.**

Minnesota Statutes 2024, section 136A.29, subdivision 4, is repealed.

ARTICLE 5**PHARMACY BENEFITS**Section 1. **[62Q.83] FORMULARY CHANGES.**

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

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

(c) "Enrollee" has the meaning given in section 62Q.01, subdivision 2b.

(d) "Formulary" means a current list of covered prescription drug products that is subject to periodic review and update.

(e) "Health plan" has the meaning given in section 62Q.01, subdivision 3.

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

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

Subd. 2. Formulary changes. (a) Except as provided in paragraphs (b) and (c), a health plan must not, with respect to an enrollee who was previously prescribed the drug during the plan year, remove a drug from the health plan's formulary or place a drug in a benefit category that increases the enrollee's cost for the duration of the enrollee's plan year.

(b) Paragraph (a) does not apply if a health plan changes the health plan's formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(c) Paragraph (a) does not apply if a health plan removes a brand name drug from the health plan's formulary or places a brand name drug in a benefit category that increases the enrollee's cost if the health plan:

(1) adds to the health plan's formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at the same or lower cost to the enrollee; and

(2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to health plans offered, sold, issued, or renewed on or after that date.

Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 13, is amended to read:

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

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

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

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

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

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

(d) Medical assistance covers the following over-the-counter drugs when prescribed by a licensed practitioner or by a licensed pharmacist who meets standards established by the

168.1 commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family
168.2 planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults
168.3 with documented vitamin deficiencies, vitamins for children under the age of seven and
168.4 pregnant or nursing women, and any other over-the-counter drug identified by the
168.5 commissioner, in consultation with the Formulary Committee, as necessary, appropriate,
168.6 and cost-effective for the treatment of certain specified chronic diseases, conditions, or
168.7 disorders, and this determination shall not be subject to the requirements of chapter 14. A
168.8 pharmacist may prescribe over-the-counter medications as provided under this paragraph
168.9 for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter
168.10 drugs under this paragraph, licensed pharmacists must consult with the recipient to determine
168.11 necessity, provide drug counseling, review drug therapy for potential adverse interactions,
168.12 and make referrals as needed to other health care professionals.

168.13 (e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable
168.14 under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and
168.15 Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible
168.16 for drug coverage as defined in the Medicare Prescription Drug, Improvement, and
168.17 Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these
168.18 individuals, medical assistance may cover drugs from the drug classes listed in United States
168.19 Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to
168.20 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall
168.21 not be covered.

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

168.26 (g) Notwithstanding paragraph (a), medical assistance covers self-administered hormonal
168.27 contraceptives prescribed and dispensed by a licensed pharmacist in accordance with section
168.28 151.37, subdivision 14; nicotine replacement medications prescribed and dispensed by a
168.29 licensed pharmacist in accordance with section 151.37, subdivision 15; and opiate antagonists
168.30 used for the treatment of an acute opiate overdose prescribed and dispensed by a licensed
168.31 pharmacist in accordance with section 151.37, subdivision 16.

168.32 (h) Medical assistance coverage for a prescription contraceptive must provide a 12-month
168.33 supply for any prescription contraceptive if a 12-month supply is prescribed by the
168.34 prescribing health care provider. The prescribing health care provider must determine the
168.35 appropriate duration for which to prescribe the prescription contraceptives, up to 12 months.

For purposes of this paragraph, "prescription contraceptive" means any drug or device that requires a prescription and is approved by the Food and Drug Administration to prevent pregnancy. Prescription contraceptive does not include an emergency contraceptive drug approved to prevent pregnancy when administered after sexual contact. For purposes of this paragraph, "health plan" has the meaning provided in section 62Q.01, subdivision 3.

(i) Notwithstanding a removal of a drug from the drug formulary under subdivision 13d, except as provided in paragraphs (j) and (k), medical assistance covers a drug, with respect to an enrollee who was previously prescribed the drug during the calendar year and while the drug was on the formulary, at the same level until January 1 of the calendar year following the year in which the commissioner removed the drug from the formulary.

(j) Paragraph (i) does not apply if the commissioner changes the drug formulary:

(1) for a drug that has been deemed unsafe by the United States Food and Drug Administration (FDA);

(2) for a drug that has been withdrawn by the FDA or the drug manufacturer; or

(3) when an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes with respect to a drug's use for reasons related to previously unknown and imminent patient harm.

(k) Paragraph (i) does not apply if the commissioner removes a brand name drug from the formulary if the commissioner:

(1) adds to the formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at the same or lower cost to the enrollee; and

(2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

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

Sec. 3. Minnesota Statutes 2024, section 256B.0625, subdivision 13c, is amended to read:

Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations from professional medical associations and professional pharmacy associations, and consumer groups shall designate a Formulary Committee to carry out duties as described in subdivisions 13 to 13g. The Formulary Committee shall be comprised of at least five licensed physicians

170.1 actively engaged in the practice of medicine in Minnesota, one of whom is an actively
170.2 practicing psychiatrist, one of whom specializes in the diagnosis and treatment of rare
170.3 diseases, one of whom specializes in pediatrics, and one of whom actively treats persons
170.4 with disabilities; at least three licensed pharmacists actively engaged in the practice of
170.5 pharmacy in Minnesota, one of whom practices outside the metropolitan counties listed in
170.6 section 473.121, subdivision 4, one of whom practices in the metropolitan counties listed
170.7 in section 473.121, subdivision 4, and one of whom is a practicing hospital pharmacist; at
170.8 least two consumer representatives, all of whom must have a personal or professional
170.9 connection to medical assistance; and one representative designated by the Minnesota Rare
170.10 Disease Advisory Council established under section 256.4835; the remainder to be made
170.11 up of health care professionals who are licensed in their field and have recognized knowledge
170.12 in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient
170.13 drugs. Members of the Formulary Committee shall not be employed by the Department of
170.14 Human Services or have a personal interest in a pharmaceutical company, pharmacy benefits
170.15 manager, health plan company, or their affiliate organizations, but the committee shall be
170.16 staffed by an employee of the department who shall serve as an ex officio, nonvoting member
170.17 of the committee. For the purposes of this subdivision, "personal interest" means that a
170.18 person owns at least five percent of the voting interest or equity interest in the entity, the
170.19 equity interest owned by a person represents at least five percent of that person's net worth,
170.20 or more than five percent of a person's gross income for the preceding year was derived
170.21 from the entity. A committee member must notify the committee of any potential conflict
170.22 of interest and recuse themselves from any communications, discussion, or vote on any
170.23 matter where a conflict of interest exists. A conflict of interest alone, without a personal
170.24 interest, does not preclude an applicant from serving as a member of the Formulary
170.25 Committee. Members may be removed from the committee for cause after a recommendation
170.26 for removal by a majority of the committee membership. For the purposes of this subdivision,
170.27 "cause" does not include offering a differing or dissenting clinical opinion on a drug or drug
170.28 class. The department's medical director shall also serve as an ex officio, nonvoting member
170.29 for the committee. Committee members shall serve three-year terms and may be reappointed
170.30 twice by the commissioner. The committee members shall vote on a chair and vice chair
170.31 from among their membership. The chair shall preside over all committee meetings, and
170.32 the vice chair shall preside over the meetings if the chair is not present. The Formulary
170.33 Committee shall meet at least three times per year. The commissioner may require more
170.34 frequent Formulary Committee meetings as needed. An honorarium of \$100 per meeting
170.35 and reimbursement for mileage shall be paid to each committee member in attendance. The
170.36 Formulary Committee expires June 30, ~~2027~~ 2029. The Formulary Committee is subject to

171.1 the Open Meeting Law under chapter 13D. For purposes of establishing a quorum to transact
171.2 business, vacant committee member positions do not count in the calculation as long as at
171.3 least 60 percent of the committee member positions are filled.

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

171.5 Sec. 4. Minnesota Statutes 2024, section 256B.0625, subdivision 13d, is amended to read:

171.6 Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its
171.7 establishment and publication shall not be subject to the requirements of the Administrative
171.8 Procedure Act, but the Formulary Committee shall review and comment on the formulary
171.9 contents.

171.10 (b) The formulary shall not include:

171.11 (1) drugs, active pharmaceutical ingredients, or products for which there is no federal
171.12 funding;

171.13 (2) over-the-counter drugs, except as provided in subdivision 13;

171.14 (3) drugs or active pharmaceutical ingredients when used for the treatment of impotence
171.15 or erectile dysfunction;

171.16 (4) drugs or active pharmaceutical ingredients for which medical value has not been
171.17 established;

171.18 (5) drugs from manufacturers who have not signed a rebate agreement with the
171.19 Department of Health and Human Services pursuant to section 1927 of title XIX of the
171.20 Social Security Act; and

171.21 (6) medical cannabis flower as defined in section 342.01, subdivision 54, or medical
171.22 cannabinoid products as defined in section 342.01, subdivision 52.

171.23 (c) If a single-source drug used by at least two percent of the fee-for-service medical
171.24 assistance recipients is removed from the formulary due to the failure of the manufacturer
171.25 to sign a rebate agreement with the Department of Health and Human Services, the
171.26 commissioner shall notify prescribing practitioners within 30 days of receiving notification
171.27 from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was
171.28 not signed.

171.29 (d) Within ten calendar days of any commissioner determination to change the drug
171.30 formulary, the commissioner must provide written notice to all enrollees affected by the
171.31 change. The notice must include a description of the change, the reason for the change, and
171.32 the date the change will become effective.

172.1 (e) By January 15, 2026, and annually thereafter, the commissioner of human services
172.2 must provide a report with data and information related to the effects on enrollees of drug
172.3 formulary changes made in the prior calendar year to the legislative committees with
172.4 jurisdiction over health and human services policy and finance. The report must include,
172.5 but is not limited to, data and information on:

172.6 (1) the number of times the formulary was changed;

172.7 (2) the reasons for the formulary changes and how frequently the formulary was changed
172.8 for each reason;

172.9 (3) the drugs that were removed from the formulary;

172.10 (4) for each drug that was removed from the formulary, the number of enrollees that
172.11 were prescribed that drug when it was removed;

172.12 (5) for each drug that was removed from the formulary, whether a therapeutically
172.13 equivalent drug was added;

172.14 (6) the drugs that were added to the formulary;

172.15 (7) the fiscal impacts to the Department of Human Services of the changes to the
172.16 formulary; and

172.17 (8) enrollee populations or medical conditions disproportionately affected by the
172.18 formulary changes.

172.19 Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 13e, is amended to read:

172.20 Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall
172.21 be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the
172.22 usual and customary price charged to the public. The usual and customary price means the
172.23 lowest price charged by the provider to a patient who pays for the prescription by cash,
172.24 check, or charge account and includes prices the pharmacy charges to a patient enrolled in
172.25 a prescription savings club or prescription discount club administered by the pharmacy or
172.26 pharmacy chain, unless the prescription savings club or prescription discount club is one
172.27 in which an individual pays a recurring monthly access fee for unlimited access to a defined
172.28 list of drugs for which the pharmacy does not bill the member or a payer on a
172.29 per-standard-transaction basis. The amount of payment basis must be reduced to reflect all
172.30 discount amounts applied to the charge by any third-party provider/insurer agreement or
172.31 contract for submitted charges to medical assistance programs. The net submitted charge
172.32 may not be greater than the patient liability for the service. The professional dispensing fee

173.1 shall be \$11.55 for prescriptions filled with legend drugs meeting the definition of "covered
173.2 outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The
173.3 dispensing fee for intravenous solutions that must be compounded by the pharmacist shall
173.4 be \$11.55 per claim. The professional dispensing fee for prescriptions filled with
173.5 over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$11.55
173.6 for dispensed quantities equal to or greater than the number of units contained in the
173.7 manufacturer's original package. The professional dispensing fee shall be prorated based
173.8 on the percentage of the package dispensed when the pharmacy dispenses a quantity less
173.9 than the number of units contained in the manufacturer's original package. The pharmacy
173.10 dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered
173.11 outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units
173.12 contained in the manufacturer's original package and shall be prorated based on the
173.13 percentage of the package dispensed when the pharmacy dispenses a quantity less than the
173.14 number of units contained in the manufacturer's original package. The ingredient cost for
173.15 a drug is the lower of the National Average Drug Acquisition Cost (NADAC) shall be used
173.16 to determine the ingredient cost of a drug, the Minnesota actual acquisition cost (MNAAC),
173.17 as defined in paragraph (i), or the maximum allowable cost. For drugs for which a NADAC,
173.18 a MNAAC or a maximum allowable cost is not reported, the commissioner shall estimate
173.19 the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost
173.20 of a drug for a provider participating in the federal 340B Drug Pricing Program shall be
173.21 ~~either~~ the 340B Drug Pricing Program ceiling price established by the Health Resources
173.22 and Services Administration ~~or~~, the NADAC, the MNAAC, or the maximum allowable
173.23 cost, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list
173.24 price for a drug or biological to wholesalers or direct purchasers in the United States, not
173.25 including prompt pay or other discounts, rebates, or reductions in price, for the most recent
173.26 month for which information is available, as reported in wholesale price guides or other
173.27 publications of drug or biological pricing data. The maximum allowable cost of a ~~multisource~~
173.28 drug may be set by the commissioner and it shall be comparable to the actual acquisition
173.29 cost of the drug product and no higher than the NADAC of the generic product. Establishment
173.30 of the amount of payment for drugs shall not be subject to the requirements of the
173.31 Administrative Procedure Act.

173.32 (b) Pharmacies dispensing prescriptions to residents of long-term care facilities using
173.33 an automated drug distribution system meeting the requirements of section 151.58, or a
173.34 packaging system meeting the packaging standards set forth in Minnesota Rules, part
173.35 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ
173.36 retrospective billing for prescription drugs dispensed to long-term care facility residents. A

retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the lesser of the NADAC of the generic product, the MNAAC of the generic product, or the maximum allowable cost of the generic product established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2. If prior authorization is granted, the ingredient cost shall be the lesser of the NADAC of the brand name products, the MNAAC of the brand name product or the maximum allowable cost of the brand name products. A generic product includes a generic drug, an authorized generic drug, and a biosimilar biological product as defined in Code of Federal Regulations, title 42, section 423.4. A brand name product includes a brand name drug, a brand name biological product, and an unbranded biological product as defined in Code of Federal Regulations, title 42, section 423.4.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the ~~specialty pharmacy rate~~ MNAAC, or the maximum allowable cost set by the commissioner. If the average sales price is, the MNAAC, and the maximum allowable cost are unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider, or the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

175.1 ~~(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy~~
175.2 ~~products that are lower than the ingredient cost formulas specified in paragraph (a). The~~
175.3 ~~commissioner may require individuals enrolled in the health care programs administered~~
175.4 ~~by the department to obtain specialty pharmacy products from providers with whom the~~
175.5 ~~commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are~~
175.6 ~~defined as those used by a small number of recipients or recipients with complex and chronic~~
175.7 ~~diseases that require expensive and challenging drug regimens. Examples of these conditions~~
175.8 ~~include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C,~~
175.9 ~~growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of~~
175.10 ~~cancer. Specialty pharmaceutical products include injectable and infusion therapies,~~
175.11 ~~biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that~~
175.12 ~~require complex care. The commissioner shall consult with the Formulary Committee to~~
175.13 ~~develop a list of specialty pharmacy products subject to maximum allowable cost~~
175.14 ~~reimbursement. In consulting with the Formulary Committee in developing this list, the~~
175.15 ~~commissioner shall take into consideration the population served by specialty pharmacy~~
175.16 ~~products, the current delivery system and standard of care in the state, and access to care~~
175.17 ~~issues. The commissioner shall have the discretion to adjust the maximum allowable cost~~
175.18 ~~to prevent access to care issues.~~

175.19 ~~(g)~~ (f) Home infusion therapy services provided by home infusion therapy pharmacies
175.20 must be paid at rates according to subdivision 8d.

175.21 ~~(h)~~ (g) The commissioner shall contract with a vendor to conduct a cost of dispensing
175.22 survey for all pharmacies that are physically located in the state of Minnesota that dispense
175.23 outpatient drugs under medical assistance. The commissioner shall ensure that the vendor
175.24 has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with
175.25 the department to dispense outpatient prescription drugs to fee-for-service members must
175.26 respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under
175.27 section 256B.064 for failure to respond. The commissioner shall require the vendor to
175.28 measure a single statewide cost of dispensing for specialty prescription drugs and a single
175.29 statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies
175.30 to measure the mean, mean weighted by total prescription volume, mean weighted by
175.31 medical assistance prescription volume, median, median weighted by total prescription
175.32 volume, and median weighted by total medical assistance prescription volume. The
175.33 commissioner shall post a copy of the final cost of dispensing survey report on the
175.34 department's website. The initial survey must be completed no later than January 1, 2021,
175.35 and repeated every ~~three~~ two years. The commissioner shall provide a summary of the

results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking minority members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

~~(f)~~ (h) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and ~~(f)~~ (e) by ~~1.8 percent~~ the amount of the wholesale drug distributor tax for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52.

(i) The commissioner shall contract with a vendor to create the Minnesota actual acquisition cost (MNAAC) through a periodic survey of enrolled pharmacy providers. Each pharmacy enrolled with the department to dispense outpatient prescription drugs must respond to the periodic surveys. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The current MNAAC rates must be publicly available on the department's or vendor's website. The commissioner must require that the MNAAC is measured and calculated at least quarterly, but the MNAAC can be measured and calculated more frequently. The commissioner must ensure that the vendor has an appeal process available to providers for the time between the measurement and calculation of the periodically updated MNAAC rates if price fluctuations result in a MNAAC that is lower than what enrolled providers can purchase a drug for. Establishment of the MNAAC and survey reporting requirements shall not be subject to the requirements of the Administrative Procedure Act. Data provided by pharmacies for the measurement and calculation of the MNAAC is nonpublic data as defined under section 13.02, subdivision 9.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the provision of goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the individual or entity is legally entitled; (4) suspension

177.1 or termination as a Medicare vendor; (5) refusal to grant the state agency access during
177.2 regular business hours to examine all records necessary to disclose the extent of services
177.3 provided to program recipients and appropriateness of claims for payment; (6) failure to
177.4 repay an overpayment or a fine finally established under this section; (7) failure to correct
177.5 errors in the maintenance of health service or financial records for which a fine was imposed
177.6 or after issuance of a warning by the commissioner; and (8) any reason for which an
177.7 individual or entity could be excluded from participation in the Medicare program under
177.8 section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this
177.9 section, goods or services for which payment is made from medical assistance includes but
177.10 is not limited to care and services identified in section 256B.0625 or provided pursuant to
177.11 any federally approved waiver.

177.12 (b) The commissioner may impose sanctions against a pharmacy provider for failure to
177.13 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
177.14 ~~(h)~~ (g).

177.15 (c) The commissioner may impose sanctions against a pharmacy provider for failure to
177.16 respond to a Minnesota drug acquisition cost survey under section 256B.0625, subdivision
177.17 13e, paragraph (i).

177.18 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
177.19 whichever is later. The commissioner of human services must notify the revisor of statutes
177.20 when federal approval is obtained.

177.21 Sec. 7. Minnesota Statutes 2024, section 256B.69, subdivision 6d, is amended to read:

177.22 Subd. 6d. **Prescription drugs.** (a) The commissioner may exclude or modify coverage
177.23 for prescription drugs from the prepaid managed care contracts entered into under this
177.24 section in order to increase savings to the state by collecting additional prescription drug
177.25 rebates.

177.26 (b) The contracts must maintain incentives for the managed care plan to manage drug
177.27 costs and utilization and may require that the managed care plans maintain an open drug
177.28 formulary. In order to manage drug costs and utilization, the contracts may authorize the
177.29 managed care plans to use preferred drug lists and prior authorization. The contracts must
177.30 require that the managed care plans enter into contracts with the state's selected pharmacy
177.31 benefit manager vendor to administer the pharmacy benefit.

177.32 (c) This subdivision is contingent on federal approval of the managed care contract
177.33 changes and the collection of additional prescription drug rebates.

178.1 Sec. 8. Minnesota Statutes 2024, section 256B.69, is amended by adding a subdivision to
178.2 read:

178.3 Subd. 6i. **Directed pharmacy dispensing payment.** (a) The commissioner shall provide
178.4 a directed pharmacy dispensing payment of \$4.50 per filled prescription to eligible outpatient
178.5 retail pharmacies in Minnesota to improve and maintain access to pharmaceutical services
178.6 in rural and underserved areas of the state. Managed care and county-based purchasing
178.7 plans delivering services under sections 256B.69 or 256B.692, and any pharmacy benefit
178.8 managers under contract with these entities, must pay the directed pharmacy dispensing
178.9 payment to eligible outpatient retail pharmacies for drugs dispensed to medical assistance
178.10 enrollees. The directed pharmacy dispensing payment is in addition to, and must not supplant
178.11 or reduce, any other dispensing fee paid by these entities to the pharmacy. Entities paying
178.12 the directed pharmacy dispensing payment must not reduce other payments to the pharmacy
178.13 as a result of payment of the directed pharmacy dispensing payment.

178.14 (b) For purposes of this subdivision, "eligible outpatient retail pharmacy" means an
178.15 outpatient retail pharmacy licensed under chapter 151 that is not owned, either directly or
178.16 indirectly or through an affiliate or subsidiary, by a pharmacy benefit manager licensed
178.17 under chapter 62W or a health carrier, as defined in section 62A.011, subdivision 2, and
178.18 that:

178.19 (1) is located in a medically underserved area or primarily serves a medically underserved
178.20 population, as defined by the United States Department of Health and Human Services
178.21 Health Resources and Services Administration under United States Code, title 42, section
178.22 254; or

178.23 (2) shares common ownership with 12 or fewer Minnesota pharmacies.

178.24 (c) In order to receive the directed pharmacy dispensing payment, a pharmacy must
178.25 submit to the commissioner a form, developed by the commissioner, attesting that the
178.26 pharmacy meets the requirements of paragraph (b).

178.27 (d) Managed care and county-based purchasing plans, and any pharmacy benefit managers
178.28 under contract with these entities, shall pay the directed pharmacy dispensing payment to
178.29 eligible outpatient retail pharmacies. The commissioner shall monitor the effect of this
178.30 requirement on access to pharmaceutical services in rural and underserved areas of the state.
178.31 If, for any contract year, federal approval is not received for this subdivision, the
178.32 commissioner must adjust the capitation rates paid to managed care plans and county-based
178.33 purchasing plans for that contract year to reflect removal of this subdivision. Contracts
178.34 between managed care plans and county-based purchasing plans, and any pharmacy benefit

179.1 managers under contract with these entities, and providers to whom this subdivision applies,
179.2 must allow recovery of payments from those providers if capitation rates are adjusted in
179.3 accordance with this paragraph. Payment recoveries must not exceed the amount equal to
179.4 any increase in rates that results from this subdivision. This subdivision expires if federal
179.5 approval is not received for this subdivision at any time.

179.6 (e) This subdivision expires on December 31, 2026.

179.7 **EFFECTIVE DATE.** This section is effective July 1, 2025, or upon federal approval,
179.8 whichever is later. The commissioner of human services shall notify the revisor of statutes
179.9 when federal approval is obtained.

179.10 Sec. 9. **[256B.696] PRESCRIPTION DRUGS; STATE PHARMACY BENEFIT**
179.11 **MANAGER.**

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

179.14 (b) "Managed care plans" means health plans and county-based purchasing organizations
179.15 providing coverage to medical assistance and MinnesotaCare enrollees under the managed
179.16 care delivery system.

179.17 (c) "Managed care enrollees" means medical assistance and MinnesotaCare enrollees
179.18 receiving coverage from managed care plans.

179.19 (d) "State pharmacy benefit manager" means the pharmacy benefit manager selected
179.20 pursuant to the procurement process in subdivision 2.

179.21 Subd. 2. **Procurement process.** (a) The commissioner must, through a competitive
179.22 procurement process in compliance with paragraph (b), select a single pharmacy benefit
179.23 manager to comply with the requirements set forth in subdivision 3.

179.24 (b) The commissioner must, when selecting the single pharmacy benefit manager, do
179.25 the following:

179.26 (1) accept applications for entities seeking to become the single pharmacy benefit
179.27 manager;

179.28 (2) establish eligibility criteria an entity must meet in order to become the single pharmacy
179.29 benefit manager; and

179.30 (3) enter into a master contract with a single pharmacy benefit manager.

(c) The contract required under paragraph (b), clause (3), must include prohibitions on the single pharmacy benefit manager from:

(1) requiring, enticing, or coercing an enrollee to obtain pharmacy services, including a prescription drug, from a pharmacy owned or otherwise affiliated with the single pharmacy benefit manager;

(2) communicating to an enrollee, in any manner, that the enrollee is required to obtain pharmacy services or have a prescription dispensed at, or pharmacy services provided by, a particular pharmacy owned or affiliated with the single pharmacy benefit manager if there are other nonaffiliated pharmacies that have the ability to dispense the medication or provide the services and are also in network;

(3) requiring an enrollee to obtain pharmacy services, including a prescription drug, exclusively through a mail order pharmacy;

(4) directly or indirectly retroactively denying or reducing a claim or aggregate of claim for pharmacy services, including prescription drugs, after adjudication of the claim or aggregate of claims;

(5) paying or reimbursing a pharmacy or pharmacist for the ingredient drug product component of pharmacist services, including a prescription drug, less than the lesser of national average drug acquisition cost, the Minnesota actual acquisition cost (MNAAC), defined in section 256B.0625, subdivision 13e, paragraph (j), or the maximum allowable cost, defined in section 62W.08 of that pharmacy service or prescription drug, or, if the national average drug acquisition cost is unavailable, the wholesale acquisition cost minus two percent at the time the drug is administered or dispensed, plus a professional dispensing fee equal to the amount of the dispensing fee if it were determined pursuant to section 256B.0625, subdivision 13e; and

(6) denying a pharmacy or pharmacist the right to participate as a contract provider under the health plan if the pharmacy or pharmacist agrees to provide pharmacy services, including, but not limited to, prescription drugs that meet the terms and requirements set forth by the health plan and agrees to the terms of reimbursement set forth by the health plan company.

(d) Applicants for the single pharmacy benefit manager must disclose to the commissioner the following during the procurement process:

(1) any activity, policy, practice, contract, or arrangement of the single pharmacy benefit manager that may directly or indirectly present any conflict of interest with the pharmacy

181.1 benefit manager's relationship with or obligation to the Department of Human Services, a
181.2 health plan company, or county-based purchasing organization;

181.3 (2) all common ownership, members of a board of directors, managers, or other control
181.4 of the pharmacy benefit manager or any of the pharmacy benefit manager's affiliated
181.5 companies with:

181.6 (i) a health plan company administering the medical assistance or MinnesotaCare benefits
181.7 in Minnesota or an affiliate of such a health plan company;

181.8 (ii) a county-based purchasing organization;

181.9 (iii) an entity that contracts on behalf of a pharmacy or any pharmacy services
181.10 administration organization and its affiliates;

181.11 (iv) a drug wholesaler or distributor and its affiliates;

181.12 (v) a third-party payer and its affiliates; or

181.13 (vi) a pharmacy and its affiliates;

181.14 (3) any direct or indirect fees, charges, or any kind of assessments imposed by the
181.15 pharmacy benefit manager on pharmacies licensed in this state with which the pharmacy
181.16 benefit manager shares common ownership, management, or control, or that are owned,
181.17 managed, or controlled by any of the pharmacy benefit manager's affiliated companies;

181.18 (4) any direct or indirect fees, charges, or any kind of assessments imposed by the
181.19 pharmacy benefit manager on pharmacies licensed in this state; and

181.20 (5) any financial terms and arrangements between the pharmacy benefit manager and a
181.21 prescription drug manufacturer or labeler, including formulary management, drug substitution
181.22 programs, educational support claims processing, or data sales fees.

181.23 Subd. 3. **Drug coverage.** (a) The commissioner may require the state pharmacy benefit
181.24 manager to modify utilization review limitations, requirements, and strategies imposed by
181.25 managed care plans on prescription drug coverage.

181.26 (b) The state pharmacy benefit manager is responsible for processing all point of sale
181.27 outpatient pharmacy claims under the managed care delivery system. Managed care plans
181.28 must use the state pharmacy benefit manager pursuant to the terms of the master contract
181.29 required under subdivision 2, paragraph (b), clause (3). The pharmacy benefit manager
181.30 selected is the exclusive pharmacy benefit manager used by health plan companies and
181.31 county-based purchasing organizations when providing coverage to enrollees. The

182.1 commissioner may require the managed care plans and state pharmacy benefit manager to
182.2 directly exchange data and files for members enrolled with managed care plans.

182.3 (c) All payment arrangements between the Department of Human Services, managed
182.4 care plans, and the state pharmacy benefit manager must comply with state and federal
182.5 statutes, regulations adopted by the Centers for Medicare and Medicaid Services, and any
182.6 other agreement between the department and the Centers for Medicare and Medicaid Services.
182.7 The commissioner may change a payment arrangement to comply with this paragraph.

182.8 (d) The commissioner must administer and oversee this section to:

182.9 (1) ensure proper administration of prescription drug benefits for managed care enrollees;
182.10 and

182.11 (2) increase the transparency of prescription drug prices and other information for the
182.12 benefit of pharmacies.

182.13 Subd. 4. **Prescription drug disclosures.** (a) The state pharmacy benefit manager must,
182.14 on request from the commissioner, disclose to the commissioner all sources of payment it
182.15 receives for prescribed drugs, including any financial benefits including drug rebates,
182.16 discounts, credits, clawbacks, fees, grants, chargebacks, reimbursements, or other payments
182.17 related to services provided for a managed care plan.

182.18 (b) Each managed care plan must disclose to the commissioner, in the format specified
182.19 by the commissioner, the entity's administrative costs associated with providing pharmacy
182.20 services under the managed care delivery system.

182.21 (c) The state pharmacy benefit manager must provide a written quarterly report to the
182.22 commissioner containing the following information from the immediately preceding quarter:

182.23 (1) the prices the state pharmacy benefit manager negotiated for prescribed drugs under
182.24 the managed care delivery system. The price must include any rebates the state pharmacy
182.25 benefit manager received from the drug manufacturer;

182.26 (2) unredacted copies of contracts between the state pharmacy benefit manager and
182.27 enrolled pharmacies;

182.28 (3) any rebate amounts the state pharmacy benefit manager passed on to individual
182.29 pharmacies;

182.30 (4) any changes to the information previously disclosed that is described in subdivision
182.31 2, paragraph (d); and

182.32 (5) any other information required by the commissioner.

183.1 (d) The commissioner may request and collect additional information and clinical data
183.2 from the state pharmacy benefit manager.

183.3 (e) At the time of contract execution, renewal, or modification, the commissioner must
183.4 modify the reporting requirements under its managed care contracts as necessary to meet
183.5 the requirements of this subdivision.

183.6 Subd. 5. **Program authority.** (a) To accomplish the requirements of subdivision 3,
183.7 paragraph (e), the commissioner, in consultation with the Formulary Committee established
183.8 under section 256B.0625, subdivision 13c, has the authority to:

183.9 (1) adopt or develop a preferred drug list for managed care plans;

183.10 (2) at the commissioner's discretion, engage in price negotiations with prescription drug
183.11 manufacturers, wholesalers, or group purchasing organizations in place of the state pharmacy
183.12 benefit manager to obtain price discounts and rebates for prescription drugs for managed
183.13 care enrollees; and

183.14 (3) develop and manage a drug formulary for managed care plans.

183.15 (b) The commissioner may contract with one or more entities to perform any of the
183.16 functions described in paragraph (a).

183.17 Subd. 6. **Pharmacies.** The commissioner may review contracts between the state
183.18 pharmacy benefit manager and pharmacies for compliance with this section and the master
183.19 contract required under subdivision 2, paragraph (b), clause (3). The commissioner may
183.20 amend any term or condition of a contract that does not comply with this section or the
183.21 master contract.

183.22 Subd. 7. **Federal approval.** The commissioner must seek any necessary federal approvals
183.23 to implement this section.

183.24 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
183.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
183.26 when federal approval is obtained.

183.27 **ARTICLE 6**

183.28 **HUMAN SERVICES HEALTH CARE FINANCE**

183.29 Section 1. Minnesota Statutes 2024, section 62A.673, subdivision 2, is amended to read:

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

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

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

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

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

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

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

184.22 (h) "Telehealth" means the delivery of health care services or consultations through the
184.23 use of real time two-way interactive audio and visual communications to provide or support
184.24 health care delivery and facilitate the assessment, diagnosis, consultation, treatment,
184.25 education, and care management of a patient's health care. Telehealth includes the application
184.26 of secure video conferencing, store-and-forward technology, and synchronous interactions
184.27 between a patient located at an originating site and a health care provider located at a distant
184.28 site. Until July 1, ~~2025~~ 2028, telehealth also includes audio-only communication between
184.29 a health care provider and a patient ~~in accordance with subdivision 6, paragraph (b) if the~~
184.30 communication is a scheduled appointment and the standard of care for that particular
184.31 service can be met through the use of audio-only communication or if, for substance use
184.32 disorder treatment services and mental health care services delivered through telehealth by
184.33 means of audio-only communication, the communication was initiated by the enrollee while
184.34 in an emergency or crisis situation and a scheduled appointment was not possible due to

the need of an immediate response. Telehealth does not include communication between health care providers that consists solely of a telephone conversation, email, or facsimile transmission. Telehealth does not include communication between a health care provider and a patient that consists solely of an email or facsimile transmission. Telehealth does not include telemonitoring services as defined in paragraph (i).

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

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 62M.17, subdivision 2, is amended to read:

Subd. 2. Effect of change in prior authorization clinical criteria. (a) If, during a plan year, or a calendar year for fee-for-service providers under chapters 256B and 256L, a utilization review organization changes coverage terms for a health care service or the clinical criteria used to conduct prior authorizations for a health care service, the change in coverage terms or change in clinical criteria shall not apply until the next plan year, or the next calendar year for fee-for-service providers under chapters 256B and 256L, for any enrollee who received prior authorization for a health care service using the coverage terms or clinical criteria in effect before the effective date of the change.

(b) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a drug or device that has been deemed unsafe by the United States Food and Drug Administration (FDA); that has been withdrawn by either the FDA or the product manufacturer; or when an independent source of research, clinical guidelines, or evidence-based standards has issued drug- or device-specific warnings or recommended changes in drug or device usage.

(c) Paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to patient harm. This paragraph expires December 31, 2025, for health benefit plans offered, sold, issued, or renewed on or after that date.

(d) Effective January 1, 2026, and applicable to health benefit plans offered, sold, issued, or renewed on or after that date, paragraph (a) does not apply if a utilization review organization changes coverage terms for a service or the clinical criteria used to conduct prior authorizations for a service when an independent source of research, clinical guidelines, or evidence-based standards has recommended changes in usage of the service for reasons related to previously unknown and imminent patient harm.

(e) Paragraph (a) does not apply if a utilization review organization removes a brand name drug from its formulary or places a brand name drug in a benefit category that increases the enrollee's cost, provided the utilization review organization (1) adds to its formulary a generic or multisource brand name drug rated as therapeutically equivalent according to the FDA Orange Book, or a biologic drug rated as interchangeable according to the FDA Purple Book, at a lower cost to the enrollee, and (2) provides at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

Sec. 3. Minnesota Statutes 2024, section 256.9657, is amended by adding a subdivision to read:

Subd. 2b. **Hospital assessment.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "eligible hospital" means a hospital licensed under section 144.50 and located in Minnesota;

(2) "net outpatient revenue" means the value to reflect total outpatient revenue less Medicare revenue as calculated from Worksheet G of the hospital's most recent Medicare cost report filed and showing in the Healthcare Cost Report Information System (HCRIS) as of August 1 of each year; and

(3) "total patient days" means the value to reflect total hospital inpatient days as reported on Worksheet S-3 of the hospital's most recent Medicare cost report filed and showing in HCRIS as of August 1 of each year.

(b) Subject to paragraphs (k) to (n), each eligible hospital must pay to the hospital directed payment program account assessments, with an aggregate annual amount equal to the sum of the following:

(1) \$120.22 multiplied by total patient days; and

(2) 5.96 percent of the hospital's net outpatient revenue.

187.1 The assessment amount for calendar years 2026 and 2027 must be based on the total patient
187.2 days and net outpatient revenue in 2021 for each eligible hospital.

187.3 (c) The commissioner may, after consultation with the Minnesota Hospital Association,
187.4 modify the rates of assessment in paragraph (b) as necessary to comply with federal law,
187.5 obtain or maintain a waiver under Code of Federal Regulations, title 42, section 433.72, or
187.6 to otherwise maximize under this section federal financial participation for medical assistance.
187.7 Notwithstanding the foregoing authorization to maximize federal financial participation for
187.8 medical assistance, the commissioner must reduce the rates of assessment in paragraph (b)
187.9 as necessary to ensure:

187.10 (1) the state's aggregated health care-related taxes on inpatient hospital services do not
187.11 exceed five percent of the net patient revenue attributable to those services; and

187.12 (2) the state's aggregated health care-related taxes on outpatient hospital services do not
187.13 exceed five percent of the net patient revenue attributable to those services.

187.14 (d) Eligible hospitals must pay the annual assessment amount under paragraph (b) to
187.15 the commissioner by paying four equal, quarterly assessments. Eligible hospitals must pay
187.16 the quarterly assessments by January 1, April 1, July 1, and October 1 each year. Assessments
187.17 must be paid in the form and manner specified by the commissioner. An eligible hospital
187.18 is prohibited from paying a quarterly assessment until the eligible hospital has received the
187.19 applicable invoice under paragraph (e). The commissioner may make the assessment
187.20 retroactive to the first quarter for which federal approval is effective.

187.21 (e) The commissioner must provide eligible hospitals with an invoice by December 1
187.22 for the assessment due January 1, March 1 for the assessment due April 1, June 1 for the
187.23 assessment due July 1, and September 1 for the assessment due October 1 each year.

187.24 (f) The commissioner must notify each eligible hospital of its estimated annual assessment
187.25 amount for the subsequent calendar year by October 15 each year.

187.26 (g) If any of the dates for assessments or invoices in paragraphs (d) to (f) falls on a
187.27 holiday, the applicable date is the next business day.

187.28 (h) A hospital is not required to pay an assessment under this subdivision until the start
187.29 of the first full fiscal year the hospital is an eligible hospital. A hospital that has merged
187.30 with another hospital must have the hospital's assessment revised at the start of the first full
187.31 fiscal year after the merger is complete. A closed hospital is retroactively responsible for
187.32 assessments owed for services provided through the final date of operations.

188.1 (i) If the commissioner determines that a hospital has underpaid or overpaid an
188.2 assessment, the commissioner must notify the hospital of the unpaid assessment or of any
188.3 refund due.

188.4 (j) Revenue from an assessment under this subdivision must only be used by the
188.5 commissioner to pay the nonfederal share of the directed payment program under section
188.6 256B.1974.

188.7 (k) The commissioner is prohibited from collecting any assessment under this subdivision
188.8 during any period of time when:

188.9 (1) federal financial participation is unavailable, disallowed, or reduced by at least 15
188.10 percent relative to the state's share of medical assistance as of April 1, 2025; or

188.11 (2) a directed payment under section 256B.1974 is not approved by the Centers for
188.12 Medicare and Medicaid Services.

188.13 (l) The commissioner must make the following discounts from the inpatient portion of
188.14 the assessment under paragraph (b), clause (1), in the stated amount or as necessary to
188.15 achieve federal approval of the assessment in this section:

188.16 (1) Hennepin Healthcare, with a discount of 25 percent off the inpatient portion of the
188.17 assessment rate;

188.18 (2) Mayo Rochester, with a discount of ten percent off the inpatient portion of the
188.19 assessment rate; and

188.20 (3) Gillette Children's Hospital, with a discount of 90 percent off the inpatient portion
188.21 of the assessment rate.

188.22 (m) The commissioner must make the following discounts from the outpatient portion
188.23 of the assessment under paragraph (b), clause (2), in the stated amount or as necessary to
188.24 achieve federal approval of the assessment in this section:

188.25 (1) each critical access hospital or independent hospital located outside a city of the first
188.26 class and paid under the Medicare prospective payment system, with a discount of 40 percent
188.27 off the outpatient portion of the assessment rate;

188.28 (2) Gillette Children's Hospital, with a discount of 90 percent off the outpatient portion
188.29 of the assessment rate;

188.30 (3) Hennepin Healthcare, with a discount of 60 percent off the outpatient portion of the
188.31 assessment rate; and

189.1 (4) Mayo Rochester, with a discount of 20 percent off the outpatient portion of the
189.2 assessment rate.

189.3 (n) The commissioner must fully exempt the following from the assessment in this
189.4 section:

189.5 (1) federal Indian Health Service facilities;

189.6 (2) state-owned or state-operated regional treatment centers and all state-operated services;
189.7 and

189.8 (3) federal Veterans Administration Medical Centers; and

189.9 (4) long-term acute care hospitals.

189.10 (o) If the federal share of the hospital directed payment program under section 256B.1974
189.11 is increased as the result of an increase to the federal medical assistance percentage, then
189.12 the commissioner must reduce the assessment on a uniform percentage basis across eligible
189.13 hospitals on which the assessment is imposed, such that the aggregate amount collected
189.14 from hospitals under this subdivision does not exceed the total amount needed to maintain
189.15 the same aggregate state and federal funding level for the directed payments authorized by
189.16 section 256B.1974.

189.17 (p) Hospitals subject to the assessment under this subdivision must submit to the
189.18 commissioner on an annual basis, in the form and manner specified by the commissioner
189.19 in consultation with the Minnesota Hospital Association, all documentation necessary to
189.20 determine the assessment amounts under this subdivision.

189.21 (q) Any disproportionate share hospital payments that are supplanted due to the
189.22 implementation of the hospital directed payment program under section 256B.1974 must
189.23 be redirected into the hospital directed payment program as an offset to the assessment
189.24 under this section owed by all medical assistance disproportionate share hospitals, as defined
189.25 in section 256.969, subdivision 9, and reduce their assessments on a uniform basis.

189.26 (r) Any future state funding sources identified and used toward the hospital directed
189.27 payment program under section 256B.1974 may be used to offset the assessment under this
189.28 section.

189.29 **EFFECTIVE DATE.** (a) This section is effective the later of January 1, 2026, or federal
189.30 approval of all of the following:

189.31 (1) this section; and

189.32 (2) the amendments in this act to Minnesota Statutes, sections 256B.1973 and 256B.1974.

190.1 (b) The commissioner of human services shall notify the revisor of statutes when federal
190.2 approval for all amendments set forth in paragraph (a) is obtained.

190.3 Sec. 4. Minnesota Statutes 2024, section 256.969, subdivision 2b, is amended to read:

190.4 Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November
190.5 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according
190.6 to the following:

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

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

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

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

190.15 (b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not
190.16 be rebased, except that a Minnesota long-term hospital shall be rebased effective January
190.17 1, 2011, based on its most recent Medicare cost report ending on or before September 1,
190.18 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on
190.19 December 31, 2010. For rate setting periods after November 1, 2014, in which the base
190.20 years are updated, a Minnesota long-term hospital's base year shall remain within the same
190.21 period as other hospitals.

190.22 (c) Effective for discharges occurring on and after November 1, 2014, payment rates
190.23 for hospital inpatient services provided by hospitals located in Minnesota or the local trade
190.24 area, except for the hospitals paid under the methodologies described in paragraph (a),
190.25 clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a
190.26 manner similar to Medicare. The base year or years for the rates effective November 1,
190.27 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral,
190.28 ensuring that the total aggregate payments under the rebased system are equal to the total
190.29 aggregate payments that were made for the same number and types of services in the base
190.30 year. Separate budget neutrality calculations shall be determined for payments made to
190.31 critical access hospitals and payments made to hospitals paid under the DRG system. Only
190.32 the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being

191.1 rebased during the entire base period shall be incorporated into the budget neutrality
191.2 calculation.

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

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

191.13 (1) pediatric services;

191.14 (2) behavioral health services;

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

191.16 (4) transplant services;

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

191.19 (6) outlier admissions;

191.20 (7) low-volume providers; and

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

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

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

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

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

192.1 (4) in determining hospital payment rates for discharges occurring on or after the rate
192.2 year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per
192.3 discharge shall be based on the cost-finding methods and allowable costs of the Medicare
192.4 program in effect during the base year or years. In determining hospital payment rates for
192.5 discharges in subsequent base years, the per discharge rates shall be based on the cost-finding
192.6 methods and allowable costs of the Medicare program in effect during the base year or
192.7 years.

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

192.13 (h) Effective for discharges occurring on or after July 1, 2017, and every two years
192.14 thereafter, payment rates under this section shall be rebased to reflect only those changes
192.15 in hospital costs between the existing base year or years and the next base year or years. In
192.16 any year that inpatient claims volume falls below the threshold required to ensure a
192.17 statistically valid sample of claims, the commissioner may combine claims data from two
192.18 consecutive years to serve as the base year. Years in which inpatient claims volume is
192.19 reduced or altered due to a pandemic or other public health emergency shall not be used as
192.20 a base year or part of a base year if the base year includes more than one year. Changes in
192.21 costs between base years shall be measured using the lower of the hospital cost index defined
192.22 in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per
192.23 claim. The commissioner shall establish the base year for each rebasing period considering
192.24 the most recent year or years for which filed Medicare cost reports are available, except
192.25 that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019.
192.26 The estimated change in the average payment per hospital discharge resulting from a
192.27 scheduled rebasing must be calculated and made available to the legislature by January 15
192.28 of each year in which rebasing is scheduled to occur, and must include by hospital the
192.29 differential in payment rates compared to the individual hospital's costs.

192.30 (i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates
192.31 for critical access hospitals located in Minnesota or the local trade area shall be determined
192.32 using a new cost-based methodology. The commissioner shall establish within the
192.33 methodology tiers of payment designed to promote efficiency and cost-effectiveness.
192.34 Payment rates for hospitals under this paragraph shall be set at a level that does not exceed
192.35 the total cost for critical access hospitals as reflected in base year cost reports. Until the

193.1 next rebasing that occurs, the new methodology shall result in no greater than a five percent
193.2 decrease from the base year payments for any hospital, except a hospital that had payments
193.3 that were greater than 100 percent of the hospital's costs in the base year shall have their
193.4 rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and
193.5 after July 1, 2016, covered under this paragraph shall be increased by the inflation factor
193.6 in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not
193.7 be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the
193.8 following criteria:

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

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

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

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

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

193.21 (2) the ratio between the hospital's costs for treating medical assistance patients and the
193.22 hospital's payments received from the medical assistance program for the care of medical
193.23 assistance patients;

193.24 (3) the ratio between the hospital's charges to the medical assistance program and the
193.25 hospital's payments received from the medical assistance program for the care of medical
193.26 assistance patients;

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

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

193.30 (6) geographic location.

193.31 (k) Subject to subdivision 2g, effective for discharges occurring on or after January 1,
193.32 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include

194.1 a rate factor specific to each hospital that qualifies for a medical education and research
194.2 cost distribution under section 62J.692, subdivision 4, paragraph (a).

194.3 (l) Effective for discharges occurring on or after January 1, 2028, the commissioner
194.4 must increase:

194.5 (1) payments for inpatient behavioral health services provided by hospitals paid under
194.6 the DRG methodology by increasing the adjustment for behavioral health services under
194.7 section 256.969, subdivision 2b, paragraph (e); and

194.8 (2) capitation payments made to managed care plans and county-based purchasing plans
194.9 to reflect the rate increase provided under this paragraph. Managed care and county-based
194.10 purchasing plans must use the capitation rate increase provided under this clause to increase
194.11 payment rates for inpatient behavioral health services provided by hospitals paid under the
194.12 DRG methodology. The commissioner must monitor the effect of this rate increase on
194.13 enrollee access to behavioral health services. If for any contract year federal approval is not
194.14 received for this clause, the commissioner must adjust the capitation rates paid to managed
194.15 care plans and county-based purchasing plans for that contract year to reflect the removal
194.16 of this clause. Contracts between managed care plans and county-based purchasing plans
194.17 and providers to whom this paragraph applies must allow recovery of payments from those
194.18 providers if capitation rates are adjusted in accordance with this clause. Payment recoveries
194.19 must not exceed the amount equal to any increase in rates that results from this paragraph.

194.20 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,
194.21 whichever is later. The commissioner of human services shall notify the revisor of statutes
194.22 when federal approval is obtained.

194.23 Sec. 5. Minnesota Statutes 2024, section 256B.0625, subdivision 3b, is amended to read:

194.24 Subd. 3b. **Telehealth services.** (a) Medical assistance covers medically necessary services
194.25 and consultations delivered by a health care provider through telehealth in the same manner
194.26 as if the service or consultation was delivered through in-person contact. Services or
194.27 consultations delivered through telehealth shall be paid at the full allowable rate.

194.28 (b) The commissioner may establish criteria that a health care provider must attest to in
194.29 order to demonstrate the safety or efficacy of delivering a particular service through
194.30 telehealth. The attestation may include that the health care provider:

194.31 (1) has identified the categories or types of services the health care provider will provide
194.32 through telehealth;

195.1 (2) has written policies and procedures specific to services delivered through telehealth
195.2 that are regularly reviewed and updated;

195.3 (3) has policies and procedures that adequately address patient safety before, during,
195.4 and after the service is delivered through telehealth;

195.5 (4) has established protocols addressing how and when to discontinue telehealth services;
195.6 and

195.7 (5) has an established quality assurance process related to delivering services through
195.8 telehealth.

195.9 (c) As a condition of payment, a licensed health care provider must document each
195.10 occurrence of a health service delivered through telehealth to a medical assistance enrollee.
195.11 Health care service records for services delivered through telehealth must meet the
195.12 requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must
195.13 document:

195.14 (1) the type of service delivered through telehealth;

195.15 (2) the time the service began and the time the service ended, including an a.m. and p.m.
195.16 designation;

195.17 (3) the health care provider's basis for determining that telehealth is an appropriate and
195.18 effective means for delivering the service to the enrollee;

195.19 (4) the mode of transmission used to deliver the service through telehealth and records
195.20 evidencing that a particular mode of transmission was utilized;

195.21 (5) the location of the originating site and the distant site;

195.22 (6) if the claim for payment is based on a physician's consultation with another physician
195.23 through telehealth, the written opinion from the consulting physician providing the telehealth
195.24 consultation; and

195.25 (7) compliance with the criteria attested to by the health care provider in accordance
195.26 with paragraph (b).

195.27 (d) Telehealth visits provided through audio and visual communication or accessible
195.28 video-based platforms may be used to satisfy the face-to-face requirement for reimbursement
195.29 under the payment methods that apply to a federally qualified health center, rural health
195.30 clinic, Indian health service, 638 tribal clinic, and certified community behavioral health
195.31 clinic, if the service would have otherwise qualified for payment if performed in person.

195.32 (e) For purposes of this subdivision, unless otherwise covered under this chapter:

(1) "telehealth" means the delivery of health care services or consultations using real-time two-way interactive audio and visual communication or accessible telehealth video-based platforms to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes: the application of secure video conferencing consisting of a real-time, full-motion synchronized video; store-and-forward technology; and synchronous interactions, between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, email, or facsimile transmission or as specified by law, except that between July 1, 2025, and July 1, 2028, telehealth includes communication between a health care provider and a patient that solely consists of audio-only communication;

(2) "health care provider" means a health care provider as defined under section 62A.673; a community paramedic as defined under section 144E.001, subdivision 5f; a community health worker who meets the criteria under subdivision 49, paragraph (a); a mental health certified peer specialist under section 245I.04, subdivision 10; a mental health certified family peer specialist under section 245I.04, subdivision 12; a mental health rehabilitation worker under section 245I.04, subdivision 14; a mental health behavioral aide under section 245I.04, subdivision 16; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; or a recovery peer under section 245G.11, subdivision 8; and

(3) "originating site," "distant site," and "store-and-forward technology" have the meanings given in section 62A.673, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2025, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria.

Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001, medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

(b) Effective for services provided on or after July 1, 2016, medical assistance payment rates for ambulance services identified in this paragraph are increased by five percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2017, shall be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations as defined in section 144E.10 is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

(c) Effective for services provided statewide on or after January 1, 2026, medical assistance payment rates for ambulance services are increased by 15 percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2026, must be increased to reflect this rate increase.

(d) Effective for services provided on or after January 1, 2026, medical assistance payment rates for ambulance services identified in this paragraph are increased by ten percent. Capitation payments made to managed care plans and county-based purchasing plans for ambulance services provided on or after January 1, 2026, must be increased to reflect this rate increase. The increased rate described in this paragraph applies to ambulance service providers whose base of operations, as defined in section 144E.001, is located:

(1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

(2) within a municipality with a population of less than 1,000.

~~(e)~~ (e) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00 per gallon, the commissioner shall adjust the rate paid per mile in paragraph (a) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration.

~~(d)~~ (f) Managed care plans and county-based purchasing plans must provide a fuel adjustment for ambulance services rates when fuel exceeds \$3 per gallon. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the

198.1 capitation rates paid to managed care plans and county-based purchasing plans for that
198.2 contract year to reflect the removal of this provision. Contracts between managed care plans
198.3 and county-based purchasing plans and providers to whom this paragraph applies must
198.4 allow recovery of payments from those providers if capitation rates are adjusted in accordance
198.5 with this paragraph. Payment recoveries must not exceed the amount equal to any increase
198.6 in rates that results from this paragraph. This paragraph expires if federal approval is not
198.7 received for this paragraph at any time.

198.8 Sec. 7. Minnesota Statutes 2024, section 256B.0625, subdivision 25c, is amended to read:

198.9 Subd. 25c. **Applicability of utilization review provisions.** (a) Effective January 1,
198.10 2026, the following provisions of chapter 62M apply to the commissioner when delivering
198.11 services under chapters 256B and 256L: 62M.02, subdivisions 1 to 5, 7 to 12, 13, 14 to 18,
198.12 and 21; 62M.04; 62M.05, subdivisions 1 to 4; 62M.06, subdivisions 1 to 3; 62M.07;
198.13 62M.072; 62M.09; 62M.10; 62M.12; and 62M.17, subdivision 2; ~~and 62M.18.~~

198.14 (b) By April 1, 2026, and each April 1 thereafter, managed care plans and county-based
198.15 purchasing plans when the plan is providing coverage to enrollees under chapter 256B or
198.16 256L, and the commissioner when delivering services under chapters 256B and 256L, must
198.17 post on the entity's public website the following data for the immediately preceding calendar
198.18 year for each health plan or program:

198.19 (1) the number of prior authorization requests for which an authorization was issued;

198.20 (2) the number of prior authorization requests for which an adverse determination was
198.21 issued and sorted by:

198.22 (i) health care service;

198.23 (ii) whether the adverse determination was appealed; and

198.24 (iii) whether the adverse determination was upheld or reversed on appeal;

198.25 (3) the number of prior authorization requests that were submitted electronically and
198.26 not by facsimile or email or other method pursuant to section 62J.497; and

198.27 (4) the reasons for prior authorization denial including but not limited to:

198.28 (i) patient did not meet prior authorization criteria;

198.29 (ii) incomplete information submitted by the provider to the utilization review
198.30 organization;

198.31 (iii) change in treatment program; and

199.1 (iv) the patient is no longer covered by the plan or program.

199.2 All information posted under this paragraph must be written in easily understandable
199.3 language.

199.4 Sec. 8. Minnesota Statutes 2024, section 256B.0625, subdivision 30, is amended to read:

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

199.11 (b) A federally qualified health center (FQHC) that is beginning initial operation shall
199.12 submit an estimate of budgeted costs and visits for the initial reporting period in the form
199.13 and detail required by the commissioner. An FQHC that is already in operation shall submit
199.14 an initial report using actual costs and visits for the initial reporting period. Within 90 days
199.15 of the end of its reporting period, an FQHC shall submit, in the form and detail required by
199.16 the commissioner, a report of its operations, including allowable costs actually incurred for
199.17 the period and the actual number of visits for services furnished during the period, and other
199.18 information required by the commissioner. FQHCs that file Medicare cost reports shall
199.19 provide the commissioner with a copy of the most recent Medicare cost report filed with
199.20 the Medicare program intermediary for the reporting year which support the costs claimed
199.21 on their cost report to the state.

199.22 (c) In order to continue cost-based payment under the medical assistance program
199.23 according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation
199.24 as an essential community provider within six months of final adoption of rules by the
199.25 Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and
199.26 rural health clinics that have applied for essential community provider status within the
199.27 six-month time prescribed, medical assistance payments will continue to be made according
199.28 to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural
199.29 health clinics that either do not apply within the time specified above or who have had
199.30 essential community provider status for three years, medical assistance payments for health
199.31 services provided by these entities shall be according to the same rates and conditions
199.32 applicable to the same service provided by health care providers that are not FQHCs or rural
199.33 health clinics.

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

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

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

(g) Effective for services provided on or after January 1, 2021, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner, according to an annual election by the FQHC or rural health clinic, under the current prospective payment system described in paragraph (f) or the alternative payment methodology described in paragraph (l), or, upon federal approval, for FQHCs that are also urban Indian organizations under Title V of the federal Indian Health Improvement Act, as provided under paragraph (k).

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

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

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

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

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

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

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

(i) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the

201.1 commissioner. the commissioner shall determine the most feasible method for paying claims
201.2 from the following options:

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

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

201.9 (j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate
201.10 and pay monthly the proposed managed care supplemental payments to clinics, and clinics
201.11 shall conduct a timely review of the payment calculation data in order to finalize all
201.12 supplemental payments in accordance with federal law. Any issues arising from a clinic's
201.13 review must be reported to the commissioner by January 1, 2017. Upon final agreement
201.14 between the commissioner and a clinic on issues identified under this subdivision, and in
201.15 accordance with United States Code, title 42, section 1396a(bb), no supplemental payments
201.16 for managed care plan or county-based purchasing plan claims for services provided prior
201.17 to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are
201.18 unable to resolve issues under this subdivision, the parties shall submit the dispute to the
201.19 arbitration process under section 14.57.

201.20 (k) The commissioner shall establish an encounter payment rate that is equivalent to the
201.21 all inclusive rate (AIR) payment established by the Indian Health Service and published in
201.22 the Federal Register. The encounter rate must be updated annually and must reflect the
201.23 changes in the AIR established by the Indian Health Service each calendar year. FQHCs
201.24 that are also urban Indian organizations under Title V of the federal Indian Health
201.25 Improvement Act may elect to be paid: (1) at the encounter rate established under this
201.26 paragraph; (2) under the alternative payment methodology described in paragraph (l); or
201.27 (3) under the federally required prospective payment system described in paragraph (f).
201.28 FQHCs that elect to be paid at the encounter rate established under this paragraph must
201.29 continue to meet all state and federal requirements related to FQHCs and urban Indian
201.30 organizations, and must maintain their statuses as FQHCs and urban Indian organizations.

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

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

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

202.6 (3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance
202.7 with current applicable Medicare cost principles, their allowable costs, including direct
202.8 patient care costs and patient-related support services. Nonallowable costs include, but are
202.9 not limited to:

202.10 (i) general social services and administrative costs;

202.11 (ii) retail pharmacy;

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

202.13 (iv) external lab and x-ray;

202.14 (v) navigation services;

202.15 (vi) health care taxes;

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

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

202.18 (ix) contributions and donations;

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

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

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

202.22 (xiii) research and associated administrative costs;

202.23 (xiv) nonpaid workers;

202.24 (xv) lobbying;

202.25 (xvi) scholarships and student aid; and

202.26 (xvii) nonmedical assistance covered services;

202.27 (4) the commissioner shall review the list of nonallowable costs in the years between
202.28 the rebasing process established in clause (5), in consultation with the Minnesota Association

203.1 of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall
203.2 publish the list and any updates in the Minnesota health care programs provider manual;

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

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

203.7 (ii) must be according to current applicable Medicare cost principles as applicable to
203.8 FQHCs and rural health clinics without the application of productivity screens and upper
203.9 payment limits or the Medicare prospective payment system FQHC aggregate mean upper
203.10 payment limit;

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

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

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

203.21 (6) the commissioner shall annually inflate the applicable organization encounter rates
203.22 for FQHCs and rural health clinics from the base year payment rate to the effective date by
203.23 using the CMS FQHC Market Basket inflator established under United States Code, title
203.24 42, section 1395m(o), less productivity;

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

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

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

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

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

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

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

204.21 (11) for change of scope requests that do not require federal Health Resources Services
204.22 Administration approval, the FQHC and rural health clinic shall submit the request to the
204.23 commissioner before implementing the change, and the effective date of the change is the
204.24 date the commissioner received the FQHC's or rural health clinic's request, or the effective
204.25 start date of the service, whichever is later. The commissioner shall provide a response to
204.26 the FQHC's or rural health clinic's request within 45 days of submission and provide a final
204.27 approval within 120 days of submission. This timeline may be waived at the mutual
204.28 agreement of the commissioner and the FQHC or rural health clinic if more information is
204.29 needed to evaluate the request;

204.30 (12) the commissioner, when establishing organization encounter rates for new FQHCs
204.31 and rural health clinics, shall consider the patient caseload of existing FQHCs and rural
204.32 health clinics in a 60-mile radius for organizations established outside of the seven-county
204.33 metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan

205.1 area. If this information is not available, the commissioner may use Medicare cost reports
205.2 or audited financial statements to establish base rates;

205.3 (13) the commissioner, when establishing organization encounter rates under this section
205.4 for FQHCs and rural health clinics resulting from a merger of existing clinics or the
205.5 acquisition of an existing clinic by another existing clinic, must use the combined costs and
205.6 caseloads from the clinics participating in the merger or acquisition to set the encounter rate
205.7 for the new clinic organization resulting from the merger or acquisition. The scope of services
205.8 for the newly formed clinic must be inclusive of the scope of services of the clinics
205.9 participating in the merger or acquisition;

205.10 ~~(13)~~ (14) the commissioner shall establish a quality measures workgroup that includes
205.11 representatives from the Minnesota Association of Community Health Centers, FQHCs,
205.12 and rural health clinics, to evaluate clinical and nonclinical measures; and

205.13 ~~(14)~~ (15) the commissioner shall not disallow or reduce costs that are related to an
205.14 FQHC's or rural health clinic's participation in health care educational programs to the extent
205.15 that the costs are not accounted for in the alternative payment methodology encounter rate
205.16 established in this paragraph.

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

205.25 (n) FQHC reimbursement for mental health targeted case management services is limited
205.26 to:

205.27 (1) only those services described under section 256B.0625, subdivision 20, and provided
205.28 in accordance with contracts executed with counties authorized to subcontract for mental
205.29 health targeted case management services; and

205.30 (2) an FQHC's actual incurred costs as separately reported on the cost report submitted
205.31 to the Centers for Medicare and Medicaid Services and further identified in reports submitted
205.32 to the commissioner.

(o) Counties contracting with FQHCs for mental health targeted case management remain responsible for the nonfederal share of the cost of the provided mental health targeted case management services. The commissioner must bill each county for the nonfederal share of the mental health targeted case management costs as reported by the FQHC.

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

Sec. 9. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 54a. **Home birth.** (a) For purposes of this subdivision, the following terms have the meanings given them:

(1) "birth services" means prenatal, labor, birth, and postpartum services;

(2) "eligible provider" means a licensed or certified health care professional eligible for reimbursement under the medical assistance program; and

(3) "low-risk patient for birth services" means a person undergoing a normal, uncomplicated prenatal course as determined by documentation of adequate prenatal care who anticipates a normal, uncomplicated labor and birth, as defined by reasonable and generally accepted criteria adopted by professional groups for maternal, fetal, and neonatal health care.

(b) Medical assistance covers birth services provided at home when the following conditions are met:

(1) the birth services are provided by an eligible provider whose scope of practice and experience includes home birth;

(2) the recipient is a low-risk patient for birth services; and

(3) the recipient has a plan of care that includes:

(i) a consent form detailing the risks and benefits of home birth signed by the recipient;

(ii) sufficient visits, test results, and follow-up consultations as needed to establish that the recipient is a low-risk patient for birth services; and

(iii) a plan for transfer to a hospital as needed.

(c) Services provided under this subdivision by an eligible provider must be paid at a rate at least equal to 100 percent of the rate paid to a physician performing the same services. An eligible provider who does not perform the delivery must not bill for any delivery services.

(d) Supplies used for birth services under this subdivision must be paid at 70 percent of the statewide average for a facility payment rate made to a hospital for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data are available. If a recipient is transported from a home to a hospital prior to the delivery, the payment for the supplies used for birth services under this subdivision must be the lower of billed charges or 15 percent of the statewide average for a facility payment rate made to a hospital for the services provided for an uncomplicated vaginal delivery as determined using the most recent calendar year for which complete claims data are available.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2024, section 256B.0757, subdivision 5, is amended to read:

Subd. 5. Payments. (a) The commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3 to each eligible individual under subdivision 2 that selects the health home as a provider. This paragraph expires on the date that paragraph (b) becomes effective.

(b) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner shall make payments to each designated provider for the provision of health home services described in subdivision 3, except for behavioral health services, to each eligible individual under subdivision 2 who selects the health home as a provider.

Sec. 11. Minnesota Statutes 2024, section 256B.0757, is amended by adding a subdivision to read:

Subd. 5a. Payments for behavioral health home services. (a) Notwithstanding subdivision 5, the commissioner must implement a single statewide reimbursement rate for behavioral health home services under this section. The rate must be no less than \$425 per member per month. The commissioner must adjust the reimbursement rate for behavioral health home services annually according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

(b) The commissioner must review and update the behavioral health home services rate under paragraph (a) at least every four years. The updated rate must account for the average hours required for behavioral health home team members spent providing services and the

208.1 Department of Labor prevailing wage for required behavioral health home team members.
208.2 The updated rate must ensure that behavioral health home services rates are sufficient to
208.3 allow providers to meet required certifications, training, and practice transformation
208.4 standards; staff qualification requirements; and service delivery standards.

208.5 (c) Managed care plans and county-based purchasing plans must reimburse providers
208.6 at an amount that is at least equal to the fee-for-service rate for services under this
208.7 subdivision. The commissioner must monitor the effect of this rate increase on enrollee
208.8 access to services under this subdivision. If for any contract year federal approval is not
208.9 received for this paragraph, the commissioner must adjust the capitation rates paid to managed
208.10 care plans and county-based purchasing plans for that contract year to reflect the removal
208.11 of this paragraph. Contracts between managed care plans and county-based purchasing
208.12 plans and providers to whom this paragraph applies must allow recovery of payments from
208.13 those providers if capitation rates are adjusted in accordance with this paragraph. Payment
208.14 recoveries must not exceed the amount equal to any increase in rates that results from this
208.15 paragraph.

208.16 (d) This subdivision is effective January 1, 2028, or upon federal approval, whichever
208.17 is later.

208.18 Sec. 12. Minnesota Statutes 2024, section 256B.1973, is amended by adding a subdivision
208.19 to read:

208.20 Subd. 9. **Interaction with other directed payments.** An eligible provider under
208.21 subdivision 3 may participate in the hospital directed payment program under section
208.22 256B.1974 for inpatient hospital services, outpatient hospital services, or both. A provider
208.23 participating in the hospital directed payment program must not receive a directed payment
208.24 under this section for any provider classes paid via the hospital directed payment program.
208.25 A hospital subject to this section must notify the commissioner in writing no later than 30
208.26 days after enactment of this subdivision of its intention to participate in the hospital directed
208.27 payment program under section 256B.1974 for inpatient hospital services, outpatient hospital
208.28 services, or both. The election under this subdivision is a onetime election, except that if
208.29 an eligible provider elects to participate in the hospital directed payment program, and the
208.30 hospital directed payment program expires, then the eligible provider may thereafter elect
208.31 to participate in the directed payment under this section.

208.32 **EFFECTIVE DATE.** (a) This section is effective on the later of January 1, 2026, or
208.33 federal approval of all of the following:

208.34 (1) this section;

209.1 (2) the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision
209.2 2b; and

209.3 (3) the amendments in this act to Minnesota Statutes, section 256B.1974.

209.4 (b) The commissioner of human services shall notify the revisor of statutes when federal
209.5 approval for all amendments set forth in paragraph (a) is obtained.

209.6 **Sec. 13. [256B.1974] HOSPITAL DIRECTED PAYMENT PROGRAM.**

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

209.9 (b) "Health plan" means a managed care plan or county-based purchasing plan that is
209.10 under contract with the commissioner to deliver services to medical assistance enrollees
209.11 under section 256B.69.

209.12 (c) "Hospital" means a hospital licensed under section 144.50.

209.13 Subd. 2. **Required conditions for program.** The hospital directed payment program is
209.14 contingent on the satisfaction of all requirements necessary for the collection of an assessment
209.15 under section 256.9657, and must conform with the requirements for permissible directed
209.16 managed care organization expenditures under section 256B.6928, subdivision 5.

209.17 Subd. 3. **Commissioner's duties; state-directed fee schedule requirement.** (a) For
209.18 each federally approved directed payment program that is a state-directed fee schedule
209.19 requirement that includes a quarterly payment amount to be submitted by each health plan
209.20 to each hospital, the commissioner must determine the quarterly payment amount using the
209.21 average commercial payer rate, or using another method acceptable to the Centers for
209.22 Medicare and Medicaid Services if the average commercial payer rate is not approved. The
209.23 commissioner must ensure that the application of the quarterly payment amounts maximizes
209.24 the amount generated by the hospital assessment in section 256.9657, subdivision 2b, for
209.25 allowable directed payments and does not result in payments exceeding federal limits.

209.26 (b) The commissioner must use an annual settle-up process that occurs within the time
209.27 period allowed for medical assistance managed care claims adjustments.

209.28 (c) On and after January 1, 2028, if the federal regulations set forth in Code of Federal
209.29 Regulations, title 42, parts 430, 438, and 457, remain effective, the hospital directed payment
209.30 program must be specific to each health plan and prospectively incorporated into capitation
209.31 payments for that plan.

210.1 (d) For each federally approved directed payment program that is a state-directed fee
210.2 schedule requirement, the commissioner must develop a plan for the initial implementation
210.3 of the state-directed fee schedule requirement to ensure that hospitals receive the entire
210.4 permissible value of the federally approved directed payment. If federal approval of a
210.5 directed payment under this subdivision is retroactive, the commissioner must make a
210.6 onetime pro rata increase to the quarterly payment amount and the initial payments to include
210.7 claims submitted between the retroactive federal approval date and the period captured by
210.8 the initial payments.

210.9 (e) Directed payments under this section must only be used to supplement, and not
210.10 supplant, medical assistance reimbursement to hospitals. The directed payment program
210.11 must not modify, reduce, or offset the medical assistance payment rates determined for each
210.12 hospital as required by section 256.969.

210.13 (f) The commissioner must require health plans to make quarterly directed payments
210.14 according to this section.

210.15 (g) Health plans must make quarterly directed payments using electronic funds transfers,
210.16 if the hospital provides the information necessary to process such transfers, and in accordance
210.17 with directions provided by the commissioner. Health plans must make quarterly directed
210.18 payments:

210.19 (1) for the first two quarters for which such payments are due, within 30 calendar days
210.20 of the date the commissioner issued sufficient payments to the health plan to make the
210.21 directed payments according to this section; and

210.22 (2) for all subsequent quarters, within ten calendar days of the date the commissioner
210.23 issued sufficient payments to the health plan to make the directed payments according to
210.24 this section.

210.25 The commissioner of human services must publish on the Department of Human Services'
210.26 website, on a quarterly basis, the dates that the health plans completed their required quarterly
210.27 payments under this section.

210.28 (h) Payments to health plans that would be paid consistent with actuarial certification
210.29 and enrollment in the absence of the increased capitation payments under this section must
210.30 not be reduced as a result of this section.

210.31 (i) The commissioner must publish all directed payments owed to each hospital from
210.32 each health plan on the Department of Human Services' website for at least two years. All

211.1 calculations and reports must be posted no later than the first day of the quarter for which
211.2 the payments are to be issued.

211.3 (j) By December 1 each year, the commissioner must notify each hospital of any changes
211.4 to the payment methodologies in this section, including but not limited to changes in the
211.5 directed payment rates, the aggregate directed payment amount for all hospitals, and the
211.6 hospital's directed payment amount for the upcoming calendar year.

211.7 (k) The commissioner must distribute payments required under this section for each
211.8 hospital within 30 days of a quarterly assessment under section 256.9657, subdivision 2b,
211.9 being received. The commissioner must pay the directed payments to health plans under
211.10 contract no later than January 1, April 1, July 1, and October 1 each year.

211.11 (l) A hospital is not entitled to payments under this section until the start of the first full
211.12 fiscal year it is an eligible hospital. A hospital that has merged with another hospital must
211.13 have its payments under this section revised at the start of the first full fiscal year after the
211.14 merger is complete. A closed hospital is entitled to the payments under this section for
211.15 services provided through the final date of operations.

211.16 Subd. 4. **Health plan duties; submission of claims.** Each health plan must submit to
211.17 the commissioner, in accordance with its contract with the commissioner to serve as a
211.18 managed care organization in medical assistance, payment information for each claim paid
211.19 to a hospital for services provided to a medical assistance enrollee. Health plans must allow
211.20 each hospital to review the health plan's own paid claims detail to enable proper validation
211.21 that the medical assistance managed care claims volume and content is consistent with the
211.22 hospital's internal records. To support the validation process for the directed payment
211.23 program, health plans must permit the commissioner to share inpatient and outpatient
211.24 claims-level details with hospitals identifying only those claims where the prepaid medical
211.25 assistance program under section 256B.69 is the payer source. Hospitals must provide notice
211.26 of discrepancies in claims paid to the commissioner in a form determined by the
211.27 commissioner. The commissioner is authorized to determine the final disposition of the
211.28 validation process for disputed claims.

211.29 Subd. 5. **Health plan duties; directed payment add-on.** (a) Each health plan must
211.30 make, in accordance with its contract with the commissioner to serve as a managed care
211.31 organization in medical assistance, a directed payment to each hospital. The amount of the
211.32 directed payment to the hospital must be equal to the payment amounts the plan received
211.33 from the commissioner for such hospital.

211.34 (b) Health plans are prohibited from:

212.1 (1) setting, establishing, or negotiating reimbursement rates with a hospital in a manner
212.2 that directly or indirectly takes into account a directed payment that a hospital receives
212.3 under this section;

212.4 (2) unnecessarily delaying a directed payment to a hospital; or

212.5 (3) recouping or offsetting a directed payment for any reason, except as expressly
212.6 authorized by the commissioner.

212.7 Subd. 6. **Hospital duties; quarterly supplemental directed payment add-on.** (a) A
212.8 hospital receiving a directed payment under this section is prohibited from:

212.9 (1) setting, establishing, or negotiating reimbursement rates with a managed care
212.10 organization in a manner that directly or indirectly takes into account a directed payment
212.11 that a hospital receives under this section; or

212.12 (2) directly passing on the cost of an assessment to patients or nonmedical assistance
212.13 payers, including as a fee or rate increase.

212.14 (b) A hospital that violates this subdivision is prohibited from receiving a directed
212.15 payment under this section for the remainder of the rate year. This subdivision does not
212.16 prohibit a hospital from negotiating with a payer for a rate increase.

212.17 (c) Any hospital receiving a directed payment under this section must meet the
212.18 commissioner's standards for directed payments as described in subdivision 7.

212.19 Subd. 7. **State minimum policy goals established.** (a) The effect of the directed
212.20 payments under this section must align with the state's policy goals for medical assistance
212.21 enrollees. The directed payments must be used to maintain quality and access to a full range
212.22 of health care delivery mechanisms for medical assistance enrollees, and specifically provide
212.23 improvement for one of the following quality measures:

212.24 (1) overall well child visit rates;

212.25 (2) maternal depression screening rates; or

212.26 (3) colon cancer screening rates.

212.27 (b) The commissioner, in consultation with the Minnesota Hospital Association, must
212.28 submit to the Centers for Medicare and Medicaid Services a quality measures performance
212.29 evaluation criteria and methodology to regularly measure access to care and the achievement
212.30 of state policy goals described in this subdivision.

213.1 (c) The quality measures evaluation data, as determined by paragraph (b), must be
213.2 reported to the Centers for Medicare and Medicaid Services after at least 12 months of
213.3 directed payments to hospitals.

213.4 Subd. 8. **Administrative review.** Before making the payments required under this
213.5 section, and on at least an annual basis, the commissioner must consult with and provide
213.6 for review of the payment amounts by a permanent select committee established by the
213.7 Minnesota Hospital Association. Any data or information reviewed by members of the
213.8 committee are data not on individuals, as defined in section 13.02. The committee's members
213.9 may not include any current employee or paid consultant of any hospital.

213.10 **EFFECTIVE DATE.** (a) This section is effective the later of January 1, 2026, or federal
213.11 approval for all of the following:

213.12 (1) the amendments in this act to add Minnesota Statutes, section 256.9657, subdivision
213.13 2b; and

213.14 (2) the amendments in this act to this section.

213.15 (b) The commissioner of human services shall notify the revisor of statutes when federal
213.16 approval for all amendments set forth in paragraph (a) is obtained.

213.17 Sec. 14. **[256B.1975] HOSPITAL DIRECTED PAYMENT PROGRAM ACCOUNT.**

213.18 Subdivision 1. **Account established; appropriation.** (a) The hospital directed payment
213.19 program account is created in the special revenue fund in the state treasury.

213.20 (b) Money in the account, including interest earned, is annually appropriated to the
213.21 commissioner for the purposes specified in section 256B.1974.

213.22 (c) Transfers from this account to another fund are prohibited, except as necessary to
213.23 make the payments required under section 256B.1974.

213.24 Subd. 2. **Reports to the legislature.** By January 15, 2027, and each January 15 thereafter,
213.25 the commissioner must submit a report to the chairs and ranking minority members of the
213.26 legislative committees with jurisdiction over health and human services policy and finance
213.27 that details the activities and uses of money in the hospital directed payment program
213.28 account, including the metrics and outcomes of the policy goals established by section
213.29 256B.1974, subdivision 7.

213.30 **EFFECTIVE DATE.** This section is effective on the later of January 1, 2026, or federal
213.31 approval of the amendments in this act to add Minnesota Statutes, section 256.9657,

214.1 subdivision 2b. The commissioner of human services shall notify the revisor of statutes
214.2 when federal approval is obtained.

214.3 Sec. 15. Minnesota Statutes 2024, section 256B.76, subdivision 1, is amended to read:

214.4 Subdivision 1. **Physician and professional services Reimbursement adjustments.** (a)
214.5 ~~Effective for services rendered on or after October 1, 1992, the commissioner shall make~~
214.6 ~~payments for physician services as follows:~~

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

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

214.15 ~~(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th~~
214.16 ~~percentile of 1989, less the percent in aggregate necessary to equal the above increases~~
214.17 ~~except that payment rates for home health agency services shall be the rates in effect on~~
214.18 ~~September 30, 1992.~~

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

214.23 ~~(c) Effective for services rendered on or after July 1, 2009, payment rates for physician~~
214.24 ~~and professional services shall be reduced by five percent, except that for the period July~~
214.25 ~~1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical~~
214.26 ~~assistance and general assistance medical care programs, over the rates in effect on June~~
214.27 ~~30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other~~
214.28 ~~outpatient visits, preventive medicine visits and family planning visits billed by physicians,~~
214.29 ~~advanced practice registered nurses, or physician assistants in a family planning agency or~~
214.30 ~~in one of the following primary care practices: general practice, general internal medicine,~~
214.31 ~~general pediatrics, general geriatrics, and family medicine. This reduction and the reductions~~
214.32 ~~in paragraph (d) do not apply to federally qualified health centers, rural health centers, and~~
214.33 ~~Indian health services. Effective October 1, 2009, payments made to managed care plans~~

215.1 ~~and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall~~
215.2 ~~reflect the payment reduction described in this paragraph.~~

215.3 ~~(d) Effective for services rendered on or after July 1, 2010, payment rates for physician~~
215.4 ~~and professional services shall be reduced an additional seven percent over the five percent~~
215.5 ~~reduction in rates described in paragraph (c). This additional reduction does not apply to~~
215.6 ~~physical therapy services, occupational therapy services, and speech pathology and related~~
215.7 ~~services provided on or after July 1, 2010. This additional reduction does not apply to~~
215.8 ~~physician services billed by a psychiatrist or an advanced practice registered nurse with a~~
215.9 ~~specialty in mental health. Effective October 1, 2010, payments made to managed care plans~~
215.10 ~~and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall~~
215.11 ~~reflect the payment reduction described in this paragraph.~~

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

215.16 ~~(f) Effective for services rendered on or after September 1, 2014, payment rates for~~
215.17 ~~physician and professional services, including physical therapy, occupational therapy, speech~~
215.18 ~~pathology, and mental health services shall be increased by five percent from the rates in~~
215.19 ~~effect on August 31, 2014. In calculating this rate increase, the commissioner shall not~~
215.20 ~~include in the base rate for August 31, 2014, the rate increase provided under section~~
215.21 ~~256B.76, subdivision 7. This increase does not apply to federally qualified health centers,~~
215.22 ~~rural health centers, and Indian health services. Payments made to managed care plans and~~
215.23 ~~county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.~~

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

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

215.32 ~~(i)~~ (c) The commissioner may reimburse physicians and other licensed professionals for
215.33 costs incurred to pay the fee for testing newborns who are medical assistance enrollees for
215.34 heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when

216.1 the sample is collected outside of an inpatient hospital or freestanding birth center and the
216.2 cost is not recognized by another payment source.

216.3 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval
216.4 of the amendments in this act to Minnesota Statutes, sections 256B.76, subdivision 6, and
216.5 256B.768, whichever is later. The commissioner of human services shall notify the revisor
216.6 of statutes when federal approval is obtained.

216.7 Sec. 16. Minnesota Statutes 2024, section 256B.76, subdivision 6, is amended to read:

216.8 Subd. 6. **Medicare relative value units.** (a) Effective for services rendered on or after
216.9 January 1, 2007, the commissioner shall make payments for physician and professional
216.10 services based on the Medicare relative value units (RVUs). This change shall be budget
216.11 neutral and the cost of implementing RVUs will be incorporated in the established conversion
216.12 factor. This paragraph expires on the date that paragraph (b) becomes effective.

216.13 (b) Effective January 1, 2026, or upon federal approval, whichever is later, and effective
216.14 for services rendered on or after January 1, 2007, the commissioner must make payments
216.15 for physician and professional services based on the Medicare relative value units (RVUs).

216.16 ~~(b)~~ (c) Effective for services rendered on or after January 1, 2025, rates for mental health
216.17 services reimbursed under the resource-based relative value scale (RBRVS) must be equal
216.18 to 83 percent of the Medicare Physician Fee Schedule. This paragraph expires on the date
216.19 that section 256B.768 becomes effective.

216.20 ~~(e)~~ (d) Effective for services rendered on or after January 1, 2025, the commissioner
216.21 shall increase capitation payments made to managed care plans and county-based purchasing
216.22 plans to reflect the rate increases provided under this subdivision. Managed care plans and
216.23 county-based purchasing plans must use the capitation rate increase provided under this
216.24 paragraph to increase payment rates to the providers corresponding to the rate increases.
216.25 The commissioner must monitor the effect of this rate increase on enrollee access to services
216.26 under this subdivision. If for any contract year federal approval is not received for this
216.27 paragraph, the commissioner must adjust the capitation rates paid to managed care plans
216.28 and county-based purchasing plans for that contract year to reflect the removal of this
216.29 paragraph. Contracts between managed care plans and county-based purchasing plans and
216.30 providers to whom this paragraph applies must allow recovery of payments from those
216.31 providers if capitation rates are adjusted in accordance with this paragraph. Payment
216.32 recoveries must not exceed the amount equal to any increase in rates that results from this
216.33 paragraph. (e) This paragraph expires on the date that section 256B.768 becomes effective.

217.1 Sec. 17. Minnesota Statutes 2024, section 256B.761, is amended to read:

217.2 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

217.3 Subdivision 1. Rates effective 2026. ~~(a) Effective for services rendered on or after July~~
217.4 ~~1, 2001, payment for medication management provided to psychiatric patients, outpatient~~
217.5 ~~mental health services, day treatment services, home-based mental health services, and~~
217.6 ~~family community support services shall be paid at the lower of (1) submitted charges, or~~
217.7 ~~(2) 75.6 percent of the 50th percentile of 1999 charges.~~

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

217.15 ~~(c) In addition to rate increases otherwise provided, the commissioner may restructure~~
217.16 ~~coverage policy and rates to improve access to adult rehabilitative mental health services~~
217.17 ~~under section 256B.0623 and related mental health support services under section 256B.021,~~
217.18 ~~subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected~~
217.19 ~~state share of increased costs due to this paragraph is transferred from adult mental health~~
217.20 ~~grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent~~
217.21 ~~base adjustment for subsequent fiscal years. Payments made to managed care plans and~~
217.22 ~~county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect~~
217.23 ~~the rate changes described in this paragraph.~~

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

217.26 ~~(e) Effective for services rendered on or after January 1, 2024, payment rates for~~
217.27 ~~behavioral health services included in the rate analysis required by Laws 2021, First Special~~
217.28 ~~Session chapter 7, article 17, section 18, except for adult day treatment services under section~~
217.29 ~~256B.0671, subdivision 3; early intensive developmental and behavioral intervention services~~
217.30 ~~under section 256B.0949; and substance use disorder services under chapter 254B, must be~~
217.31 ~~increased by three percent from the rates in effect on December 31, 2023. Effective for~~
217.32 ~~services rendered on or after January 1, 2025, payment rates for behavioral health services~~
217.33 ~~included in the rate analysis required by Laws 2021, First Special Session chapter 7, article~~
217.34 ~~17, section 18; early intensive developmental behavioral intervention services under section~~

~~256B.0949; and substance use disorder services under chapter 254B, must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.~~

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

(a) Effective for services rendered on or after January 1, 2026, the commissioner must establish market-based payment rates for the following services:

(1) children's therapeutic services and supports under section 256B.0943;

(2) child and family psychoeducation services under section 256B.0671, subdivision 5;

(3) clinical care consultation services under section 256B.0671, subdivision 7; and

(4) mental health certified family peer specialist services under section 256B.0616.

(b) Rates established under paragraph (a) must not be lower than:

219.1 (1) the payment rates recommended in the rate analysis required by Laws 2021, First
219.2 Special Session chapter 7, article 17, section 18, and published by the Department of Human
219.3 Services on January 22, 2024; or

219.4 (2) the payment rates in effect on December 31, 2025.

219.5 Subd. 2. **Rates effective 2027.** (a) Effective for services rendered on or after January 1,
219.6 2027, the commissioner must establish market-based payment rates for the following services:

219.7 (1) adult day treatment services under section 256B.0671, subdivision 3;

219.8 (2) adult rehabilitative mental health services under section 256B.0623;

219.9 (3) adult mental health peer support specialist services under section 256B.0615;

219.10 (4) dialectical behavioral therapy under section 256B.0671, subdivision 6;

219.11 (5) explanation of findings under section 256B.0671, subdivision 4;

219.12 (6) mental health crisis response services under section 256B.0624;

219.13 (7) mental health provider travel time under section 256B.0625, subdivision 43;

219.14 (8) neuropsychological testing under section 256B.0671, subdivision 9;

219.15 (9) partial hospitalization services under section 256B.0671, subdivision 12; and

219.16 (10) psychotherapy services under section 256B.0671, subdivision 11, incorporating
219.17 biofeedback.

219.18 (b) Rates established under paragraph (a) must not be lower than:

219.19 (1) the payments rates recommended in the rate analysis required by Laws 2021, First
219.20 Special Session chapter 7, article 17, section 18 and published by the Department of Human
219.21 Services on January 22, 2024; or

219.22 (2) the payment rates in effect on December 31, 2026.

219.23 Subd. 3. **Capitation payments.** The commissioner must adjust capitation payments
219.24 made to managed care plans and county-based purchasing plans to reflect the behavioral
219.25 health service rates provided in this section. Managed care and county-based purchasing
219.26 plans must reimburse providers at an amount that is at least equal to the fee-for-service rate
219.27 for services under this section. The commissioner must monitor the effect of this rate
219.28 adjustment on enrollee access to behavioral health services. If for any contract year federal
219.29 approval is not received for this subdivision, the commissioner must adjust the capitation
219.30 rates paid to managed care plans and county-based purchasing plans for that contract year
219.31 to reflect the removal of this provision. Contracts between managed care plans and

220.1 county-based purchasing plans and providers to whom this subdivision applies must allow
220.2 recovery of payments from those providers if capitation rates are adjusted in accordance
220.3 with this subdivision. Payment recoveries must not exceed the amount equal to any increase
220.4 in rates that results from this provision.

220.5 Subd. 4. **Inflation adjustment.** The commissioner must adjust the reimbursement rate
220.6 for services under this section annually according to the change from the midpoint of the
220.7 previous rate year to the midpoint of the rate year for which the rate is being determined
220.8 using the Centers for Medicare and Medicaid Services Medicare Economic Index as
220.9 forecasted in the fourth quarter of the calendar year before the rate year.

220.10 Subd. 5. **Exceptions.** (a) This section does not apply to federally qualified health centers,
220.11 rural health centers, Indian health services, certified community behavioral health clinics
220.12 and, cost-based rates, and rates that are negotiated with the county.

220.13 (b) This section does not apply to services with reimbursement rates established pursuant
220.14 to section 256B.768.

220.15 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval
220.16 of this section and Minnesota Statutes, section 256B.768, whichever is later. The
220.17 commissioner shall notify the revisor of statutes when federal approval is obtained.

220.18 Sec. 18. Minnesota Statutes 2024, section 256B.766, is amended to read:

220.19 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

220.20 Subdivision 1. **Payment reductions for base care services effective July 1, 2009.** (a)
220.21 Effective for services provided on or after July 1, 2009, total payments for basic care services,
220.22 shall be reduced by three percent, except that for the period July 1, 2009, through June 30,
220.23 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general
220.24 assistance medical care programs, prior to third-party liability and spenddown calculation.

220.25 Subd. 2. **Classification of therapies as basic care services.** Effective July 1, 2010, The
220.26 commissioner shall classify physical therapy services, occupational therapy services, and
220.27 speech-language pathology and related services as basic care services. The reduction in this
220.28 paragraph subdivision 1 shall apply to physical therapy services, occupational therapy
220.29 services, and speech-language pathology and related services provided on or after July 1,
220.30 2010.

220.31 Subd. 3. **Payment reductions to managed care plans effective October 1, 2009.** (b)
220.32 Payments made to managed care plans and county-based purchasing plans shall be reduced
220.33 for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1

221.1 effective July 1, 2009, and payments made to the plans shall be reduced effective October
221.2 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

221.3 **Subd. 4. Temporary payment reductions effective September 1, 2011.** ~~(e)~~ (a) Effective
221.4 for services provided on or after September 1, 2011, through June 30, 2013, total payments
221.5 for outpatient hospital facility fees shall be reduced by five percent from the rates in effect
221.6 on August 31, 2011.

221.7 ~~(d)~~ (b) Effective for services provided on or after September 1, 2011, through June 30,
221.8 2013, total payments for ambulatory surgery centers facility fees, medical supplies and
221.9 durable medical equipment not subject to a volume purchase contract, prosthetics and
221.10 orthotics, renal dialysis services, laboratory services, public health nursing services, physical
221.11 therapy services, occupational therapy services, speech therapy services, eyeglasses not
221.12 subject to a volume purchase contract, hearing aids not subject to a volume purchase contract,
221.13 and anesthesia services shall be reduced by three percent from the rates in effect on August
221.14 31, 2011.

221.15 **Subd. 5. Payment increases effective September 1, 2014.** ~~(e)~~ (a) Effective for services
221.16 provided on or after September 1, 2014, payments for ambulatory surgery centers facility
221.17 fees, hospice services, renal dialysis services, laboratory services, public health nursing
221.18 services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject
221.19 to a volume purchase contract shall be increased by three percent and payments for outpatient
221.20 hospital facility fees shall be increased by three percent.

221.21 (b) Payments made to managed care plans and county-based purchasing plans shall not
221.22 be adjusted to reflect payments under this ~~paragraph~~ subdivision.

221.23 **Subd. 6. Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for
221.24 medical supplies and durable medical equipment not subject to a volume purchase contract,
221.25 and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall
221.26 be decreased by .33 percent.

221.27 **Subd. 7. Payment increases effective July 1, 2015.** (a) Payments for medical supplies
221.28 and durable medical equipment not subject to a volume purchase contract, and prosthetics
221.29 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from
221.30 the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

221.31 ~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient
221.32 hospital facility fees, medical supplies and durable medical equipment not subject to a
221.33 volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified

222.1 in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent
222.2 from the rates in effect on June 30, 2015.

222.3 (c) Payments made to managed care plans and county-based purchasing plans shall not
222.4 be adjusted to reflect payments under ~~this~~ paragraph (b).

222.5 Subd. 8. Exempt services. ~~(h)~~ This section does not apply to physician and professional
222.6 services, inpatient hospital services, family planning services, mental health services, dental
222.7 services, prescription drugs, medical transportation, federally qualified health centers, rural
222.8 health centers, Indian health services, and Medicare cost-sharing.

222.9 Subd. 9. Individually priced items. ~~(i)~~ (a) Effective for services provided on or after
222.10 July 1, 2015, the following categories of medical supplies and durable medical equipment
222.11 shall be individually priced items: customized and other specialized tracheostomy tubes
222.12 and supplies, electric patient lifts, and durable medical equipment repair and service.

222.13 (b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical
222.14 equipment subject to a volume purchase contract, products subject to the preferred diabetic
222.15 testing supply program, and items provided to dually eligible recipients when Medicare is
222.16 the primary payer for the item.

222.17 (c) The commissioner shall not apply any medical assistance rate reductions to durable
222.18 medical equipment as a result of Medicare competitive bidding.

222.19 Subd. 10. Rate increases effective July 1, 2015. ~~(j)~~ (a) Effective for services provided
222.20 on or after July 1, 2015, medical assistance payment rates for durable medical equipment,
222.21 prosthetics, orthotics, or supplies shall be increased as follows:

222.22 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that
222.23 were subject to the Medicare competitive bid that took effect in January of 2009 shall be
222.24 increased by 9.5 percent; and

222.25 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on
222.26 the medical assistance fee schedule, whether or not subject to the Medicare competitive bid
222.27 that took effect in January of 2009, shall be increased by 2.94 percent, with this increase
222.28 being applied after calculation of any increased payment rate under clause (1).

222.29 ~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment
222.30 subject to a volume purchase contract, products subject to the preferred diabetic testing
222.31 supply program, items provided to dually eligible recipients when Medicare is the primary
222.32 payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

223.1 (c) Payments made to managed care plans and county-based purchasing plans shall not
223.2 be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

223.3 **Subd. 11. Rates for ventilators.** ~~(k)~~ (a) Effective for nonpressure support ventilators
223.4 provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or
223.5 the Medicare fee schedule rate.

223.6 (b) Effective for pressure support ventilators provided on or after January 1, 2016, the
223.7 rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule
223.8 rate.

223.9 (c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the
223.10 extent that, the commissioner identifies that the state has received federal financial
223.11 participation for ventilators in excess of the amount allowed effective January 1, 2018,
223.12 under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess
223.13 amount to the Centers for Medicare and Medicaid Services with state funds and maintain
223.14 the full payment rate under this ~~paragraph~~ subdivision.

223.15 **Subd. 12. Rates subject to the upper payment limit.** ~~(l)~~ (a) Payment rates for durable
223.16 medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment
223.17 limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the
223.18 Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed
223.19 in this ~~paragraph~~ subdivision.

223.20 **Subd. 13. Temporary rates for enteral nutrition and supplies.** ~~(m)~~ (a) For dates of
223.21 service on or after July 1, 2023, through June 30, 2025, enteral nutrition and supplies must
223.22 be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product or
223.23 supply, payment must be based upon the 50th percentile of the usual and customary charges
223.24 per product code submitted to the commissioner, using only charges submitted per unit.
223.25 Increases in rates resulting from the 50th percentile payment method must not exceed 150
223.26 percent of the previous fiscal year's rate per code and product combination. Data are sufficient
223.27 if: (1) the commissioner has at least 100 paid claim lines by at least ten different providers
223.28 for a given product or supply; or (2) in the absence of the data in clause (1), the commissioner
223.29 has at least 20 claim lines by at least five different providers for a product or supply that
223.30 does not meet the requirements of clause (1). If sufficient data are not available to calculate
223.31 the 50th percentile for enteral products or supplies, the payment rate must be the payment
223.32 rate in effect on June 30, 2023.

223.33 (b) This subdivision expires June 30, 2024.

224.1 **Subd. 14. Rates for enteral nutrition and supplies.** ~~(n)~~ For dates of service on or after
224.2 July 1, 2025, enteral nutrition and supplies must be paid according to this ~~paragraph~~
224.3 subdivision and updated annually each January 1. If sufficient data exists for a product or
224.4 supply, payment must be based upon the 50th percentile of the usual and customary charges
224.5 per product code submitted to the commissioner for the previous calendar year, using only
224.6 charges submitted per unit. Increases in rates resulting from the 50th percentile payment
224.7 method must not exceed 150 percent of the previous year's rate per code and product
224.8 combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines
224.9 by at least ten different providers for a given product or supply; or (2) in the absence of the
224.10 data in clause (1), the commissioner has at least 20 claim lines by at least five different
224.11 providers for a product or supply that does not meet the requirements of clause (1). If
224.12 sufficient data are not available to calculate the 50th percentile for enteral products or
224.13 supplies, the payment must be the manufacturer's suggested retail price of that product or
224.14 supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment
224.15 must be the actual acquisition cost of that product or supply plus 20 percent.

224.16 **Subd. 15. Rates for phototherapy services.** For dates of service on or after July 1,
224.17 2025, the payment rate for phototherapy services provided in the home setting must include
224.18 a service fee in the amount of \$520 per patient episode, in addition to the daily rental rate
224.19 for the medical equipment in subdivision 12. The commissioner shall provide an annual
224.20 inflation adjustment for the phototherapy service fee. The index for the inflation adjustment
224.21 must be based on the Consumer Price Index for All Urban Consumers increase published
224.22 by the Bureau of Labor Statistics.

224.23 **Sec. 19. [256B.768] MEDICARE RATE ALIGNMENT.**

224.24 **Subdivision 1. Medicare physician fee schedule rates.** (a) Effective January 1, 2026,
224.25 or upon federal approval, whichever is later, and effective for services rendered on or after
224.26 January 1, 2026, or the date of federal approval, whichever is later, the commissioner must
224.27 make payments based on the resource-based relative value scale for all services:

224.28 (1) covered in medical assistance; and

224.29 (2) with a corresponding rate and procedure code in the Medicare Physician Fee Schedule.

224.30 (b) Effective January 1, 2026, or upon federal approval, whichever is later, and effective
224.31 for services rendered on or after January 1, 2026, or the date of federal approval, whichever
224.32 is later, rates must be at least equal to 100 percent of the Medicare Physician Fee Schedule
224.33 if the service:

225.1 (1) is reimbursed in medical assistance under the resource-based relative value scale;
225.2 and

225.3 (2) has a corresponding rate and procedural code in the Medicare Physician Fee Schedule.

225.4 (c) For services rendered on or after January 1, 2026, the commissioner shall increase
225.5 capitation payments made to managed care plans and county-based purchasing plans to
225.6 reflect the rate increases provided under this subdivision. Managed care plans and
225.7 county-based purchasing plans must reimburse providers at an amount that is at least equal
225.8 to the fee-for-service rate for services under this subdivision. The commissioner must
225.9 monitor the effect of this rate increase on enrollee access to services under this subdivision.
225.10 If for any contract year federal approval is not received for this paragraph, the commissioner
225.11 must adjust the capitation rates paid to managed care plans and county-based purchasing
225.12 plans for that contract year to reflect the removal of this paragraph. Contracts between
225.13 managed care plans and county-based purchasing plans and providers to whom this paragraph
225.14 applies must allow recovery of payments from those providers if capitation rates are adjusted
225.15 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
225.16 to any increase in rates that results from this paragraph.

225.17 Subd. 2. **Applicable fee schedule.** For purposes of this section, the applicable Medicare
225.18 Physician Fee Schedule is the most recent Medicare Physician Fee Schedule Final Rule
225.19 issued by the Centers for Medicare and Medicaid Services in effect at the time the service
225.20 was rendered.

225.21 Subd. 3. **Exceptions.** This section does not apply to federally qualified health centers,
225.22 rural health centers, Indian health services, certified community behavioral health clinics,
225.23 cost-based rates, and rates that are negotiated with the county.

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

225.27 Sec. 20. Minnesota Statutes 2024, section 295.52, subdivision 1, is amended to read:

225.28 Subdivision 1. **Hospital tax.** A tax is imposed on each hospital equal to ~~1.8~~ two percent
225.29 of its gross revenues.

225.30 Sec. 21. Minnesota Statutes 2024, section 295.52, subdivision 1a, is amended to read:

225.31 Subd. 1a. **Surgical center tax.** A tax is imposed on each surgical center equal to ~~1.8~~
225.32 two percent of its gross revenues.

226.1 Sec. 22. Minnesota Statutes 2024, section 295.52, subdivision 2, is amended to read:

226.2 Subd. 2. **Provider tax.** A tax is imposed on each health care provider equal to ~~1.8~~ two
226.3 percent of its gross revenues.

226.4 Sec. 23. Minnesota Statutes 2024, section 295.52, subdivision 3, is amended to read:

226.5 Subd. 3. **Wholesale drug distributor tax.** A tax is imposed on each wholesale drug
226.6 distributor equal to ~~1.8~~ two percent of its gross revenues.

226.7 Sec. 24. Minnesota Statutes 2024, section 295.52, subdivision 4, is amended to read:

226.8 Subd. 4. **Use tax; legend drugs.** (a) A person that receives legend drugs for resale or
226.9 use in Minnesota, other than from a wholesale drug distributor that is subject to tax under
226.10 subdivision 3, is subject to a tax equal to the price paid for the legend drugs multiplied by
226.11 ~~1.8~~ two percent. Liability for the tax is incurred when legend drugs are received or delivered
226.12 in Minnesota by the person.

226.13 (b) A tax imposed under this subdivision does not apply to purchases by an individual
226.14 for personal consumption.

226.15 Sec. 25. [295.525] MCO ASSESSMENT ON HEALTH PLAN COMPANIES.

226.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the definitions have the
226.17 meanings given.

226.18 (b) "Commissioner" means the commissioner of human services.

226.19 (c) "Enrollee" has the meaning given in section 62Q.01, except that enrollee does not
226.20 include:

226.21 (1) an individual enrolled in a Medicare plan;

226.22 (2) a plan-to-plan enrollee; or

226.23 (3) an individual enrolled in a health plan pursuant to the Federal Employees Health
226.24 Benefits Act of 1959, Public Law 86-382, as amended, to the extent the imposition of the
226.25 assessment under this section is preempted pursuant to United States Code, title 5, section
226.26 8909, subsection (f).

226.27 (d) "Health plan" has the meaning given in section 62Q.01.

226.28 (e) "Health plan company" has the meaning given in section 62Q.01.

227.1 (f) "Medical assistance" means the medical assistance program established under chapter
227.2 256B.

227.3 (g) "Medical assistance enrollee" means an enrollee in medical assistance or
227.4 MinnesotaCare for whom the Department of Human Services directly pays the health plan
227.5 company a capitated payment.

227.6 (h) "MinnesotaCare" means the MinnesotaCare program established under chapter 256L.

227.7 (i) "Plan-to-plan enrollee" means an individual who receives coverage for health care
227.8 services through a health plan pursuant to a subcontract from another health plan.

227.9 Subd. 2. **MCO assessment.** (a) An annual assessment is imposed on health plan
227.10 companies for each calendar year beginning in calendar year 2026. The total annual
227.11 assessment amount is equal to the sum of the amounts assessed for medical assistance
227.12 enrollees under paragraph (b) and for nonmedical assistance enrollees under paragraph (c).

227.13 (b) The amount assessed for medical assistance enrollees is equal to the sum of the
227.14 following:

227.15 (1) for medical assistance enrollees 0 to 60,000, \$0 per enrollee;

227.16 (2) for medical assistance enrollees 60,001 to 100,000, \$340 per enrollee;

227.17 (3) for medical assistance enrollees 100,001 to 200,000, \$365 per enrollee; and

227.18 (4) for medical assistance enrollees 200,001 to 350,000, \$380 per enrollee.

227.19 (c) The amount assessed for nonmedical assistance enrollees is equal to the sum of the
227.20 following:

227.21 (1) for nonmedical assistance enrollees 0 to 60,000, \$0 per enrollee;

227.22 (2) for nonmedical assistance enrollees 60,001 to 100,000, 50 cents per enrollee;

227.23 (3) for nonmedical assistance enrollees 100,001 to 200,000, 75 cents per enrollee; and

227.24 (4) for nonmedical assistance enrollees 200,001 to 350,000, \$1 per enrollee.

227.25 (d) The commissioner must annually use the commissioner's authority as necessary to
227.26 modify the rate of assessment, provided under paragraph (e), such that the annual assessment
227.27 imposed under this subdivision equals 2.8 percent of the health plan companies' aggregate
227.28 gross revenue.

227.29 (e) The commissioner may, after consultation with health plan companies likely to be
227.30 affected, modify the rate of assessment, as set forth in paragraphs (a) to (d), as necessary
227.31 to:

228.1 (1) comply with federal law, obtain or maintain a waiver under Code of Federal
228.2 Regulations, title 42, section 433.72, or to otherwise maximize under this section federal
228.3 financial participation for medical assistance; and

228.4 (2) comply with paragraph (d).

228.5 (f) Unpaid assessment amounts accrue interest at a rate of ten percent per annum,
228.6 beginning the day following the assessment payment's due date. A penalty, equal to the
228.7 total accrued interest charge, is imposed monthly on payments 60 days or more overdue
228.8 until the payment, penalty, and interest are paid in full.

228.9 Subd. 3. **Assessment computation; collection.** (a) The commissioner must annually
228.10 determine the following for each health plan company:

228.11 (1) total enrollment for the calendar year;

228.12 (2) total Medicare enrollment for the calendar year;

228.13 (3) total medical assistance enrollment for the calendar year;

228.14 (4) total plan-to-plan enrollment for the calendar year;

228.15 (5) total enrollment through the Federal Employees Health Benefits Act of 1959, Public
228.16 Law 86-382, as amended, for the calendar year; and

228.17 (6) total other enrollment for the calendar year that is not otherwise counted in clauses
228.18 (2) to (5).

228.19 (b) Health plan companies must provide any information requested by the commissioner
228.20 for the purpose of this subdivision, provided that the commissioner determines such
228.21 information is necessary to accurately determine the information in paragraph (a).

228.22 (c) The commissioner may correct errors in data provided to the commissioner by a
228.23 health plan company to the extent necessary to accurately determine the information in
228.24 paragraph (a).

228.25 (d) For purposes of calculating the information in paragraph (a) for a health plan company,
228.26 the commissioner must count any individual that was an enrollee of a health plan at any
228.27 point of the calendar year, regardless of the enrollee's duration as an enrollee of the health
228.28 plan.

228.29 (e) The commissioner must annually use the information in paragraph (a) to compute
228.30 the assessment for each health plan company.

229.1 (f) The commissioner must collect the annual assessment for each health plan company
229.2 in four equal installments, in the manner and on the schedule determined by the
229.3 commissioner. The commissioner is prohibited from collecting any amount under this section
229.4 until 20 days after the commissioner has notified the health plan company of:

229.5 (1) the effective date of this section;

229.6 (2) the assessment due dates for the applicable calendar year; and

229.7 (3) the annual assessment amount.

229.8 (g) The commissioner may waive all or part of the interest or penalty imposed on a
229.9 health plan company under subdivision 2, paragraph (e), if the commissioner determines
229.10 the interest or penalty is likely to create an undue financial hardship on the health plan
229.11 company or a significant financial difficulty in providing necessary services to medical
229.12 assistance enrollees. A waiver under this paragraph must be contingent on the health plan
229.13 company's agreement to make assessment payments on an alternative schedule, determined
229.14 by the commissioner, that accounts for the health plan company's finances and the potential
229.15 impact on the delivery of services to medical assistance enrollees.

229.16 (h) In the event of a merger, acquisition, or other transaction that results in the transfer
229.17 of health plan responsibility to another health plan company or similar entity during calendar
229.18 years 2026 to 2029, the surviving, acquiring, or controlling health plan company or similar
229.19 entity shall be responsible for paying the full assessment amount as provided in this section
229.20 that would have been the responsibility of the health plan company to which that full
229.21 assessment amount was assessed upon the effective date of the transaction. If a transaction
229.22 results in the transfer of health plan responsibility for only some of a health plan's enrollees
229.23 under this section but not all enrollees, the full assessment amount as provided in this section
229.24 remains the responsibility of that health plan company to which that full assessment amount
229.25 was assessed.

229.26 Subd. 4. **MCO assessment expenditures.** (a) All amounts collected by the commissioner
229.27 under this section must be deposited in the health care access fund.

229.28 (b) All amounts collected by the commissioner under this section are annually
229.29 appropriated to the commissioner to provide nonfederal funds for medical assistance and
229.30 MinnesotaCare program rate changes made in this act related to:

229.31 (1) ambulance services under section 256B.0625, subdivision 17a;

229.32 (2) behavioral health home services under section 256B.0757;

229.33 (3) mental health services under section 256B.761;

230.1 (4) services reimbursed under the resource-based relative value scale and with a
230.2 corresponding rate and procedural code in the Medicare Physician Fee Schedule under
230.3 section 256B.768; and

230.4 (5) inpatient behavioral health services provided by hospitals paid under the DRG
230.5 methodology.

230.6 (c) The assessment funds must be used to supplement funds for medical assistance from
230.7 the general fund.

230.8 (d) The commissioner must provide an annual report to all health plan companies, in a
230.9 time and manner determined by the commissioner. The report must identify the assessments
230.10 imposed on each health plan company pursuant to this section, account for all funds raised
230.11 by the MCO assessment, and provide an itemized accounting of expenditures from the fund.

230.12 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval
230.13 for the assessment established in this section to be considered a permissible health
230.14 care-related tax under Code of Federal Regulations, title 42, section 433.68, eligible for
230.15 federal financial participation, including but not limited to federal approval of a waiver
230.16 under Code of Federal Regulations, title 42, section 433.72, if such waiver is necessary to
230.17 receive health care-related taxes without a reduction in federal financial participation,
230.18 whichever is later. The commissioner of human services shall notify the revisor of statutes
230.19 when federal approval is obtained.

230.20 Sec. 26. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ENHANCED**
230.21 **FEDERAL REIMBURSEMENT FOR FAMILY PLANNING SERVICES IN**
230.22 **MEDICAL ASSISTANCE.**

230.23 The commissioner of human services must make the systems modification necessary to
230.24 claim enhanced federal reimbursement for all family planning services under the medical
230.25 assistance program.

230.26 Sec. 27. **IMPLEMENTATION OF HOSPITAL ASSESSMENT AND DIRECTED**
230.27 **PAYMENT PROGRAM.**

230.28 (a) The commissioner of human services must immediately begin all necessary claims
230.29 analysis to calculate the assessment and payments required under Minnesota Statutes, section
230.30 256.9657, subdivision 2b, and the hospital directed payment program described in Minnesota
230.31 Statutes, section 256B.1974.

231.1 (b) The commissioner of human services, in consultation with the Minnesota Hospital
231.2 Association, must submit to the Centers for Medicare and Medicaid Services a request for
231.3 federal approval to implement the hospital assessment described in Minnesota Statutes,
231.4 section 256.9657, subdivision 2b, and the hospital directed payment program under
231.5 Minnesota Statutes, section 256B.1974. At least 15 days before submitting the request for
231.6 approval, the commissioner must make available to the public the draft assessment
231.7 requirements, draft directed payment details, and an estimate of each assessment amount
231.8 for each hospital without an exemption from the assessment pursuant to Minnesota Statutes,
231.9 section 256.9657, subdivision 2b, paragraph (k).

231.10 (c) During the design and prior to submission of the request for approval under paragraph
231.11 (b), the commissioner of human services must consult with the Minnesota Hospital
231.12 Association and any hospitals without an exemption from the assessment pursuant to
231.13 Minnesota Statutes, section 256.9657, subdivision 2b, paragraph (k), and that are not
231.14 members of the Minnesota Hospital Association.

231.15 (d) If federal approval is received for the request under paragraph (b), the commissioner
231.16 of human services must provide at least 15 days of public posting and review of the federally
231.17 approved terms and conditions for the assessment and the directed payment program prior
231.18 to any assessment under Minnesota Statutes, section 256.9657, subdivision 2b, becoming
231.19 due from a hospital.

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

231.21 Sec. 28. **FEDERAL APPROVAL; WAIVERS.**

231.22 (a) The commissioner must request, as the commissioner determines necessary, federal
231.23 approval for the MCO assessment on health plan companies established in this act to be
231.24 considered a permissible health care-related tax under Code of Federal Regulations, title
231.25 42, section 433.68, eligible for federal financial participation.

231.26 (b) To obtain the federal approval under paragraph (a), the commissioner may apply for
231.27 a waiver of the federal broad-based requirement for health care-related taxes, uniform
231.28 requirement for health care-related taxes, and any other provision of federal law necessary
231.29 to implement Minnesota Statutes, section 295.525.

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

232.1 Sec. 29. **BUDGET NEUTRALITY; RATE ADJUSTMENTS.**

232.2 (a) By October 1 of each year, the commissioner of human services must determine the
232.3 difference between the actual costs or forecasted costs to the medical assistance and
232.4 MinnesotaCare programs attributable to the program changes in Minnesota Statutes, section
232.5 295.525, subdivision 4, paragraph (b), clauses (1) to (5), and the revenue from the MCO
232.6 assessment imposed under Minnesota Statutes, section 295.525, subdivision 2, including
232.7 federal financial participation.

232.8 (b) For each fiscal year, the commissioner of human services must certify the difference
232.9 between the actual costs or forecasted costs to the medical assistance and MinnesotaCare
232.10 programs determined under paragraph (a), and report the difference in costs to the
232.11 commissioner of management and budget at least four weeks prior to a forecast under
232.12 Minnesota Statutes, section 16A.103.

232.13 (c) If for any fiscal year, the cumulative costs attributable to the program changes in
232.14 Minnesota Statutes, section 295.525, subdivision 4, paragraph (b), clauses (1) to (5), exceed
232.15 revenue from the MCO assessment imposed under Minnesota Statutes, section 295.525,
232.16 subdivision 2, as determined under paragraph (a), the commissioner of human services must
232.17 reduce the costs to the medical assistance and MinnesotaCare programs attributable to the
232.18 program changes in Minnesota Statutes, section 295.525, subdivision 4, paragraph (b),
232.19 clauses (1) to (5). The commissioner's reduction under this paragraph must be on a uniform
232.20 percentage basis across the rate increases provided in Minnesota Statutes, section 295.525,
232.21 subdivision 4, paragraph (b), clauses (1) to (5).

232.22 Sec. 30. **TREND LIMIT; CALCULATION.**

232.23 (a) Beginning January 1, 2027, and ending June 30, 2029, the commissioner of human
232.24 services may limit the trend increase in rates paid to managed care plans and county-based
232.25 purchasing plans under Minnesota Statutes, sections 256B.69 and 256B.692, by an amount
232.26 equal to the value of a 0.1 percent reduction in trend in medical assistance. Managed care
232.27 rates must meet actuarial soundness and rate development requirements under Code of
232.28 Federal Regulations, title 42, part 438, subpart A.

232.29 (b) In the November 2025 forecast, the commissioner of human services, in consultation
232.30 with the commissioner of management and budget, must reduce the forecasted trend growth
232.31 in managed care for medical assistance expenditures in fiscal years 2027, 2028, and 2029.
232.32 The reduction must not be less than \$7,784,000 in fiscal year 2027, \$8,219,000 in fiscal
232.33 year 2028, and \$8,446,000 in fiscal year 2029.

233.1 Sec. 31. **APPROPRIATION.**

233.2 \$10,000,000 is appropriated in fiscal year 2027 from the health care access fund to the
233.3 commissioner of human services for increases to payments for inpatient behavioral health
233.4 services provided by hospitals paid under the DRG methodology under Minnesota Statutes,
233.5 section 256.969, subdivision 2b, paragraph (l).

233.6 Sec. 32. **REPEALER.**

233.7 Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

233.8 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval
233.9 of this section, amendments in this act to Minnesota Statutes, section 256B.76, subdivision
233.10 6, and amendments in this act to Minnesota Statutes, section 256B.761, whichever is later.
233.11 The commissioner of human services shall notify the revisor of statutes when federal approval
233.12 is obtained.

233.13 **ARTICLE 7**233.14 **HUMAN SERVICES HEALTH CARE POLICY**

233.15 Section 1. Minnesota Statutes 2024, section 62Q.522, subdivision 1, is amended to read:

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

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

233.19 (c) "Contraceptive service" means consultation, examination, procedures, and medical
233.20 services related to the prevention of unintended pregnancy, ~~excluding vasectomies~~. This
233.21 includes but is not limited to voluntary sterilization procedures, patient education, counseling
233.22 on contraceptives, and follow-up services related to contraceptive methods or services,
233.23 management of side effects, counseling for continued adherence, and device insertion or
233.24 removal.

233.25 (d) "Medical necessity" includes but is not limited to considerations such as severity of
233.26 side effects, difference in permanence and reversibility of a contraceptive method or service,
233.27 and ability to adhere to the appropriate use of the contraceptive method or service, as
233.28 determined by the attending provider.

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

234.1 (1) is approved as safe and effective;

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

234.5 (3) is bioequivalent in that:

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

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

234.10 (4) is adequately labeled; and

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

234.12 **EFFECTIVE DATE.** This section is effective January 1, 2026, and applies to health
234.13 plans offered, issued, or renewed on or after that date.

234.14 Sec. 2. Minnesota Statutes 2024, section 256B.0371, subdivision 3, is amended to read:

234.15 Subd. 3. **Contingent contract with dental administrator.** (a) The commissioner shall
234.16 determine the extent to which managed care and county-based purchasing plans in the
234.17 aggregate meet the performance benchmark specified in subdivision 1 for coverage year
234.18 2024. If managed care and county-based purchasing plans in the aggregate fail to meet the
234.19 performance benchmark, the commissioner, after issuing a request for information followed
234.20 by a request for proposals, shall contract with a dental administrator to administer dental
234.21 services beginning January 1, ~~2026~~ 2028, for all recipients of medical assistance and
234.22 MinnesotaCare, including persons served under fee-for-service and persons receiving
234.23 services through managed care and county-based purchasing plans.

234.24 (b) The dental administrator must provide administrative services, including but not
234.25 limited to:

234.26 (1) provider recruitment, contracting, and assistance;

234.27 (2) recipient outreach and assistance;

234.28 (3) utilization management and reviews of medical necessity for dental services;

234.29 (4) dental claims processing;

234.30 (5) coordination of dental care with other services;

235.1 (6) management of fraud and abuse;

235.2 (7) monitoring access to dental services;

235.3 (8) performance measurement;

235.4 (9) quality improvement and evaluation; and

235.5 (10) management of third-party liability requirements.

235.6 ~~(e) Dental administrator payments to contracted dental providers must be at the rates~~
235.7 ~~established under sections 256B.76 and 256L.11.~~

235.8 ~~(d)~~ (c) Recipients must be given a choice of dental provider, including any provider who
235.9 agrees to provider participation requirements and payment rates established by the
235.10 commissioner and dental administrator. The dental administrator must comply with the
235.11 network adequacy and geographic access requirements that apply to managed care and
235.12 county-based purchasing plans for dental services under section 62K.14.

235.13 ~~(e)~~ (d) The contract with the dental administrator must include a provision that states
235.14 that if the dental administrator fails to meet, by calendar year ~~2029~~ 2030, a performance
235.15 benchmark under which at least 55 percent of children and adults who were continuously
235.16 enrolled for at least 11 months in either medical assistance or MinnesotaCare received at
235.17 least one dental visit during the calendar year, the contract must be terminated and the
235.18 commissioner must enter into a contract with a new dental administrator as soon as
235.19 practicable.

235.20 ~~(f)~~ (e) The commissioner shall implement this subdivision in consultation with
235.21 representatives of providers who provide dental services to patients enrolled in medical
235.22 assistance or MinnesotaCare, including but not limited to providers serving primarily
235.23 low-income and socioeconomically complex populations, and with representatives of
235.24 managed care plans and county-based purchasing plans.

235.25 Sec. 3. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
235.26 to read:

235.27 Subd. 77. **Vasectomies.** (a) Medical assistance covers vasectomies.

235.28 (b) Medical assistance must meet the requirements with respect to coverage of
235.29 vasectomies that would otherwise apply to a health plan under section 62Q.522, except that
235.30 medical assistance is not required to comply with any provision of section 62Q.522 if
235.31 compliance with the provision would:

236.1 (1) prevent the state from receiving federal financial participation for the coverage under
236.2 this subdivision;

236.3 (2) result in a lower level of coverage or reduced access to coverage for medical assistance
236.4 enrollees; or

236.5 (3) violate Code of Federal Regulations, title 42, part 441, subpart F.

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

236.9 Sec. 4. Minnesota Statutes 2024, section 256B.76, is amended by adding a subdivision to
236.10 read:

236.11 Subd. 1a. **Certain long-term ambulatory electrocardiogram monitoring services.** (a)
236.12 For the purpose of this subdivision, "long-term ambulatory electrocardiogram monitoring
236.13 services" means the provision of external cardiac patch monitoring devices to patients to
236.14 wear for 48 hours or greater and the interpretation of data gathered by such devices to detect
236.15 heart arrhythmias that can lead to stroke, cardiac arrest, or other comorbidities or medical
236.16 complications if not correctly diagnosed.

236.17 (b) Effective January 1, 2026, or upon federal approval, whichever is later, the
236.18 commissioner must reimburse diagnostic testing facilities providing long-term ambulatory
236.19 electrocardiogram monitoring services at 100 percent of the Medicare Physician Fee Schedule
236.20 rate for such services or higher.

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

236.22 **ARTICLE 8**
236.23 **BEHAVIORAL HEALTH**

236.24 Section 1. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

236.25 Subd. 2. **Program design and implementation.** Adult mental health initiatives shall
236.26 be responsible for designing, planning, improving, and maintaining a mental health service
236.27 delivery system for adults with serious and persistent mental illness that would:

236.28 (1) provide an expanded array of services from which clients can choose services
236.29 appropriate to their needs;

236.30 (2) be based on purchasing strategies that improve access and coordinate services without
236.31 cost shifting;

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

(4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and

(5) utilize ~~existing categorical funding streams and reimbursement sources in combined and creative ways, except~~ adult mental health initiative funding only after all other eligible funding sources have been applied. Appropriations and all funds that are attributable to the operation of state-operated services under the control of the Direct Care and Treatment executive board are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

Subd. 6. Duties of commissioner. (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

(1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(2) other mental health special project funds;

(3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.

~~(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:~~

~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

~~(2) the size of the target population to be served; and~~

~~(3) geographical distribution.~~

~~(e)~~ (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

238.1 ~~(d)~~ (c) The commissioner may waive administrative rule requirements that are
238.2 incompatible with the implementation of the adult mental health initiative.

238.3 ~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions
238.4 for noncompliance with requirements in laws and rules that are incompatible with the
238.5 implementation of the adult mental health initiative.

238.6 ~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board
238.7 or group of county boards to pay for start-up and implementation costs of the adult mental
238.8 health initiative.

238.9 Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

238.10 Subd. 7. **Duties of adult mental health initiative board.** The adult mental health
238.11 initiative board, or other entity which is approved to administer an adult mental health
238.12 initiative, shall:

238.13 (1) administer the initiative in a manner that is consistent with the objectives described
238.14 in subdivision 2 and the planning process described in subdivision 5;

238.15 (2) assure that no one is denied services that they would otherwise be eligible for; and

238.16 (3) provide the commissioner of human services with timely and pertinent information
238.17 through the following methods:

238.18 ~~(i) submission of mental health plans and plan amendments which are based on a format~~
238.19 ~~and timetable determined by the commissioner;~~

238.20 ~~(ii) submission of social services expenditure and grant reconciliation reports, based on~~
238.21 ~~a coding format to be determined by mutual agreement between the initiative's managing~~
238.22 ~~entity and the commissioner; and~~

238.23 ~~(iii) submission of data and participation in an evaluation of the adult mental health~~
238.24 ~~initiatives, to be designed cooperatively by the commissioner and the initiatives. For services~~
238.25 ~~provided to American Indians in Tribal nations or urban Indian communities, oral reports~~
238.26 ~~using a system designed in partnership between the commissioner and the reporting~~
238.27 ~~community satisfy the requirements of this clause.~~

238.28 Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

238.29 Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of
238.30 age or older and under 21 years of age receiving continuous children's mental health targeted
238.31 case management services as defined in section 245.2875, subdivision 8.

239.1 **Sec. 5. MENTAL HEALTH COLLABORATION HUB INNOVATION PILOT.**

239.2 (a) The commissioner of human services shall provide funding and technical assistance
239.3 to and establish a data sharing agreement with the Mental Health Collaboration Hub to
239.4 support the Hub's pilot project to develop and implement innovative care pathways and care
239.5 facility decompression strategies. This pilot project must fund, track, and evaluate activities
239.6 that expedite transitions of children from inappropriate care settings to appropriate care
239.7 settings. A steering committee of expert Mental Health Collaboration Hub participants
239.8 representing the continuum of children's behavioral health care will guide funding
239.9 determinations to support the transition of up to 200 children per year.

239.10 (b) On January 1, 2027, and each January 1 for the subsequent four years, the Mental
239.11 Health Collaboration Hub must submit a report to the commissioner and chairs and ranking
239.12 minority members of the legislative committees with jurisdiction over children's mental
239.13 health and juvenile detention. The report must describe how the awarded grant money was
239.14 spent and summarize the impact the pilot project had on participating children, families,
239.15 and providers.

239.16 **Sec. 6. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY REPORT.**

239.17 (a) By January 15, 2026, the commissioner of human services, in consultation with
239.18 organizations operating psychiatric residential treatment facilities, advocates, health care
239.19 experts, juvenile detention experts, and county representatives, must submit a report and
239.20 proposed legislative changes to the chairs and ranking minority members of the legislative
239.21 committees with jurisdiction over children's mental health and juvenile detention. The
239.22 submitted report must include recommendations:

239.23 (1) to amend the state medical assistance plan to expand access to care provided in
239.24 psychiatric residential treatment facilities with consideration being given to enhancing
239.25 flexibilities to serve a continuum of mental health needs;

239.26 (2) to develop licensing standards for psychiatric residential treatment facilities to reflect
239.27 needed flexibilities and broad inclusion of settings where care can be delivered; and

239.28 (3) to update the rate methodology for services provided in psychiatric residential
239.29 treatment facilities to assure high quality of care with required individualization.

239.30 (b) When developing the recommendations required under paragraph (b), the
239.31 commissioner must:

239.32 (1) consider how best to meet the needs of children with high levels of complexity,
239.33 aggression, and related barriers to being served by community providers; and

(2) determine what would be required, including needed infrastructure, staffing, and sustainable funding sources, to allow qualified residential treatment programs to transition to a psychiatric residential treatment facility standard of care.

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

ARTICLE 9

BEHAVIORAL HEALTH POLICY

Section 1. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, a boarding care home under sections 144.50 to 144.56, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under chapter 245G or 245I, or Minnesota Rules, parts 9530.6510 to 9530.6590. For purposes of all subdivisions except subdivisions 20, 28, 29, 32, and 33, "resident" also means a person who is admitted to a facility licensed to provide intensive residential treatment services or residential crisis stabilization under section 245I.23.

Sec. 2. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

Subd. 4. **Case management service provider.** (a) "Case management service provider" means a case manager or case manager associate employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711.

241.1 (b) A case manager must:

241.2 (1) be skilled in the process of identifying and assessing a wide range of client needs;

241.3 (2) be knowledgeable about local community resources and how to use those resources
241.4 for the benefit of the client;

241.5 (3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have
241.6 a bachelor's degree in one of the behavioral sciences or related fields including, but not
241.7 limited to, social work, psychology, or nursing from an accredited college or university. A
241.8 case manager who is not a mental health practitioner ~~and~~ or who does not have a bachelor's
241.9 degree in one of the behavioral sciences or related fields must meet the requirements of
241.10 paragraph (c); and

241.11 (4) meet the supervision and continuing education requirements described in paragraphs
241.12 (d), (e), and (f), as applicable.

241.13 (c) Case managers without a bachelor's degree or with a bachelor's degree that is not in
241.14 one of the behavioral sciences or related fields must meet one of the requirements in clauses
241.15 (1) to ~~(3)~~ (5):

241.16 (1) have three or four years of experience as a case manager associate as defined in this
241.17 section;

241.18 (2) be a registered nurse without a bachelor's degree and have a combination of
241.19 specialized training in psychiatry and work experience consisting of community interaction
241.20 and involvement or community discharge planning in a mental health setting totaling three
241.21 years; ~~or~~

241.22 (3) be a person who qualified as a case manager under the 1998 Department of Human
241.23 Service waiver provision and meet the continuing education and mentoring requirements
241.24 in this section;

241.25 (4) prior to direct service delivery, complete at least 80 hours of specific training on the
241.26 characteristics and needs of adults with serious and persistent mental illness that is consistent
241.27 with national practices standards; or

241.28 (5) prior to direct service delivery, demonstrate competency in practice and knowledge
241.29 of the characteristics and needs of adults with serious and persistent mental illness, consistent
241.30 with national practices standards.

241.31 (d) A case manager with at least 2,000 hours of supervised experience in the delivery
241.32 of services to adults with mental illness must receive regular ongoing supervision and clinical

242.1 supervision totaling 38 hours per year of which at least one hour per month must be clinical
242.2 supervision regarding individual service delivery with a case management supervisor. The
242.3 remaining 26 hours of supervision may be provided by a case manager with two years of
242.4 experience. Group supervision may not constitute more than one-half of the required
242.5 supervision hours. Clinical supervision must be documented in the client record.

242.6 (e) A case manager without 2,000 hours of supervised experience in the delivery of
242.7 services to adults with mental illness must:

242.8 (1) receive clinical supervision regarding individual service delivery from a mental
242.9 health professional at least one hour per week until the requirement of 2,000 hours of
242.10 experience is met; and

242.11 (2) complete 40 hours of training approved by the commissioner in case management
242.12 skills and the characteristics and needs of adults with serious and persistent mental illness.

242.13 (f) A case manager who is not licensed, registered, or certified by a health-related
242.14 licensing board must receive 30 hours of continuing education and training in mental illness
242.15 and mental health services every two years.

242.16 (g) A case manager associate (CMA) must:

242.17 (1) work under the direction of a case manager or case management supervisor;

242.18 (2) be at least 21 years of age;

242.19 (3) have at least a high school diploma or its equivalent; and

242.20 (4) meet one of the following criteria:

242.21 (i) have an associate of arts degree in one of the behavioral sciences or human services;

242.22 (ii) be a certified peer specialist under section 256B.0615;

242.23 (iii) be a registered nurse without a bachelor's degree;

242.24 (iv) within the previous ten years, have three years of life experience with serious and
242.25 persistent mental illness as defined in subdivision 20; or as a child had severe emotional
242.26 disturbance as defined in section 245.4871, subdivision 6; or have three years life experience
242.27 as a primary caregiver to an adult with serious and persistent mental illness within the
242.28 previous ten years;

242.29 (v) have 6,000 hours work experience as a nondegreed state hospital technician; or

242.30 (vi) have at least 6,000 hours of supervised experience in the delivery of services to
242.31 persons with mental illness.

243.1 Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager
243.2 after four years of supervised work experience as a case manager associate. Individuals
243.3 meeting the criteria in item (vi) may qualify as a case manager after three years of supervised
243.4 experience as a case manager associate.

243.5 (h) A case management associate must meet the following supervision, mentoring, and
243.6 continuing education requirements:

243.7 (1) have 40 hours of preservice training described under paragraph (e), clause (2);

243.8 (2) receive ~~at least 40 hours of~~ annual continuing education in mental illness and mental
243.9 health services ~~annually; and~~ according to the following schedule, based on years of service
243.10 as a case management associate:

243.11 (i) at least 40 hours in the first year;

243.12 (ii) at least 30 hours in the second year;

243.13 (iii) at least 20 hours in the third year; and

243.14 (iv) at least 20 hours in the fourth year; and

243.15 (3) receive at least ~~five~~ four hours of ~~mentoring supervision~~ per week ~~per month~~ from a case
243.16 management ~~mentor~~ supervisor.

243.17 ~~A "case management mentor" means a qualified, practicing case manager or case management~~
243.18 ~~supervisor who teaches or advises and provides intensive training and clinical supervision~~
243.19 ~~to one or more case manager associates. Mentoring may occur while providing direct services~~
243.20 ~~to consumers in the office or in the field and may be provided to individuals or groups of~~
243.21 ~~case manager associates. At least two mentoring hours per week must be individual and~~
243.22 ~~face-to-face.~~

243.23 (i) A case management supervisor must meet the criteria for mental health professionals,
243.24 as specified in subdivision 18.

243.25 (j) An immigrant who does not have the qualifications specified in this subdivision may
243.26 provide case management services to adult immigrants with serious and persistent mental
243.27 illness who are members of the same ethnic group as the case manager if the person:

243.28 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
243.29 bachelor's degree in one of the behavioral sciences or a related field including, but not
243.30 limited to, social work, psychology, or nursing from an accredited college or university;

243.31 (2) completes 40 hours of training as specified in this subdivision; and

244.1 (3) receives clinical supervision at least once a week until the requirements of this
244.2 subdivision are met.

244.3 Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 9, is amended to read:

244.4 Subd. 9. **Services and programs.** (a) The following three distinct grant programs are
244.5 funded under this section:

244.6 (1) mental health crisis services;

244.7 (2) housing with supports for adults with serious mental illness; and

244.8 (3) projects for assistance in transitioning from homelessness (PATH program).

244.9 (b) In addition, the following are eligible for grant funds:

244.10 (1) community education and prevention;

244.11 (2) client outreach;

244.12 (3) early identification and intervention;

244.13 (4) adult outpatient diagnostic assessment and psychological testing;

244.14 (5) peer support services;

244.15 (6) community support program services (CSP);

244.16 (7) adult residential crisis stabilization;

244.17 (8) supported employment;

244.18 (9) assertive community treatment (ACT);

244.19 (10) housing subsidies;

244.20 (11) basic living, social skills, and community intervention;

244.21 (12) emergency response services;

244.22 (13) adult outpatient psychotherapy;

244.23 (14) adult outpatient medication management;

244.24 (15) adult mobile crisis services, including the purchase and renovation of vehicles by

244.25 mobile crisis teams in order to provide protected transport under section 256B.0625,

244.26 subdivision 17, paragraph (1), clause (6);

244.27 (16) adult day treatment;

244.28 (17) partial hospitalization;

245.1 (18) adult residential treatment;

245.2 (19) adult mental health targeted case management; and

245.3 (20) transportation.

245.4 Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

245.5 Subd. 4. **Case management service provider.** (a) "Case management service provider"

245.6 means a case manager or case manager associate employed by the county or other entity

245.7 authorized by the county board to provide case management services specified in subdivision

245.8 3 for the child with severe emotional disturbance and the child's family.

245.9 (b) A case manager must:

245.10 (1) have experience and training in working with children;

245.11 (2) have at least a bachelor's degree in one of the behavioral sciences or a related field

245.12 including, but not limited to, social work, psychology, or nursing from an accredited college

245.13 or university or meet the requirements of paragraph (d);

245.14 (3) have experience and training in identifying and assessing a wide range of children's

245.15 needs;

245.16 (4) be knowledgeable about local community resources and how to use those resources

245.17 for the benefit of children and their families; and

245.18 (5) meet the supervision and continuing education requirements of paragraphs (e), (f),

245.19 and (g), as applicable.

245.20 (c) A case manager may be a member of any professional discipline that is part of the

245.21 local system of care for children established by the county board.

245.22 (d) A case manager without a bachelor's degree or with a bachelor's degree that is not

245.23 in one of the behavioral sciences or related fields must meet one of the requirements in

245.24 clauses (1) to ~~(3)~~ (5):

245.25 (1) have three or four years of experience as a case manager associate;

245.26 (2) be a registered nurse without a bachelor's degree who has a combination of specialized

245.27 training in psychiatry and work experience consisting of community interaction and

245.28 involvement or community discharge planning in a mental health setting totaling three years;

245.29 ~~or~~

(3) be a person who qualified as a case manager under the 1998 Department of Human Services waiver provision and meets the continuing education, supervision, and mentoring requirements in this section;

(4) prior to direct service delivery, complete at least 80 hours of specific training on the characteristics and needs of children with severe emotional disturbance, consistent with national practices standards; or

(5) prior to direct service delivery, demonstrate competency in practice and knowledge of the characteristics and needs of children with severe emotional disturbance, consistent with national practices standards.

(e) A case manager with at least 2,000 hours of supervised experience in the delivery of mental health services to children must receive regular ongoing supervision and clinical supervision totaling 38 hours per year, of which at least one hour per month must be clinical supervision regarding individual service delivery with a case management supervisor. The other 26 hours of supervision may be provided by a case manager with two years of experience. Group supervision may not constitute more than one-half of the required supervision hours.

(f) A case manager without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least one hour each week until the requirement of 2,000 hours of experience is met.

(g) A case manager who is not licensed, registered, or certified by a health-related licensing board must receive 30 hours of continuing education and training in severe emotional disturbance and mental health services every two years.

(h) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(i) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(j) A case manager associate (CMA) must:

- 247.1 (1) work under the direction of a case manager or case management supervisor;
- 247.2 (2) be at least 21 years of age;
- 247.3 (3) have at least a high school diploma or its equivalent; and
- 247.4 (4) meet one of the following criteria:
- 247.5 (i) have an associate of arts degree in one of the behavioral sciences or human services;
- 247.6 (ii) be a registered nurse without a bachelor's degree;
- 247.7 (iii) have three years of life experience as a primary caregiver to a child with serious
- 247.8 emotional disturbance as defined in subdivision 6 within the previous ten years;
- 247.9 (iv) have 6,000 hours work experience as a nondegreed state hospital technician; or
- 247.10 (v) have 6,000 hours of supervised work experience in the delivery of mental health
- 247.11 services to children with emotional disturbances; hours worked as a mental health behavioral
- 247.12 aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of
- 247.13 supervised work experience.
- 247.14 Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager
- 247.15 after four years of supervised work experience as a case manager associate. Individuals
- 247.16 meeting the criteria in item (v) may qualify as a case manager after three years of supervised
- 247.17 experience as a case manager associate.
- 247.18 (k) Case manager associates must meet the following supervision, mentoring, and
- 247.19 continuing education requirements;
- 247.20 (1) have 40 hours of preservice training described under paragraph (f), clause (1);
- 247.21 (2) receive at least 40 hours of continuing education in severe emotional disturbance
- 247.22 and mental health service annually; and
- 247.23 (3) receive at least five hours of mentoring per week from a case management mentor.
- 247.24 A "case management mentor" means a qualified, practicing case manager or case management
- 247.25 supervisor who teaches or advises and provides intensive training and clinical supervision
- 247.26 to one or more case manager associates. Mentoring may occur while providing direct services
- 247.27 to consumers in the office or in the field and may be provided to individuals or groups of
- 247.28 case manager associates. At least two mentoring hours per week must be individual and
- 247.29 face-to-face.
- 247.30 (l) A case management supervisor must meet the criteria for a mental health professional
- 247.31 as specified in subdivision 27.

248.1 (m) An immigrant who does not have the qualifications specified in this subdivision
248.2 may provide case management services to child immigrants with severe emotional
248.3 disturbance of the same ethnic group as the immigrant if the person:

248.4 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
248.5 bachelor's degree in one of the behavioral sciences or related fields at an accredited college
248.6 or university;

248.7 (2) completes 40 hours of training as specified in this subdivision; and

248.8 (3) receives clinical supervision at least once a week until the requirements of obtaining
248.9 a bachelor's degree and 2,000 hours of supervised experience are met.

248.10 Sec. 5. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

248.11 Subd. 4. **Case management service provider.** (a) "Case management service provider"
248.12 means a case manager or case manager associate employed by the county or other entity
248.13 authorized by the county board to provide case management services specified in subdivision
248.14 3 for the child with severe emotional disturbance and the child's family.

248.15 (b) A case manager must:

248.16 (1) have experience and training in working with children;

248.17 (2) be a mental health practitioner under section 245I.04, subdivision 4, or have at least
248.18 a bachelor's degree in one of the behavioral sciences or a related field including, but not
248.19 limited to, social work, psychology, or nursing from an accredited college or university or
248.20 meet the requirements of paragraph (d);

248.21 (3) have experience and training in identifying and assessing a wide range of children's
248.22 needs;

248.23 (4) be knowledgeable about local community resources and how to use those resources
248.24 for the benefit of children and their families; and

248.25 (5) meet the supervision and continuing education requirements of paragraphs (e), (f),
248.26 and (g), as applicable.

248.27 (c) A case manager may be a member of any professional discipline that is part of the
248.28 local system of care for children established by the county board.

248.29 (d) A case manager ~~without~~ who is not a mental health practitioner and does not have
248.30 a bachelor's degree must meet one of the requirements in clauses (1) to (3):

248.31 (1) have three or four years of experience as a case manager associate;

249.1 (2) be a registered nurse without a bachelor's degree who has a combination of specialized
249.2 training in psychiatry and work experience consisting of community interaction and
249.3 involvement or community discharge planning in a mental health setting totaling three years;
249.4 or

249.5 (3) be a person who qualified as a case manager under the 1998 Department of Human
249.6 Services waiver provision and meets the continuing education, supervision, and mentoring
249.7 requirements in this section.

249.8 (e) A case manager with at least 2,000 hours of supervised experience in the delivery
249.9 of mental health services to children must receive regular ongoing supervision and clinical
249.10 supervision totaling 38 hours per year, of which at least one hour per month must be clinical
249.11 supervision regarding individual service delivery with a case management supervisor. The
249.12 other 26 hours of supervision may be provided by a case manager with two years of
249.13 experience. Group supervision may not constitute more than one-half of the required
249.14 supervision hours.

249.15 (f) A case manager without 2,000 hours of supervised experience in the delivery of
249.16 mental health services to children with emotional disturbance must:

249.17 (1) begin 40 hours of training approved by the commissioner of human services in case
249.18 management skills and in the characteristics and needs of children with severe emotional
249.19 disturbance before beginning to provide case management services; and

249.20 (2) receive clinical supervision regarding individual service delivery from a mental
249.21 health professional at least one hour each week until the requirement of 2,000 hours of
249.22 experience is met.

249.23 (g) A case manager who is not licensed, registered, or certified by a health-related
249.24 licensing board must receive 30 hours of continuing education and training in severe
249.25 emotional disturbance and mental health services every two years.

249.26 (h) Clinical supervision must be documented in the child's record. When the case manager
249.27 is not a mental health professional, the county board must provide or contract for needed
249.28 clinical supervision.

249.29 (i) The county board must ensure that the case manager has the freedom to access and
249.30 coordinate the services within the local system of care that are needed by the child.

249.31 (j) A case manager associate (CMA) must:

249.32 (1) work under the direction of a case manager or case management supervisor;

- 250.1 (2) be at least 21 years of age;
- 250.2 (3) have at least a high school diploma or its equivalent; and
- 250.3 (4) meet one of the following criteria:
- 250.4 (i) have an associate of arts degree in one of the behavioral sciences or human services;
- 250.5 (ii) be a registered nurse without a bachelor's degree;
- 250.6 (iii) have three years of life experience as a primary caregiver to a child with serious
- 250.7 emotional disturbance as defined in subdivision 6 within the previous ten years;
- 250.8 (iv) have 6,000 hours work experience as a nondegreed state hospital technician; or
- 250.9 (v) have 6,000 hours of supervised work experience in the delivery of mental health
- 250.10 services to children with emotional disturbances; hours worked as a mental health behavioral
- 250.11 aide I or II under section 256B.0943, subdivision 7, may count toward the 6,000 hours of
- 250.12 supervised work experience.
- 250.13 Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager
- 250.14 after four years of supervised work experience as a case manager associate. Individuals
- 250.15 meeting the criteria in item (v) may qualify as a case manager after three years of supervised
- 250.16 experience as a case manager associate.
- 250.17 (k) Case manager associates must meet the following supervision, mentoring, and
- 250.18 continuing education requirements;
- 250.19 (1) have 40 hours of preservice training described under paragraph (f), clause (1);
- 250.20 (2) receive at least 40 hours of continuing education in severe emotional disturbance
- 250.21 and mental health service annually; and
- 250.22 (3) receive at least five hours of mentoring per week from a case management mentor.
- 250.23 A "case management mentor" means a qualified, practicing case manager or case management
- 250.24 supervisor who teaches or advises and provides intensive training and clinical supervision
- 250.25 to one or more case manager associates. Mentoring may occur while providing direct services
- 250.26 to consumers in the office or in the field and may be provided to individuals or groups of
- 250.27 case manager associates. At least two mentoring hours per week must be individual and
- 250.28 face-to-face.
- 250.29 (l) A case management supervisor must meet the criteria for a mental health professional
- 250.30 as specified in subdivision 27.

251.1 (m) An immigrant who does not have the qualifications specified in this subdivision
251.2 may provide case management services to child immigrants with severe emotional
251.3 disturbance of the same ethnic group as the immigrant if the person:

251.4 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
251.5 bachelor's degree in one of the behavioral sciences or related fields at an accredited college
251.6 or university;

251.7 (2) completes 40 hours of training as specified in this subdivision; and

251.8 (3) receives clinical supervision at least once a week until the requirements of obtaining
251.9 a bachelor's degree and 2,000 hours of supervised experience are met.

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

251.11 Sec. 6. Minnesota Statutes 2024, section 245.4871, is amended by adding a subdivision
251.12 to read:

251.13 **Subd. 7a. Clinical supervision.** "Clinical supervision" means the oversight responsibility
251.14 for individual treatment plans and individual mental health service delivery, including
251.15 oversight provided by the case manager. Clinical supervision must be provided by a mental
251.16 health professional. The supervising mental health professional must cosign an individual
251.17 treatment plan, and their name must be documented in the client's record.

251.18 Sec. 7. Minnesota Statutes 2024, section 245.4881, subdivision 3, is amended to read:

251.19 **Subd. 3. Duties of case manager.** (a) Upon a determination of eligibility for case
251.20 management services, the case manager shall develop an individual family community
251.21 support plan for a child as specified in subdivision 4, review the child's progress, ~~and~~ monitor
251.22 the provision of services, and if the child and parent or legal guardian consent, complete a
251.23 written functional assessment as defined by section 245.4871, subdivision 18a. If services
251.24 are to be provided in a host county that is not the county of financial responsibility, the case
251.25 manager shall consult with the host county and obtain a letter demonstrating the concurrence
251.26 of the host county regarding the provision of services.

251.27 (b) The case manager shall note in the child's record the services needed by the child
251.28 and the child's family, the services requested by the family, services that are not available,
251.29 and the unmet needs of the child and child's family. The case manager shall note this
251.30 provision in the child's record.

252.1 Sec. 8. Minnesota Statutes 2024, section 245.4889, subdivision 1, is amended to read:

252.2 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
252.3 make grants from available appropriations to assist:

252.4 (1) counties;

252.5 (2) Indian tribes;

252.6 (3) children's collaboratives under section 142D.15 or 245.493; or

252.7 (4) mental health service providers.

252.8 (b) The following services are eligible for grants under this section:

252.9 (1) services to children with emotional disturbances as defined in section 245.4871,
252.10 subdivision 15, and their families;

252.11 (2) transition services under section 245.4875, subdivision 8, for young adults under
252.12 age 21 and their families;

252.13 (3) respite care services for children with emotional disturbances or severe emotional
252.14 disturbances who are at risk of residential treatment or hospitalization, who are already in
252.15 out-of-home placement in family foster settings as defined in chapter 142B and at risk of
252.16 change in out-of-home placement or placement in a residential facility or other higher level
252.17 of care, who have utilized crisis services or emergency room services, or who have
252.18 experienced a loss of in-home staffing support. Allowable activities and expenses for respite
252.19 care services are defined under subdivision 4. A child is not required to have case
252.20 management services to receive respite care services. Counties must work to provide access
252.21 to regularly scheduled respite care;

252.22 (4) children's mental health crisis services;

252.23 (5) child-, youth-, and family-specific mobile response and stabilization services models;

252.24 (6) mental health services for people from cultural and ethnic minorities, including
252.25 supervision of clinical trainees who are Black, indigenous, or people of color;

252.26 (7) children's mental health screening and follow-up diagnostic assessment and treatment;

252.27 (8) services to promote and develop the capacity of providers to use evidence-based
252.28 practices in providing children's mental health services;

252.29 (9) school-linked mental health services under section 245.4901;

252.30 (10) building evidence-based mental health intervention capacity for children birth to
252.31 age five;

- 253.1 (11) suicide prevention and counseling services that use text messaging statewide;
- 253.2 (12) mental health first aid training;
- 253.3 (13) training for parents, collaborative partners, and mental health providers on the
- 253.4 impact of adverse childhood experiences and trauma and development of an interactive
- 253.5 website to share information and strategies to promote resilience and prevent trauma;
- 253.6 (14) transition age services to develop or expand mental health treatment and supports
- 253.7 for adolescents and young adults 26 years of age or younger;
- 253.8 (15) early childhood mental health consultation;
- 253.9 (16) evidence-based interventions for youth at risk of developing or experiencing a first
- 253.10 episode of psychosis, and a public awareness campaign on the signs and symptoms of
- 253.11 psychosis;
- 253.12 (17) psychiatric consultation for primary care practitioners; ~~and~~
- 253.13 (18) providers to begin operations and meet program requirements when establishing a
- 253.14 new children's mental health program. These may be start-up grants; and
- 253.15 (19) evidence-based interventions for youth and young adults at risk of developing or
- 253.16 experiencing an early episode of bipolar disorder.
- 253.17 (c) Services under paragraph (b) must be designed to help each child to function and
- 253.18 remain with the child's family in the community and delivered consistent with the child's
- 253.19 treatment plan. Transition services to eligible young adults under this paragraph must be
- 253.20 designed to foster independent living in the community.
- 253.21 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
- 253.22 reimbursement sources, if applicable.
- 253.23 (e) The commissioner may establish and design a pilot program to expand the mobile
- 253.24 response and stabilization services model for children, youth, and families. The commissioner
- 253.25 may use grant funding to consult with a qualified expert entity to assist in the formulation
- 253.26 of measurable outcomes and explore and position the state to submit a Medicaid state plan
- 253.27 amendment to scale the model statewide.
- 253.28 Sec. 9. Minnesota Statutes 2024, section 245.4901, subdivision 3, is amended to read:
- 253.29 Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities
- 253.30 and related expenses may include but are not limited to:

254.1 (1) identifying and diagnosing mental health conditions and substance use disorders of
254.2 students;

254.3 (2) delivering mental health and substance use disorder treatment and services to students
254.4 and their families, including via telehealth consistent with section 256B.0625, subdivision
254.5 3b;

254.6 (3) supporting families in meeting their child's needs, including accessing needed mental
254.7 health services to support the parent in caregiving and navigating health care, social service,
254.8 and juvenile justice systems;

254.9 (4) providing transportation for students receiving school-linked behavioral health
254.10 services when school is not in session;

254.11 (5) building the capacity of schools to meet the needs of students with mental health and
254.12 substance use disorder concerns, including school staff development activities for licensed
254.13 and nonlicensed staff; and

254.14 (6) purchasing equipment, connection charges, on-site coordination, set-up fees, and
254.15 site fees in order to deliver school-linked behavioral health services via telehealth.

254.16 (b) Grantees shall obtain all available third-party reimbursement sources as a condition
254.17 of receiving a grant. For purposes of this grant program, a third-party reimbursement source
254.18 excludes a public school as defined in section 120A.20, subdivision 1. Grantees shall serve
254.19 students regardless of health coverage status or ability to pay.

254.20 Sec. 10. **[245.4904] INTERMEDIATE SCHOOL DISTRICT BEHAVIORAL**
254.21 **HEALTH GRANT PROGRAM.**

254.22 Subdivision 1. Establishment. The commissioner of human services must establish a
254.23 grant program to improve behavioral health outcomes for youth attending a qualifying
254.24 school unit and to build the capacity of schools to support student and teacher needs in the
254.25 classroom. For the purposes of this section, "qualifying school unit" means an intermediate
254.26 school district organized under section 136D.01.

254.27 Subd. 2. Eligible applicants. An eligible applicant is an intermediate school district
254.28 organized under section 136D.01, and a partner entity or provider that has demonstrated
254.29 capacity to serve the youth identified in subdivision 1 that is:

254.30 (1) a mental health clinic certified under section 245I.20;

254.31 (2) a community mental health center under section 256B.0625, subdivision 5;

255.1 (3) an Indian health service facility or a facility owned and operated by a Tribe or Tribal
255.2 organization operating under United States Code, title 25, section 5321;

255.3 (4) a provider of children's therapeutic services and supports as defined in section
255.4 256B.0943;

255.5 (5) enrolled in medical assistance as a mental health or substance use disorder provider
255.6 agency and employs at least two full-time equivalent mental health professionals qualified
255.7 according to section 245I.04, subdivision 2, or two alcohol and drug counselors licensed or
255.8 exempt from licensure under chapter 148F who are qualified to provide clinical services to
255.9 children and families;

255.10 (6) licensed under chapter 245G and in compliance with the applicable requirements in
255.11 chapters 245A, 245C, and 260E; section 626.557; and Minnesota Rules, chapter 9544; or

255.12 (7) a licensed professional in private practice as defined in section 245G.01, subdivision
255.13 17, who meets the requirements of section 254B.05, subdivision 1, paragraph (b).

255.14 Subd. 3. **Allowable grant activities and related expenses.** (a) Allowable grant activities
255.15 and related expenses include but are not limited to:

255.16 (1) identifying mental health conditions and substance use disorders of students;

255.17 (2) delivering mental health and substance use disorder treatment and supportive services
255.18 to students and their families within the classroom, including via telehealth consistent with
255.19 section 256B.0625, subdivision 3b;

255.20 (3) delivering therapeutic interventions and customizing an array of supplementary
255.21 learning experiences for students;

255.22 (4) supporting families in meeting their child's needs, including navigating health care,
255.23 social service, and juvenile justice systems;

255.24 (5) providing transportation for students receiving behavioral health services when school
255.25 is not in session;

255.26 (6) building the capacity of schools to meet the needs of students with mental health and
255.27 substance use disorder concerns, including school staff development activities for licensed
255.28 and nonlicensed staff; and

255.29 (7) purchasing equipment, connection charges, on-site coordination, set-up fees, and
255.30 site fees in order to deliver school-linked behavioral health services via telehealth.

255.31 (b) Grantees must obtain all available third-party reimbursement sources as a condition
255.32 of receiving grant funds. For purposes of this grant program, a third-party reimbursement

256.1 source does not include a public school as defined in section 120A.20, subdivision 1. Grantees
256.2 shall serve students regardless of health coverage status or ability to pay.

256.3 Subd. 4. **Calculating the share of the appropriation.** (a) Grants must be awarded to
256.4 qualifying school units proportionately.

256.5 (b) The commissioner must calculate the share of the appropriation to be used in each
256.6 qualifying school unit by multiplying the total appropriation going to the grantees by the
256.7 qualifying school unit's average daily membership in a setting of federal instructional level
256.8 4 or higher and then dividing by the total average daily membership in a setting of federal
256.9 instructional level 4 or higher for the same year for all qualifying school units.

256.10 Subd. 5. **Data collection and outcome measurement.** Grantees must provide data to
256.11 the commissioner for the purpose of evaluating the Intermediate School District Behavioral
256.12 Health Innovation grant program. The commissioner must consult with grantees to develop
256.13 outcome measures for program capacity and performance.

256.14 Sec. 11. Minnesota Statutes 2024, section 245.4905, is amended to read:

256.15 **245.4905 FIRST EPISODE OF PSYCHOSIS AND EARLY EPISODE OF**
256.16 **BIPOLAR DISORDER GRANT PROGRAM.**

256.17 Subdivision 1. ~~Creation~~ **Establishment.** The commissioner of human services must
256.18 establish the first episode of psychosis and early episode of bipolar disorder grant program
256.19 ~~is established in the Department of Human Services~~ within the department to fund: (1)
256.20 evidence-based interventions for youth and young adults at risk of developing or experiencing
256.21 a first episode of psychosis or an early episode of bipolar disorder; and (2) a public awareness
256.22 campaign on the signs and symptoms of psychosis. First episode of psychosis services are
256.23 ~~eligible for children's mental health grants as specified in section 245.4889, subdivision 1,~~
256.24 ~~paragraph (b), clause (15)~~ For the purposes of this section, "youth and young adults" means
256.25 individuals who are 15 years of age or older and under 41 years of age.

256.26 Subd. 2. **Activities.** (a) All first episode of psychosis ~~grant programs~~ or early episode
256.27 of bipolar disorder grantees must:

256.28 (1) provide intensive treatment and support for ~~adolescents and~~ youth and young adults
256.29 experiencing or at risk of experiencing a first ~~psychotic~~ episode of psychosis or early episodes
256.30 of bipolar disorder. Intensive treatment and support ~~includes~~ may include medication
256.31 management, psychoeducation for an individual and an individual's family, case management,
256.32 employment support, education support, cognitive behavioral approaches, social skills
256.33 training, peer and family peer support, crisis planning, and stress management;

257.1 (2) conduct outreach and provide training and guidance to mental health and health care
257.2 professionals, including postsecondary health clinicians, on early psychosis and bipolar
257.3 disorder symptoms, screening tools, and best practices;

257.4 (3) ensure access for individuals to first ~~psychotic~~ episode of psychosis services under
257.5 this section, including access for individuals who live in rural areas; and

257.6 (4) use all available funding streams.

257.7 (b) Grant money may ~~also~~ be used to pay for housing or travel expenses for individuals
257.8 receiving services or to address other barriers preventing individuals and their families from
257.9 participating in first ~~psychotic~~ episode of psychosis services.

257.10 Subd. 3. **Eligibility Funding.** ~~Program activities must be provided to people 15 to 40~~
257.11 ~~years old with early signs of psychosis~~ First episode of psychosis services and early episode
257.12 of bipolar disorder services are eligible for children's mental health grants as specified in
257.13 section 245.4889, subdivision 1, paragraph (b), clauses (16) and (19).

257.14 Subd. 4. **Outcomes.** (a) The commissioner must annually evaluate the first episode of
257.15 psychosis and early episode of bipolar disorder grant program.

257.16 (b) ~~The evaluation of program activities~~ must utilize evidence-based practices and must
257.17 include the following outcome evaluation criteria:

257.18 (1) whether individuals experience a reduction in ~~psychotic~~ symptoms;

257.19 (2) whether individuals experience a decrease in inpatient mental health hospitalizations
257.20 or interactions with the criminal justice system; and

257.21 (3) whether individuals experience an increase in educational attainment or employment.

257.22 (c) By July 1, 2026, and every July 1 thereafter, the commissioner must provide a report
257.23 to the chairs and ranking minority members of the legislative committees with jurisdiction
257.24 over behavioral health, along with the chairs and ranking minority members of the senate
257.25 finance committee and house of representatives ways and means committee. The report
257.26 must include the number of grantees receiving funds under this section, the number of
257.27 individuals served under this section, data from the evaluation conducted under this
257.28 subdivision, and information on the use of state and federal funds for the services provided
257.29 under this section.

257.30 Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with
257.31 all conditions and requirements necessary to receive federal aid or grants.

258.1 Sec. 12. Minnesota Statutes 2024, section 245.4907, subdivision 3, is amended to read:

258.2 Subd. 3. **Allowable grant activities.** Grantees must use grant funding to provide training
258.3 for mental health ~~certified~~ family peer ~~specialists~~ specialist candidates and continuing
258.4 education to certified family peer specialists as specified in section 256B.0616, subdivision
258.5 5.

258.6 Sec. 13. Minnesota Statutes 2024, section 245.50, subdivision 3, is amended to read:

258.7 Subd. 3. **Exceptions.** A contract may not be entered into under this section for services
258.8 to persons who:

258.9 (1) are serving a sentence after conviction of a criminal offense;

258.10 (2) ~~are on probation or parole;~~

258.11 (3) are the subject of a presentence investigation; or

258.12 (4) ~~(3)~~ have been committed involuntarily in Minnesota under chapter 253B for treatment
258.13 of mental illness or chemical dependency, except as provided under subdivision 5.

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

258.15 Sec. 14. Minnesota Statutes 2024, section 245.50, is amended by adding a subdivision to
258.16 read:

258.17 Subd. 6. **Contract notice.** A Minnesota mental health, chemical health, or detoxification
258.18 agency or facility entering into a contract with a bordering state under this section must,
258.19 within 30 days of the contract's effective date, provide the commissioner of human services
258.20 with a copy of the contract. If the contract is amended, the agency or facility must provide
258.21 the commissioner with a copy of each amendment within 30 days of the amendment's
258.22 effective date.

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

258.24 Sec. 15. Minnesota Statutes 2024, section 245I.06, subdivision 3, is amended to read:

258.25 Subd. 3. **Treatment supervision and direct observation of mental health**
258.26 **rehabilitation workers and mental health behavioral aides.** (a) A mental health behavioral
258.27 aide or a mental health rehabilitation worker must receive direct observation from a mental
258.28 health professional, clinical trainee, certified rehabilitation specialist, or mental health
258.29 practitioner while the mental health behavioral aide or mental health rehabilitation worker
258.30 provides treatment services to clients, no less than twice per month for the first six months

259.1 of employment and once per month thereafter. ~~The staff person performing the direct~~
259.2 ~~observation must approve of the progress note for the observed treatment service.~~

259.3 (b) For a mental health rehabilitation worker qualified under section 245I.04, subdivision
259.4 14, paragraph (a), clause (2), item (i), treatment supervision in the first 2,000 hours of work
259.5 must at a minimum consist of:

259.6 (1) monthly individual supervision; and

259.7 (2) direct observation twice per month.

259.8 Sec. 16. Minnesota Statutes 2024, section 245I.12, subdivision 5, is amended to read:

259.9 Subd. 5. **Client grievances.** (a) The license holder must have a grievance procedure
259.10 that:

259.11 (1) describes to clients how the license holder will meet the requirements in this
259.12 subdivision; and

259.13 (2) contains the current public contact information of the Department of Human Services,
259.14 Licensing Division; the Office of Ombudsman for Mental Health and Developmental
259.15 Disabilities; the Department of Health, Office of Health Facilities Complaints; and all
259.16 applicable health-related licensing boards.

259.17 (b) On the day of each client's admission, the license holder must explain the grievance
259.18 procedure to the client.

259.19 (c) The license holder must:

259.20 (1) post the grievance procedure in a place visible to clients and provide a copy of the
259.21 grievance procedure upon request;

259.22 (2) allow clients, former clients, and their authorized representatives to submit a grievance
259.23 to the license holder;

259.24 (3) within three business days of receiving a client's grievance, acknowledge in writing
259.25 that the license holder received the client's grievance. If applicable, the license holder must
259.26 include a notice of the client's separate appeal rights for a managed care organization's
259.27 reduction, termination, or denial of a covered service;

259.28 (4) within 15 business days of receiving a client's grievance, provide a written final
259.29 response to the client's grievance containing the license holder's official response to the
259.30 grievance; and

260.1 (5) allow the client to bring a grievance to the person with the highest level of authority
260.2 in the program.

260.3 (d) Clients may voice grievances and recommend changes in policies and services to
260.4 staff and others of their choice, free from restraint, interference, coercion, discrimination,
260.5 or reprisal, including threat of discharge.

260.6 Sec. 17. Minnesota Statutes 2024, section 245I.23, subdivision 7, is amended to read:

260.7 Subd. 7. **Intensive residential treatment services assessment and treatment**
260.8 **planning.** (a) Within 12 hours of a client's admission, the license holder must evaluate and
260.9 document the client's immediate needs, including the client's:

260.10 (1) health and safety, including the client's need for crisis assistance;

260.11 (2) responsibilities for children, family and other natural supports, and employers; and

260.12 (3) housing and legal issues.

260.13 (b) Within 24 hours of the client's admission, the license holder must complete an initial
260.14 treatment plan for the client. The license holder must:

260.15 (1) base the client's initial treatment plan on the client's referral information and an
260.16 assessment of the client's immediate needs;

260.17 (2) consider crisis assistance strategies that have been effective for the client in the past;

260.18 (3) identify the client's initial treatment goals, measurable treatment objectives, and
260.19 specific interventions that the license holder will use to help the client engage in treatment;

260.20 (4) identify the participants involved in the client's treatment planning. The client must
260.21 be a participant; and

260.22 (5) ensure that a treatment supervisor approves of the client's initial treatment plan if a
260.23 mental health practitioner or clinical trainee completes the client's treatment plan,
260.24 notwithstanding section 245I.08, subdivision 3.

260.25 (c) According to section 245A.65, subdivision 2, paragraph (b), the license holder must
260.26 complete an individual abuse prevention plan as part of a client's initial treatment plan.

260.27 (d) Within ~~five~~ ten days of the client's admission and again within 60 days after the
260.28 client's admission, the license holder must complete a level of care assessment of the client.
260.29 If the license holder determines that a client does not need a medically monitored level of
260.30 service, a treatment supervisor must document how the client's admission to and continued
260.31 services in intensive residential treatment services are medically necessary for the client.

(e) Within ten days of a client's admission, the license holder must complete or review and update the client's standard diagnostic assessment.

(f) Within ten days of a client's admission, the license holder must complete the client's individual treatment plan, notwithstanding section 245I.10, subdivision 8. Within 40 days after the client's admission and again within 70 days after the client's admission, the license holder must update the client's individual treatment plan. The license holder must focus the client's treatment planning on preparing the client for a successful transition from intensive residential treatment services to another setting. In addition to the required elements of an individual treatment plan under section 245I.10, subdivision 8, the license holder must identify the following information in the client's individual treatment plan: (1) the client's referrals and resources for the client's health and safety; and (2) the staff persons who are responsible for following up with the client's referrals and resources. If the client does not receive a referral or resource that the client needs, the license holder must document the reason that the license holder did not make the referral or did not connect the client to a particular resource. The license holder is responsible for determining whether additional follow-up is required on behalf of the client.

(g) Within 30 days of the client's admission, the license holder must complete a functional assessment of the client. Within 60 days after the client's admission, the license holder must update the client's functional assessment to include any changes in the client's functioning and symptoms.

(h) For a client with a current substance use disorder diagnosis and for a client whose substance use disorder screening in the client's standard diagnostic assessment indicates the possibility that the client has a substance use disorder, the license holder must complete a written assessment of the client's substance use within 30 days of the client's admission. In the substance use assessment, the license holder must: (1) evaluate the client's history of substance use, relapses, and hospitalizations related to substance use; (2) assess the effects of the client's substance use on the client's relationships including with family member and others; (3) identify financial problems, health issues, housing instability, and unemployment; (4) assess the client's legal problems, past and pending incarceration, violence, and victimization; and (5) evaluate the client's suicide attempts, noncompliance with taking prescribed medications, and noncompliance with psychosocial treatment.

(i) On a weekly basis, a mental health professional or certified rehabilitation specialist must review each client's treatment plan and individual abuse prevention plan. The license holder must document in the client's file each weekly review of the client's treatment plan and individual abuse prevention plan.

262.1 Sec. 18. Minnesota Statutes 2024, section 256B.0616, subdivision 4, is amended to read:

262.2 Subd. 4. **Family peer support specialist program providers.** The commissioner shall
262.3 develop a process to certify family peer support ~~specialist~~ programs, in accordance with the
262.4 federal guidelines, in order for the program to bill for reimbursable services. Family peer
262.5 support programs must operate within an existing mental health community provider or
262.6 center.

262.7 Sec. 19. Minnesota Statutes 2024, section 256B.0616, subdivision 5, is amended to read:

262.8 Subd. 5. **Certified family peer specialist training and certification.** (a) The
262.9 commissioner shall develop ~~a~~ or approve the use of an existing training and certification
262.10 process for ~~certified~~ certifying family peer specialists. ~~The~~ Family peer specialist candidates
262.11 must have raised or be currently raising a child with a mental illness, have ~~had~~ experience
262.12 navigating the children's mental health system, and ~~must~~ demonstrate leadership and advocacy
262.13 skills and a strong dedication to family-driven and family-focused services. The training
262.14 curriculum must teach participating family peer ~~specialists~~ specialist candidates specific
262.15 skills relevant to providing peer support to other parents and youth.

262.16 (b) In addition to initial training and certification, the commissioner shall develop ongoing
262.17 continuing educational workshops on pertinent issues related to family peer support
262.18 counseling.

262.19 (c) Initial training leading to certification as a family peer specialist and continuing
262.20 education for certified family peer specialists must be delivered by the commissioner or a
262.21 third-party organization approved by the commissioner. An approved third-party organization
262.22 may also provide continuing education of certified family peer specialists.

262.23 Sec. 20. Minnesota Statutes 2024, section 256B.0622, subdivision 3a, is amended to read:

262.24 Subd. 3a. **Provider certification and contract requirements for assertive community**
262.25 **treatment.** (a) The assertive community treatment provider must have each ACT team be
262.26 certified by the state following the certification process and procedures developed by the
262.27 commissioner. The certification process determines whether the ACT team meets the
262.28 standards for assertive community treatment under this section, the standards in chapter
262.29 245I as required in section 245I.011, subdivision 5, and minimum program fidelity standards
262.30 as measured by a nationally recognized fidelity tool approved by the commissioner.
262.31 Recertification must occur at least every three years.

262.32 (b) An ACT team certified under this subdivision must meet the following standards:

- 263.1 (1) have capacity to recruit, hire, manage, and train required ACT team members;
- 263.2 (2) have adequate administrative ability to ensure availability of services;
- 263.3 (3) ensure flexibility in service delivery to respond to the changing and intermittent care
- 263.4 needs of a client as identified by the client and the individual treatment plan;
- 263.5 (4) keep all necessary records required by law;
- 263.6 (5) be an enrolled Medicaid provider; ~~and~~
- 263.7 (6) establish and maintain a quality assurance plan to determine specific service outcomes
- 263.8 and the client's satisfaction with services; and
- 263.9 (7) ensure that overall treatment supervision to the ACT team is provided by a qualified
- 263.10 member of the ACT team, and is available during and after regular business hours and on
- 263.11 weekends and holidays.
- 263.12 (c) The commissioner may intervene at any time and decertify an ACT team with cause.
- 263.13 The commissioner shall establish a process for decertification of an ACT team and shall
- 263.14 require corrective action, medical assistance repayment, or decertification of an ACT team
- 263.15 that no longer meets the requirements in this section or that fails to meet the clinical quality
- 263.16 standards or administrative standards provided by the commissioner in the application and
- 263.17 certification process. The decertification is subject to appeal to the state.
- 263.18 Sec. 21. Minnesota Statutes 2024, section 256B.0622, subdivision 7a, is amended to read:
- 263.19 Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a)
- 263.20 The required treatment staff qualifications and roles for an ACT team are:
- 263.21 (1) the team leader:
- 263.22 (i) shall be a mental health professional. ~~Individuals who are not licensed but who are~~
- 263.23 ~~eligible for licensure and are otherwise qualified may also fulfill this role;~~ clinical trainee,
- 263.24 or mental health practitioner;
- 263.25 (ii) must be an active member of the ACT team and provide some direct services to
- 263.26 clients;
- 263.27 (iii) must be a single full-time staff member, dedicated to the ACT team, who is
- 263.28 responsible for overseeing the administrative operations of the team and supervising team
- 263.29 members to ensure delivery of best and ethical practices; and

264.1 (iv) must be available to ensure that overall treatment supervision to the ACT team is
264.2 available after regular business hours and on weekends and holidays and is provided by a
264.3 qualified member of the ACT team;

264.4 (2) the psychiatric care provider:

264.5 (i) must be a mental health professional permitted to prescribe psychiatric medications
264.6 as part of the mental health professional's scope of practice. The psychiatric care provider
264.7 must have demonstrated clinical experience working with individuals with serious and
264.8 persistent mental illness;

264.9 (ii) shall collaborate with the team leader in sharing overall clinical responsibility for
264.10 screening and admitting clients; monitoring clients' treatment and team member service
264.11 delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects,
264.12 and health-related conditions; actively collaborating with nurses; and helping provide
264.13 treatment supervision to the team;

264.14 (iii) shall fulfill the following functions for assertive community treatment clients:
264.15 provide assessment and treatment of clients' symptoms and response to medications, including
264.16 side effects; provide brief therapy to clients; provide diagnostic and medication education
264.17 to clients, with medication decisions based on shared decision making; monitor clients'
264.18 nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and
264.19 community visits;

264.20 (iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized
264.21 for mental health treatment and shall communicate directly with the client's inpatient
264.22 psychiatric care providers to ensure continuity of care;

264.23 (v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per
264.24 50 clients. Part-time psychiatric care providers shall have designated hours to work on the
264.25 team, with sufficient blocks of time on consistent days to carry out the provider's clinical,
264.26 supervisory, and administrative responsibilities. No more than two psychiatric care providers
264.27 may share this role; and

264.28 (vi) shall provide psychiatric backup to the program after regular business hours and on
264.29 weekends and holidays. The psychiatric care provider may delegate this duty to another
264.30 qualified psychiatric provider;

264.31 (3) the nursing staff:

264.32 (i) shall consist of one to three registered nurses or advanced practice registered nurses,
264.33 of whom at least one has a minimum of one-year experience working with adults with

265.1 serious mental illness and a working knowledge of psychiatric medications. No more than
265.2 two individuals can share a full-time equivalent position;

265.3 (ii) are responsible for managing medication, administering and documenting medication
265.4 treatment, and managing a secure medication room; and

265.5 (iii) shall develop strategies, in collaboration with clients, to maximize taking medications
265.6 as prescribed; screen and monitor clients' mental and physical health conditions and
265.7 medication side effects; engage in health promotion, prevention, and education activities;
265.8 communicate and coordinate services with other medical providers; facilitate the development
265.9 of the individual treatment plan for clients assigned; and educate the ACT team in monitoring
265.10 psychiatric and physical health symptoms and medication side effects;

265.11 (4) the co-occurring disorder specialist:

265.12 (i) shall be a full-time equivalent co-occurring disorder specialist who has received
265.13 specific training on co-occurring disorders that is consistent with national evidence-based
265.14 practices. The training must include practical knowledge of common substances and how
265.15 they affect mental illnesses, the ability to assess substance use disorders and the client's
265.16 stage of treatment, motivational interviewing, and skills necessary to provide counseling to
265.17 clients at all different stages of change and treatment. The co-occurring disorder specialist
265.18 may also be an individual who is a licensed alcohol and drug counselor as described in
265.19 section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience,
265.20 and other requirements in section 245G.11, subdivision 5. No more than two co-occurring
265.21 disorder specialists may occupy this role; and

265.22 (ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients.
265.23 The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT
265.24 team members on co-occurring disorders;

265.25 (5) the vocational specialist:

265.26 (i) shall be a full-time vocational specialist who has at least one-year experience providing
265.27 employment services or advanced education that involved field training in vocational services
265.28 to individuals with mental illness. An individual who does not meet these qualifications
265.29 may also serve as the vocational specialist upon completing a training plan approved by the
265.30 commissioner;

265.31 (ii) shall provide or facilitate the provision of vocational services to clients. The vocational
265.32 specialist serves as a consultant and educator to fellow ACT team members on these services;
265.33 and

266.1 (iii) must not refer individuals to receive any type of vocational services or linkage by
266.2 providers outside of the ACT team;

266.3 (6) the mental health certified peer specialist:

266.4 (i) shall be a full-time equivalent. No more than two individuals can share this position.

266.5 The mental health certified peer specialist is a fully integrated team member who provides
266.6 highly individualized services in the community and promotes the self-determination and
266.7 shared decision-making abilities of clients. This requirement may be waived due to workforce
266.8 shortages upon approval of the commissioner;

266.9 (ii) must provide coaching, mentoring, and consultation to the clients to promote recovery,
266.10 self-advocacy, and self-direction, promote wellness management strategies, and assist clients
266.11 in developing advance directives; and

266.12 (iii) must model recovery values, attitudes, beliefs, and personal action to encourage
266.13 wellness and resilience, provide consultation to team members, promote a culture where
266.14 the clients' points of view and preferences are recognized, understood, respected, and
266.15 integrated into treatment, and serve in a manner equivalent to other team members;

266.16 (7) the program administrative assistant shall be a full-time office-based program
266.17 administrative assistant position assigned to solely work with the ACT team, providing a
266.18 range of supports to the team, clients, and families; and

266.19 (8) additional staff:

266.20 (i) shall be based on team size. Additional treatment team staff may include mental
266.21 health professionals; clinical trainees; certified rehabilitation specialists; mental health
266.22 practitioners; or mental health rehabilitation workers. These individuals shall have the
266.23 knowledge, skills, and abilities required by the population served to carry out rehabilitation
266.24 and support functions; and

266.25 (ii) shall be selected based on specific program needs or the population served.

266.26 (b) Each ACT team must clearly document schedules for all ACT team members.

266.27 (c) Each ACT team member must serve as a primary team member for clients assigned
266.28 by the team leader and are responsible for facilitating the individual treatment plan process
266.29 for those clients. The primary team member for a client is the responsible team member
266.30 knowledgeable about the client's life and circumstances and writes the individual treatment
266.31 plan. The primary team member provides individual supportive therapy or counseling, and
266.32 provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 10

CHILDREN'S MENTAL HEALTH TERMINOLOGY

Section 1. Minnesota Statutes 2024, section 62Q.527, subdivision 1, is amended to read:

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

~~(b) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

~~(e)~~ (b) "Mental illness" has the meaning given in ~~section~~ sections 245.462, subdivision 20, paragraph (a), and 245.4871, subdivision 15.

~~(d)~~ (c) "Health plan" has the meaning given in section 62Q.01, subdivision 3, but includes the coverages described in section 62A.011, subdivision 3, clauses (7) and (10).

Sec. 2. Minnesota Statutes 2024, section 62Q.527, subdivision 2, is amended to read:

Subd. 2. **Required coverage for antipsychotic drugs.** (a) A health plan that provides prescription drug coverage must provide coverage for an antipsychotic drug prescribed to treat ~~emotional disturbance or~~ mental illness regardless of whether the drug is in the health plan's drug formulary, if the health care provider prescribing the drug:

(1) indicates to the dispensing pharmacist, orally or in writing according to section 151.21, that the prescription must be dispensed as communicated; and

(2) certifies in writing to the health plan company that the health care provider has considered all equivalent drugs in the health plan's drug formulary and has determined that the drug prescribed will best treat the patient's condition.

268.1 (b) The health plan is not required to provide coverage for a drug if the drug was removed
268.2 from the health plan's drug formulary for safety reasons.

268.3 (c) For drugs covered under this section, no health plan company that has received a
268.4 certification from the health care provider as described in paragraph (a) may:

268.5 (1) impose a special deductible, co-payment, coinsurance, or other special payment
268.6 requirement that the health plan does not apply to drugs that are in the health plan's drug
268.7 formulary; or

268.8 (2) require written certification from the prescribing provider each time a prescription
268.9 is refilled or renewed that the drug prescribed will best treat the patient's condition.

268.10 Sec. 3. Minnesota Statutes 2024, section 62Q.527, subdivision 3, is amended to read:

268.11 Subd. 3. **Continuing care.** (a) Enrollees receiving a prescribed drug to treat a diagnosed
268.12 mental illness ~~or emotional disturbance~~ may continue to receive the prescribed drug for up
268.13 to one year without the imposition of a special deductible, co-payment, coinsurance, or
268.14 other special payment requirements, when a health plan's drug formulary changes or an
268.15 enrollee changes health plans and the medication has been shown to effectively treat the
268.16 patient's condition. In order to be eligible for this continuing care benefit:

268.17 (1) the patient must have been treated with the drug for 90 days prior to a change in a
268.18 health plan's drug formulary or a change in the enrollee's health plan;

268.19 (2) the health care provider prescribing the drug indicates to the dispensing pharmacist,
268.20 orally or in writing according to section 151.21, that the prescription must be dispensed as
268.21 communicated; and

268.22 (3) the health care provider prescribing the drug certifies in writing to the health plan
268.23 company that the drug prescribed will best treat the patient's condition.

268.24 (b) The continuing care benefit shall be extended annually when the health care provider
268.25 prescribing the drug:

268.26 (1) indicates to the dispensing pharmacist, orally or in writing according to section
268.27 151.21, that the prescription must be dispensed as communicated; and

268.28 (2) certifies in writing to the health plan company that the drug prescribed will best treat
268.29 the patient's condition.

268.30 (c) The health plan company is not required to provide coverage for a drug if the drug
268.31 was removed from the health plan's drug formulary for safety reasons.

269.1 Sec. 4. Minnesota Statutes 2024, section 121A.61, subdivision 3, is amended to read:

269.2 Subd. 3. **Policy components.** The policy must include at least the following components:

269.3 (a) rules governing student conduct and procedures for informing students of the rules;

269.4 (b) the grounds for removal of a student from a class;

269.5 (c) the authority of the classroom teacher to remove students from the classroom pursuant

269.6 to procedures and rules established in the district's policy;

269.7 (d) the procedures for removal of a student from a class by a teacher, school administrator,

269.8 or other school district employee;

269.9 (e) the period of time for which a student may be removed from a class, which may not

269.10 exceed five class periods for a violation of a rule of conduct;

269.11 (f) provisions relating to the responsibility for and custody of a student removed from

269.12 a class;

269.13 (g) the procedures for return of a student to the specified class from which the student

269.14 has been removed;

269.15 (h) the procedures for notifying a student and the student's parents or guardian of

269.16 violations of the rules of conduct and of resulting disciplinary actions;

269.17 (i) any procedures determined appropriate for encouraging early involvement of parents

269.18 or guardians in attempts to improve a student's behavior;

269.19 (j) any procedures determined appropriate for encouraging early detection of behavioral

269.20 problems;

269.21 (k) any procedures determined appropriate for referring a student in need of special

269.22 education services to those services;

269.23 (l) any procedures determined appropriate for ensuring victims of bullying who respond

269.24 with behavior not allowed under the school's behavior policies have access to a remedial

269.25 response, consistent with section 121A.031;

269.26 (m) the procedures for consideration of whether there is a need for a further assessment

269.27 or of whether there is a need for a review of the adequacy of a current individualized

269.28 education program of a student with a disability who is removed from class;

269.29 (n) procedures for detecting and addressing chemical abuse problems of a student while

269.30 on the school premises;

269.31 (o) the minimum consequences for violations of the code of conduct;

- 270.1 (p) procedures for immediate and appropriate interventions tied to violations of the code;
- 270.2 (q) a provision that states that a teacher, school employee, school bus driver, or other
- 270.3 agent of a district may use reasonable force in compliance with section 121A.582 and other
- 270.4 laws;
- 270.5 (r) an agreement regarding procedures to coordinate crisis services to the extent funds
- 270.6 are available with the county board responsible for implementing sections 245.487 to
- 270.7 245.4889 for students with a serious ~~emotional disturbance~~ mental illness or other students
- 270.8 who have an individualized education program whose behavior may be addressed by crisis
- 270.9 intervention;
- 270.10 (s) a provision that states a student must be removed from class immediately if the student
- 270.11 engages in assault or violent behavior. For purposes of this paragraph, "assault" has the
- 270.12 meaning given it in section 609.02, subdivision 10. The removal shall be for a period of
- 270.13 time deemed appropriate by the principal, in consultation with the teacher;
- 270.14 (t) a prohibition on the use of exclusionary practices for early learners as defined in
- 270.15 section 121A.425; and
- 270.16 (u) a prohibition on the use of exclusionary practices to address attendance and truancy
- 270.17 issues.

270.18 Sec. 5. Minnesota Statutes 2024, section 128C.02, subdivision 5, is amended to read:

270.19 Subd. 5. **Rules for open enrollees.** (a) The league shall adopt league rules and regulations

270.20 governing the athletic participation of pupils attending school in a nonresident district under

270.21 section 124D.03.

270.22 (b) Notwithstanding other law or league rule or regulation to the contrary, when a student

270.23 enrolls in or is readmitted to a recovery-focused high school after successfully completing

270.24 a licensed program for treatment of alcohol or substance abuse, or mental illness, ~~or emotional~~

270.25 ~~disturbance~~, the student is immediately eligible to participate on the same basis as other

270.26 district students in the league-sponsored activities of the student's resident school district.

270.27 Nothing in this paragraph prohibits the league or school district from enforcing a league or

270.28 district penalty resulting from the student violating a league or district rule.

270.29 (c) The league shall adopt league rules making a student with an individualized education

270.30 program who transfers from one public school to another public school as a reasonable

270.31 accommodation to reduce barriers to educational access immediately eligible to participate

270.32 in league-sponsored varsity competition on the same basis as other students in the school

270.33 to which the student transfers. The league also must establish guidelines, consistent with

271.1 this paragraph, for reviewing the 504 plan of a student who transfers between public schools
271.2 to determine whether the student is immediately eligible to participate in league-sponsored
271.3 varsity competition on the same basis as other students in the school to which the student
271.4 transfers.

271.5 Sec. 6. Minnesota Statutes 2024, section 142G.02, subdivision 56, is amended to read:

271.6 Subd. 56. **Learning disabled.** "Learning disabled," for purposes of an extension to the
271.7 60-month time limit under section 142G.42, subdivision 4, clause (3), means the person has
271.8 a disorder in one or more of the psychological processes involved in perceiving,
271.9 understanding, or using concepts through verbal language or nonverbal means. Learning
271.10 disabled does not include learning problems that are primarily the result of visual, hearing,
271.11 or motor disabilities; developmental disability; ~~emotional disturbance~~; or mental illness or
271.12 due to environmental, cultural, or economic disadvantage.

271.13 Sec. 7. Minnesota Statutes 2024, section 142G.27, subdivision 4, is amended to read:

271.14 Subd. 4. **Good cause exemptions for not attending orientation.** (a) The county agency
271.15 shall not impose the sanction under section 142G.70 if it determines that the participant has
271.16 good cause for failing to attend orientation. Good cause exists when:

271.17 (1) appropriate child care is not available;

271.18 (2) the participant is ill or injured;

271.19 (3) a family member is ill and needs care by the participant that prevents the participant
271.20 from attending orientation. For a caregiver with a child or adult in the household who meets
271.21 the disability or medical criteria for home care services under section 256B.0659, or a home
271.22 and community-based waiver services program under chapter 256B, or meets the criteria
271.23 for ~~severe emotional disturbance~~ serious mental illness under section 245.4871, subdivision
271.24 6, or for serious and persistent mental illness under section 245.462, subdivision 20,
271.25 paragraph (c), good cause also exists when an interruption in the provision of those services
271.26 occurs which prevents the participant from attending orientation;

271.27 (4) the caregiver is unable to secure necessary transportation;

271.28 (5) the caregiver is in an emergency situation that prevents orientation attendance;

271.29 (6) the orientation conflicts with the caregiver's work, training, or school schedule; or

271.30 (7) the caregiver documents other verifiable impediments to orientation attendance
271.31 beyond the caregiver's control.

272.1 (b) Counties must work with clients to provide child care and transportation necessary
272.2 to ensure a caregiver has every opportunity to attend orientation.

272.3 Sec. 8. Minnesota Statutes 2024, section 142G.42, subdivision 3, is amended to read:

272.4 Subd. 3. **III or incapacitated.** (a) An assistance unit subject to the time limit in section
272.5 142G.40, subdivision 1, is eligible to receive months of assistance under a hardship extension
272.6 if the participant who reached the time limit belongs to any of the following groups:

272.7 (1) participants who are suffering from an illness, injury, or incapacity which has been
272.8 certified by a qualified professional when the illness, injury, or incapacity is expected to
272.9 continue for more than 30 days and severely limits the person's ability to obtain or maintain
272.10 suitable employment. These participants must follow the treatment recommendations of the
272.11 qualified professional certifying the illness, injury, or incapacity;

272.12 (2) participants whose presence in the home is required as a caregiver because of the
272.13 illness, injury, or incapacity of another member in the assistance unit, a relative in the
272.14 household, or a foster child in the household when the illness or incapacity and the need
272.15 for a person to provide assistance in the home has been certified by a qualified professional
272.16 and is expected to continue for more than 30 days; or

272.17 (3) caregivers with a child or an adult in the household who meets the disability or
272.18 medical criteria for home care services under section 256B.0651, subdivision 1, paragraph
272.19 (c), or a home and community-based waiver services program under chapter 256B, or meets
272.20 the criteria for ~~severe emotional disturbance~~ serious mental illness under section 245.4871,
272.21 subdivision 6, or for serious and persistent mental illness under section 245.462, subdivision
272.22 20, paragraph (c). Caregivers in this category are presumed to be prevented from obtaining
272.23 or maintaining suitable employment.

272.24 (b) An assistance unit receiving assistance under a hardship extension under this
272.25 subdivision may continue to receive assistance as long as the participant meets the criteria
272.26 in paragraph (a), clause (1), (2), or (3).

272.27 Sec. 9. Minnesota Statutes 2024, section 245.462, subdivision 4, is amended to read:

272.28 Subd. 4. **Case management service provider.** (a) "Case management service provider"
272.29 means a case manager or case manager associate employed by the county or other entity
272.30 authorized by the county board to provide case management services specified in section
272.31 245.4711.

272.32 (b) A case manager must:

273.1 (1) be skilled in the process of identifying and assessing a wide range of client needs;

273.2 (2) be knowledgeable about local community resources and how to use those resources
273.3 for the benefit of the client;

273.4 (3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have
273.5 a bachelor's degree in one of the behavioral sciences or related fields including, but not
273.6 limited to, social work, psychology, or nursing from an accredited college or university. A
273.7 case manager who is not a mental health practitioner and who does not have a bachelor's
273.8 degree in one of the behavioral sciences or related fields must meet the requirements of
273.9 paragraph (c); and

273.10 (4) meet the supervision and continuing education requirements described in paragraphs
273.11 (d), (e), and (f), as applicable.

273.12 (c) Case managers without a bachelor's degree must meet one of the requirements in
273.13 clauses (1) to (3):

273.14 (1) have three or four years of experience as a case manager associate as defined in this
273.15 section;

273.16 (2) be a registered nurse without a bachelor's degree and have a combination of
273.17 specialized training in psychiatry and work experience consisting of community interaction
273.18 and involvement or community discharge planning in a mental health setting totaling three
273.19 years; or

273.20 (3) be a person who qualified as a case manager under the 1998 Department of Human
273.21 Service waiver provision and meet the continuing education and mentoring requirements
273.22 in this section.

273.23 (d) A case manager with at least 2,000 hours of supervised experience in the delivery
273.24 of services to adults with mental illness must receive regular ongoing supervision and clinical
273.25 supervision totaling 38 hours per year of which at least one hour per month must be clinical
273.26 supervision regarding individual service delivery with a case management supervisor. The
273.27 remaining 26 hours of supervision may be provided by a case manager with two years of
273.28 experience. Group supervision may not constitute more than one-half of the required
273.29 supervision hours. Clinical supervision must be documented in the client record.

273.30 (e) A case manager without 2,000 hours of supervised experience in the delivery of
273.31 services to adults with mental illness must:

274.1 (1) receive clinical supervision regarding individual service delivery from a mental
274.2 health professional at least one hour per week until the requirement of 2,000 hours of
274.3 experience is met; and

274.4 (2) complete 40 hours of training approved by the commissioner in case management
274.5 skills and the characteristics and needs of adults with serious and persistent mental illness.

274.6 (f) A case manager who is not licensed, registered, or certified by a health-related
274.7 licensing board must receive 30 hours of continuing education and training in mental illness
274.8 and mental health services every two years.

274.9 (g) A case manager associate (CMA) must:

274.10 (1) work under the direction of a case manager or case management supervisor;

274.11 (2) be at least 21 years of age;

274.12 (3) have at least a high school diploma or its equivalent; and

274.13 (4) meet one of the following criteria:

274.14 (i) have an associate of arts degree in one of the behavioral sciences or human services;

274.15 (ii) be a certified peer specialist under section 256B.0615;

274.16 (iii) be a registered nurse without a bachelor's degree;

274.17 (iv) within the previous ten years, have three years of life experience with serious and
274.18 persistent mental illness as defined in subdivision 20; ~~or as a child had severe emotional~~
274.19 ~~disturbance~~ a serious mental illness as defined in section 245.4871, subdivision 6; or have
274.20 three years life experience as a primary caregiver to an adult with serious and persistent
274.21 mental illness within the previous ten years;

274.22 (v) have 6,000 hours work experience as a nondegreed state hospital technician; or

274.23 (vi) have at least 6,000 hours of supervised experience in the delivery of services to
274.24 persons with mental illness.

274.25 Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager
274.26 after four years of supervised work experience as a case manager associate. Individuals
274.27 meeting the criteria in item (vi) may qualify as a case manager after three years of supervised
274.28 experience as a case manager associate.

274.29 (h) A case management associate must meet the following supervision, mentoring, and
274.30 continuing education requirements:

274.31 (1) have 40 hours of preservice training described under paragraph (e), clause (2);

275.1 (2) receive at least 40 hours of continuing education in mental illness and mental health
275.2 services annually; and

275.3 (3) receive at least five hours of mentoring per week from a case management mentor.

275.4 A "case management mentor" means a qualified, practicing case manager or case management
275.5 supervisor who teaches or advises and provides intensive training and clinical supervision
275.6 to one or more case manager associates. Mentoring may occur while providing direct services
275.7 to consumers in the office or in the field and may be provided to individuals or groups of
275.8 case manager associates. At least two mentoring hours per week must be individual and
275.9 face-to-face.

275.10 (i) A case management supervisor must meet the criteria for mental health professionals,
275.11 as specified in subdivision 18.

275.12 (j) An immigrant who does not have the qualifications specified in this subdivision may
275.13 provide case management services to adult immigrants with serious and persistent mental
275.14 illness who are members of the same ethnic group as the case manager if the person:

275.15 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
275.16 bachelor's degree in one of the behavioral sciences or a related field including, but not
275.17 limited to, social work, psychology, or nursing from an accredited college or university;

275.18 (2) completes 40 hours of training as specified in this subdivision; and

275.19 (3) receives clinical supervision at least once a week until the requirements of this
275.20 subdivision are met.

275.21 Sec. 10. Minnesota Statutes 2024, section 245.4682, subdivision 3, is amended to read:

275.22 Subd. 3. **Projects for coordination of care.** (a) Consistent with section 256B.69 and
275.23 chapter 256L, the commissioner is authorized to solicit, approve, and implement up to three
275.24 projects to demonstrate the integration of physical and mental health services within prepaid
275.25 health plans and their coordination with social services. The commissioner shall require
275.26 that each project be based on locally defined partnerships that include at least one health
275.27 maintenance organization, community integrated service network, or accountable provider
275.28 network authorized and operating under chapter 62D, 62N, or 62T, or county-based
275.29 purchasing entity under section 256B.692 that is eligible to contract with the commissioner
275.30 as a prepaid health plan, and the county or counties within the service area. Counties shall
275.31 retain responsibility and authority for social services in these locally defined partnerships.

276.1 (b) The commissioner, in consultation with consumers, families, and their representatives,
276.2 shall:

276.3 (1) determine criteria for approving the projects and use those criteria to solicit proposals
276.4 for preferred integrated networks. The commissioner must develop criteria to evaluate the
276.5 partnership proposed by the county and prepaid health plan to coordinate access and delivery
276.6 of services. The proposal must at a minimum address how the partnership will coordinate
276.7 the provision of:

276.8 (i) client outreach and identification of health and social service needs paired with
276.9 expedited access to appropriate resources;

276.10 (ii) activities to maintain continuity of health care coverage;

276.11 (iii) children's residential mental health treatment and treatment foster care;

276.12 (iv) court-ordered assessments and treatments;

276.13 (v) prepetition screening and commitments under chapter 253B;

276.14 (vi) assessment and treatment of children identified through mental health screening of
276.15 child welfare and juvenile corrections cases;

276.16 (vii) home and community-based waiver services;

276.17 (viii) assistance with finding and maintaining employment;

276.18 (ix) housing; and

276.19 (x) transportation;

276.20 (2) determine specifications for contracts with prepaid health plans to improve the plan's
276.21 ability to serve persons with mental health conditions, including specifications addressing:

276.22 (i) early identification and intervention of physical and behavioral health problems;

276.23 (ii) communication between the enrollee and the health plan;

276.24 (iii) facilitation of enrollment for persons who are also eligible for a Medicare special
276.25 needs plan offered by the health plan;

276.26 (iv) risk screening procedures;

276.27 (v) health care coordination;

276.28 (vi) member services and access to applicable protections and appeal processes;

276.29 (vii) specialty provider networks;

- 277.1 (viii) transportation services;
- 277.2 (ix) treatment planning; and
- 277.3 (x) administrative simplification for providers;
- 277.4 (3) begin implementation of the projects no earlier than January 1, 2009, with not more
- 277.5 than 40 percent of the statewide population included during calendar year 2009 and additional
- 277.6 counties included in subsequent years;
- 277.7 (4) waive any administrative rule not consistent with the implementation of the projects;
- 277.8 (5) allow potential bidders at least 90 days to respond to the request for proposals; and
- 277.9 (6) conduct an independent evaluation to determine if mental health outcomes have
- 277.10 improved in that county or counties according to measurable standards designed in
- 277.11 consultation with the advisory body established under this subdivision and reviewed by the
- 277.12 State Advisory Council on Mental Health.
- 277.13 (c) Notwithstanding any statute or administrative rule to the contrary, the commissioner
- 277.14 may enroll all persons eligible for medical assistance with serious mental illness ~~or emotional~~
- 277.15 ~~disturbance~~ in the prepaid plan of their choice within the project service area unless:
- 277.16 (1) the individual is eligible for home and community-based services for persons with
- 277.17 developmental disabilities and related conditions under section 256B.092; or
- 277.18 (2) the individual has a basis for exclusion from the prepaid plan under section 256B.69,
- 277.19 subdivision 4, other than disability, or mental illness, ~~or emotional disturbance~~.
- 277.20 (d) The commissioner shall involve organizations representing persons with mental
- 277.21 illness and their families in the development and distribution of information used to educate
- 277.22 potential enrollees regarding their options for health care and mental health service delivery
- 277.23 under this subdivision.
- 277.24 (e) If the person described in paragraph (c) does not elect to remain in fee-for-service
- 277.25 medical assistance, or declines to choose a plan, the commissioner may preferentially assign
- 277.26 that person to the prepaid plan participating in the preferred integrated network. The
- 277.27 commissioner shall implement the enrollment changes within a project's service area on the
- 277.28 timeline specified in that project's approved application.
- 277.29 (f) A person enrolled in a prepaid health plan under paragraphs (c) and (d) may disenroll
- 277.30 from the plan at any time.
- 277.31 (g) The commissioner, in consultation with consumers, families, and their representatives,
- 277.32 shall evaluate the projects begun in 2009, and shall refine the design of the service integration

278.1 projects before expanding the projects. The commissioner shall report to the chairs of the
278.2 legislative committees with jurisdiction over mental health services by March 1, 2008, on
278.3 plans for evaluation of preferred integrated networks established under this subdivision.

278.4 (h) The commissioner shall apply for any federal waivers necessary to implement these
278.5 changes.

278.6 (i) Payment for Medicaid service providers under this subdivision for the months of
278.7 May and June will be made no earlier than July 1 of the same calendar year.

278.8 Sec. 11. Minnesota Statutes 2024, section 245.4835, subdivision 2, is amended to read:

278.9 Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with
278.10 subdivision 1, the commissioner shall require the county to develop a corrective action plan
278.11 according to a format and timeline established by the commissioner. If the commissioner
278.12 determines that a county has not developed an acceptable corrective action plan within the
278.13 required timeline, or that the county is not in compliance with an approved corrective action
278.14 plan, the protections provided to that county under section 245.485 do not apply.

278.15 (b) The commissioner shall consider the following factors to determine whether to
278.16 approve a county's corrective action plan:

278.17 (1) the degree to which a county is maximizing revenues for mental health services from
278.18 noncounty sources;

278.19 (2) the degree to which a county is expanding use of alternative services that meet mental
278.20 health needs, but do not count as mental health services within existing reporting systems.
278.21 If approved by the commissioner, the alternative services must be included in the county's
278.22 base as well as subsequent years. The commissioner's approval for alternative services must
278.23 be based on the following criteria:

278.24 (i) the service must be provided to children ~~with emotional disturbance~~ or adults with
278.25 mental illness;

278.26 (ii) the services must be based on an individual treatment plan or individual community
278.27 support plan as defined in the Comprehensive Mental Health Act; and

278.28 (iii) the services must be supervised by a mental health professional and provided by
278.29 staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and
278.30 256B.0623, subdivision 5.

278.31 (c) Additional county expenditures to make up for the prior year's underspending may
278.32 be spread out over a two-year period.

279.1 Sec. 12. Minnesota Statutes 2024, section 245.4863, is amended to read:

279.2 **245.4863 INTEGRATED CO-OCCURRING DISORDER TREATMENT.**

279.3 (a) The commissioner shall require individuals who perform substance use disorder
279.4 assessments to screen clients for co-occurring mental health disorders, and staff who perform
279.5 mental health diagnostic assessments to screen for co-occurring substance use disorders.
279.6 Screening tools must be approved by the commissioner. If a client screens positive for a
279.7 co-occurring mental health or substance use disorder, the individual performing the screening
279.8 must document what actions will be taken in response to the results and whether further
279.9 assessments must be performed.

279.10 (b) Notwithstanding paragraph (a), screening is not required when:

279.11 (1) the presence of co-occurring disorders was documented for the client in the past 12
279.12 months;

279.13 (2) the client is currently receiving co-occurring disorders treatment;

279.14 (3) the client is being referred for co-occurring disorders treatment; or

279.15 (4) a mental health professional who is competent to perform diagnostic assessments of
279.16 co-occurring disorders is performing a diagnostic assessment to identify whether the client
279.17 may have co-occurring mental health and substance use disorders. If an individual is
279.18 identified to have co-occurring mental health and substance use disorders, the assessing
279.19 mental health professional must document what actions will be taken to address the client's
279.20 co-occurring disorders.

279.21 (c) The commissioner shall adopt rules as necessary to implement this section. The
279.22 commissioner shall ensure that the rules are effective on July 1, 2013, thereby establishing
279.23 a certification process for integrated dual disorder treatment providers and a system through
279.24 which individuals receive integrated dual diagnosis treatment if assessed as having both a
279.25 substance use disorder and ~~either a serious mental illness or emotional disturbance~~.

279.26 (d) The commissioner shall apply for any federal waivers necessary to secure, to the
279.27 extent allowed by law, federal financial participation for the provision of integrated dual
279.28 diagnosis treatment to persons with co-occurring disorders.

279.29 Sec. 13. Minnesota Statutes 2024, section 245.487, subdivision 2, is amended to read:

279.30 Subd. 2. **Findings.** The legislature finds there is a need for further development of
279.31 existing clinical services for ~~emotionally-disturbed~~ children with mental illness and their
279.32 families and the creation of new services for this population. Although the services specified

280.1 in sections 245.487 to 245.4889 are mental health services, sections 245.487 to 245.4889
280.2 emphasize the need for a child-oriented and family-oriented approach of therapeutic
280.3 programming and the need for continuity of care with other community agencies. At the
280.4 same time, sections 245.487 to 245.4889 emphasize the importance of developing special
280.5 mental health expertise in children's mental health services because of the unique needs of
280.6 this population.

280.7 Nothing in sections 245.487 to 245.4889 shall be construed to abridge the authority of
280.8 the court to make dispositions under chapter 260, but the mental health services due any
280.9 child with serious and persistent mental illness, as defined in section 245.462, subdivision
280.10 20, or with ~~severe emotional disturbance~~ a serious mental illness, as defined in section
280.11 245.4871, subdivision 6, shall be made a part of any disposition affecting that child.

280.12 Sec. 14. Minnesota Statutes 2024, section 245.4871, subdivision 3, is amended to read:

280.13 Subd. 3. **Case management services.** "Case management services" means activities
280.14 that are coordinated with the family community support services and are designed to help
280.15 the child with ~~severe emotional disturbance~~ serious mental illness and the child's family
280.16 obtain needed mental health services, social services, educational services, health services,
280.17 vocational services, recreational services, and related services in the areas of volunteer
280.18 services, advocacy, transportation, and legal services. Case management services include
280.19 assisting in obtaining a comprehensive diagnostic assessment, developing an individual
280.20 family community support plan, and assisting the child and the child's family in obtaining
280.21 needed services by coordination with other agencies and assuring continuity of care. Case
280.22 managers must assess and reassess the delivery, appropriateness, and effectiveness of services
280.23 over time.

280.24 Sec. 15. Minnesota Statutes 2024, section 245.4871, subdivision 4, is amended to read:

280.25 Subd. 4. **Case management service provider.** (a) "Case management service provider"
280.26 means a case manager or case manager associate employed by the county or other entity
280.27 authorized by the county board to provide case management services specified in subdivision
280.28 3 for the child with ~~severe emotional disturbance~~ serious mental illness and the child's
280.29 family.

280.30 (b) A case manager must:

280.31 (1) have experience and training in working with children;

281.1 (2) have at least a bachelor's degree in one of the behavioral sciences or a related field
281.2 including, but not limited to, social work, psychology, or nursing from an accredited college
281.3 or university or meet the requirements of paragraph (d);

281.4 (3) have experience and training in identifying and assessing a wide range of children's
281.5 needs;

281.6 (4) be knowledgeable about local community resources and how to use those resources
281.7 for the benefit of children and their families; and

281.8 (5) meet the supervision and continuing education requirements of paragraphs (e), (f),
281.9 and (g), as applicable.

281.10 (c) A case manager may be a member of any professional discipline that is part of the
281.11 local system of care for children established by the county board.

281.12 (d) A case manager without a bachelor's degree must meet one of the requirements in
281.13 clauses (1) to (3):

281.14 (1) have three or four years of experience as a case manager associate;

281.15 (2) be a registered nurse without a bachelor's degree who has a combination of specialized
281.16 training in psychiatry and work experience consisting of community interaction and
281.17 involvement or community discharge planning in a mental health setting totaling three years;
281.18 or

281.19 (3) be a person who qualified as a case manager under the 1998 Department of Human
281.20 Services waiver provision and meets the continuing education, supervision, and mentoring
281.21 requirements in this section.

281.22 (e) A case manager with at least 2,000 hours of supervised experience in the delivery
281.23 of mental health services to children must receive regular ongoing supervision and clinical
281.24 supervision totaling 38 hours per year, of which at least one hour per month must be clinical
281.25 supervision regarding individual service delivery with a case management supervisor. The
281.26 other 26 hours of supervision may be provided by a case manager with two years of
281.27 experience. Group supervision may not constitute more than one-half of the required
281.28 supervision hours.

281.29 (f) A case manager without 2,000 hours of supervised experience in the delivery of
281.30 mental health services to children with ~~emotional disturbance~~ mental illness must:

281.31 (1) begin 40 hours of training approved by the commissioner of human services in case
281.32 management skills and in the characteristics and needs of children with ~~severe emotional~~

282.1 ~~disturbance~~ serious mental illness before beginning to provide case management services;
282.2 and

282.3 (2) receive clinical supervision regarding individual service delivery from a mental
282.4 health professional at least one hour each week until the requirement of 2,000 hours of
282.5 experience is met.

282.6 (g) A case manager who is not licensed, registered, or certified by a health-related
282.7 licensing board must receive 30 hours of continuing education and training in ~~severe~~
282.8 ~~emotional disturbance~~ serious mental illness and mental health services every two years.

282.9 (h) Clinical supervision must be documented in the child's record. When the case manager
282.10 is not a mental health professional, the county board must provide or contract for needed
282.11 clinical supervision.

282.12 (i) The county board must ensure that the case manager has the freedom to access and
282.13 coordinate the services within the local system of care that are needed by the child.

282.14 (j) A case manager associate (CMA) must:

282.15 (1) work under the direction of a case manager or case management supervisor;

282.16 (2) be at least 21 years of age;

282.17 (3) have at least a high school diploma or its equivalent; and

282.18 (4) meet one of the following criteria:

282.19 (i) have an associate of arts degree in one of the behavioral sciences or human services;

282.20 (ii) be a registered nurse without a bachelor's degree;

282.21 (iii) have three years of life experience as a primary caregiver to a child with serious

282.22 ~~emotional disturbance~~ mental illness as defined in subdivision 6 within the previous ten
282.23 years;

282.24 (iv) have 6,000 hours work experience as a nondegreed state hospital technician; or

282.25 (v) have 6,000 hours of supervised work experience in the delivery of mental health
282.26 services to children with ~~emotional disturbances~~ mental illness; hours worked as a mental
282.27 health behavioral aide I or II under section 256B.0943, subdivision 7, may count toward
282.28 the 6,000 hours of supervised work experience.

282.29 Individuals meeting one of the criteria in items (i) to (iv) may qualify as a case manager
282.30 after four years of supervised work experience as a case manager associate. Individuals

283.1 meeting the criteria in item (v) may qualify as a case manager after three years of supervised
283.2 experience as a case manager associate.

283.3 (k) Case manager associates must meet the following supervision, mentoring, and
283.4 continuing education requirements;

283.5 (1) have 40 hours of preservice training described under paragraph (f), clause (1);

283.6 (2) receive at least 40 hours of continuing education in ~~severe emotional disturbance~~
283.7 serious mental illness and mental health service annually; and

283.8 (3) receive at least five hours of mentoring per week from a case management mentor.

283.9 A "case management mentor" means a qualified, practicing case manager or case management
283.10 supervisor who teaches or advises and provides intensive training and clinical supervision
283.11 to one or more case manager associates. Mentoring may occur while providing direct services
283.12 to consumers in the office or in the field and may be provided to individuals or groups of
283.13 case manager associates. At least two mentoring hours per week must be individual and
283.14 face-to-face.

283.15 (l) A case management supervisor must meet the criteria for a mental health professional
283.16 as specified in subdivision 27.

283.17 (m) An immigrant who does not have the qualifications specified in this subdivision
283.18 may provide case management services to child immigrants with ~~severe emotional~~
283.19 ~~disturbance~~ serious mental illness of the same ethnic group as the immigrant if the person:

283.20 (1) is currently enrolled in and is actively pursuing credits toward the completion of a
283.21 bachelor's degree in one of the behavioral sciences or related fields at an accredited college
283.22 or university;

283.23 (2) completes 40 hours of training as specified in this subdivision; and

283.24 (3) receives clinical supervision at least once a week until the requirements of obtaining
283.25 a bachelor's degree and 2,000 hours of supervised experience are met.

283.26 Sec. 16. Minnesota Statutes 2024, section 245.4871, subdivision 6, is amended to read:

283.27 Subd. 6. **Child with ~~severe emotional disturbance~~ serious mental illness.** For purposes
283.28 of eligibility for case management and family community support services, "child with
283.29 ~~severe emotional disturbance~~ serious mental illness" means a child who has ~~an emotional~~
283.30 ~~disturbance~~ a mental illness and who meets one of the following criteria:

284.1 (1) the child has been admitted within the last three years or is at risk of being admitted
284.2 to inpatient treatment or residential treatment for ~~an emotional disturbance~~ a mental illness;
284.3 or

284.4 (2) the child is a Minnesota resident and is receiving inpatient treatment or residential
284.5 treatment for ~~an emotional disturbance~~ a mental illness through the interstate compact; or

284.6 (3) the child has one of the following as determined by a mental health professional:

284.7 (i) psychosis or a clinical depression; or

284.8 (ii) risk of harming self or others as a result of ~~an emotional disturbance~~ a mental illness;

284.9 or

284.10 (iii) psychopathological symptoms as a result of being a victim of physical or sexual
284.11 abuse or of psychic trauma within the past year; or

284.12 (4) the child, as a result of ~~an emotional disturbance~~ a mental illness, has significantly
284.13 impaired home, school, or community functioning that has lasted at least one year or that,
284.14 in the written opinion of a mental health professional, presents substantial risk of lasting at
284.15 least one year.

284.16 Sec. 17. Minnesota Statutes 2024, section 245.4871, subdivision 13, is amended to read:

284.17 Subd. 13. **Education and prevention services.** (a) "Education and prevention services"
284.18 means services designed to:

284.19 (1) educate the general public;

284.20 (2) increase the understanding and acceptance of problems associated with ~~emotional~~
284.21 ~~disturbances~~ children's mental illnesses;

284.22 (3) improve people's skills in dealing with high-risk situations known to affect children's
284.23 mental health and functioning; and

284.24 (4) refer specific children or their families with mental health needs to mental health
284.25 services.

284.26 (b) The services include distribution to individuals and agencies identified by the county
284.27 board and the local children's mental health advisory council of information on predictors
284.28 and symptoms of ~~emotional disturbances~~ mental illnesses, where mental health services are
284.29 available in the county, and how to access the services.

285.1 Sec. 18. Minnesota Statutes 2024, section 245.4871, subdivision 15, is amended to read:

285.2 Subd. 15. ~~Emotional disturbance~~ **Mental illness.** ~~"Emotional disturbance"~~ "Mental
285.3 illness" means an organic disorder of the brain or a clinically significant disorder of thought,
285.4 mood, perception, orientation, memory, or behavior that:

285.5 (1) is detailed in a diagnostic codes list published by the commissioner; and

285.6 (2) seriously limits a child's capacity to function in primary aspects of daily living such
285.7 as personal relations, living arrangements, work, school, and recreation.

285.8 ~~"Emotional disturbance"~~ Mental illness is a generic term and is intended to reflect all
285.9 categories of disorder described in the clinical code list published by the commissioner as
285.10 "usually first evident in childhood or adolescence."

285.11 Sec. 19. Minnesota Statutes 2024, section 245.4871, subdivision 17, is amended to read:

285.12 Subd. 17. **Family community support services.** "Family community support services"
285.13 means services provided under the treatment supervision of a mental health professional
285.14 and designed to help each child with ~~severe emotional disturbance~~ serious mental illness to
285.15 function and remain with the child's family in the community. Family community support
285.16 services do not include acute care hospital inpatient treatment, residential treatment services,
285.17 or regional treatment center services. Family community support services include:

285.18 (1) client outreach to each child with ~~severe emotional disturbance~~ serious mental illness
285.19 and the child's family;

285.20 (2) medication monitoring where necessary;

285.21 (3) assistance in developing independent living skills;

285.22 (4) assistance in developing parenting skills necessary to address the needs of the child
285.23 with ~~severe emotional disturbance~~ serious mental illness;

285.24 (5) assistance with leisure and recreational activities;

285.25 (6) crisis planning, including crisis placement and respite care;

285.26 (7) professional home-based family treatment;

285.27 (8) foster care with therapeutic supports;

285.28 (9) day treatment;

285.29 (10) assistance in locating respite care and special needs day care; and

286.1 (11) assistance in obtaining potential financial resources, including those benefits listed
286.2 in section 245.4884, subdivision 5.

286.3 Sec. 20. Minnesota Statutes 2024, section 245.4871, subdivision 19, is amended to read:

286.4 Subd. 19. **Individual family community support plan.** "Individual family community
286.5 support plan" means a written plan developed by a case manager in conjunction with the
286.6 family and the child with ~~severe emotional disturbance~~ serious mental illness on the basis
286.7 of a diagnostic assessment and a functional assessment. The plan identifies specific services
286.8 needed by a child and the child's family to:

286.9 (1) treat the symptoms and dysfunctions determined in the diagnostic assessment;

286.10 (2) relieve conditions leading to ~~emotional disturbance~~ mental illness and improve the
286.11 personal well-being of the child;

286.12 (3) improve family functioning;

286.13 (4) enhance daily living skills;

286.14 (5) improve functioning in education and recreation settings;

286.15 (6) improve interpersonal and family relationships;

286.16 (7) enhance vocational development; and

286.17 (8) assist in obtaining transportation, housing, health services, and employment.

286.18 Sec. 21. Minnesota Statutes 2024, section 245.4871, subdivision 21, is amended to read:

286.19 Subd. 21. **Individual treatment plan.** (a) "Individual treatment plan" means the
286.20 formulation of planned services that are responsive to the needs and goals of a client. An
286.21 individual treatment plan must be completed according to section 245I.10, subdivisions 7
286.22 and 8.

286.23 (b) A children's residential facility licensed under Minnesota Rules, chapter 2960, is
286.24 exempt from the requirements of section 245I.10, subdivisions 7 and 8. Instead, the individual
286.25 treatment plan must:

286.26 (1) include a written plan of intervention, treatment, and services for a child with ~~an~~
286.27 ~~emotional disturbance~~ a mental illness that the service provider develops under the clinical
286.28 supervision of a mental health professional on the basis of a diagnostic assessment;

286.29 (2) be developed in conjunction with the family unless clinically inappropriate; and

287.1 (3) identify goals and objectives of treatment, treatment strategy, a schedule for
287.2 accomplishing treatment goals and objectives, and the individuals responsible for providing
287.3 treatment to the child with ~~an emotional disturbance~~ a mental illness.

287.4 Sec. 22. Minnesota Statutes 2024, section 245.4871, subdivision 22, is amended to read:

287.5 Subd. 22. **Legal representative.** "Legal representative" means a guardian, conservator,
287.6 or guardian ad litem of a child with ~~an emotional disturbance~~ a mental illness authorized
287.7 by the court to make decisions about mental health services for the child.

287.8 Sec. 23. Minnesota Statutes 2024, section 245.4871, subdivision 28, is amended to read:

287.9 Subd. 28. **Mental health services.** "Mental health services" means at least all of the
287.10 treatment services and case management activities that are provided to children with
287.11 ~~emotional disturbances~~ mental illnesses and are described in sections 245.487 to 245.4889.

287.12 Sec. 24. Minnesota Statutes 2024, section 245.4871, subdivision 29, is amended to read:

287.13 Subd. 29. **Outpatient services.** "Outpatient services" means mental health services,
287.14 excluding day treatment and community support services programs, provided by or under
287.15 the treatment supervision of a mental health professional to children with ~~emotional~~
287.16 ~~disturbances~~ mental illnesses who live outside a hospital. Outpatient services include clinical
287.17 activities such as individual, group, and family therapy; individual treatment planning;
287.18 diagnostic assessments; medication management; and psychological testing.

287.19 Sec. 25. Minnesota Statutes 2024, section 245.4871, subdivision 31, is amended to read:

287.20 Subd. 31. **Professional home-based family treatment.** (a) "Professional home-based
287.21 family treatment" means intensive mental health services provided to children because of
287.22 ~~an emotional disturbance~~ a mental illness: (1) who are at risk of ~~out-of-home placement~~
287.23 residential treatment or therapeutic foster care; (2) who are in ~~out-of-home placement~~
287.24 residential treatment or therapeutic foster care; or (3) who are returning from ~~out-of-home~~
287.25 ~~placement~~ residential treatment or therapeutic foster care.

287.26 (b) Services are provided to the child and the child's family primarily in the child's home
287.27 environment. Services may also be provided in the child's school, child care setting, or other
287.28 community setting appropriate to the child. Services must be provided on an individual
287.29 family basis, must be child-oriented and family-oriented, and must be designed using
287.30 information from diagnostic and functional assessments to meet the specific mental health

288.1 needs of the child and the child's family. Services must be coordinated with other services
288.2 provided to the child and family.

288.3 (c) Examples of services are: (1) individual therapy; (2) family therapy; (3) client
288.4 outreach; (4) assistance in developing individual living skills; (5) assistance in developing
288.5 parenting skills necessary to address the needs of the child; (6) assistance with leisure and
288.6 recreational services; (7) crisis planning, including crisis respite care and arranging for crisis
288.7 placement; and (8) assistance in locating respite and child care. Services must be coordinated
288.8 with other services provided to the child and family.

288.9 Sec. 26. Minnesota Statutes 2024, section 245.4871, subdivision 32, is amended to read:

288.10 Subd. 32. **Residential treatment.** "Residential treatment" means a 24-hour-a-day program
288.11 under the treatment supervision of a mental health professional, in a community residential
288.12 setting other than an acute care hospital or regional treatment center inpatient unit, that must
288.13 be licensed as a residential treatment program for children with ~~emotional disturbances~~
288.14 mental illnesses under Minnesota Rules, parts 2960.0580 to 2960.0700, or other rules adopted
288.15 by the commissioner.

288.16 Sec. 27. Minnesota Statutes 2024, section 245.4871, subdivision 34, is amended to read:

288.17 Subd. 34. **Therapeutic support of foster care.** "Therapeutic support of foster care"
288.18 means the mental health training and mental health support services and treatment supervision
288.19 provided by a mental health professional to foster families caring for children with ~~severe~~
288.20 ~~emotional disturbance~~ serious mental illnesses to provide a therapeutic family environment
288.21 and support for the child's improved functioning. Therapeutic support of foster care includes
288.22 services provided under section 256B.0946.

288.23 Sec. 28. Minnesota Statutes 2024, section 245.4873, subdivision 2, is amended to read:

288.24 Subd. 2. **State level; coordination.** The Children's Cabinet, under section 4.045, in
288.25 consultation with a representative of the Minnesota District Judges Association Juvenile
288.26 Committee, shall:

288.27 (1) educate each agency about the policies, procedures, funding, and services for children
288.28 with ~~emotional disturbances~~ mental illnesses of all agencies represented;

288.29 (2) develop mechanisms for interagency coordination on behalf of children with ~~emotional~~
288.30 ~~disturbances~~ mental illnesses;

289.1 (3) identify barriers including policies and procedures within all agencies represented
289.2 that interfere with delivery of mental health services for children;

289.3 (4) recommend policy and procedural changes needed to improve development and
289.4 delivery of mental health services for children in the agency or agencies they represent; and

289.5 (5) identify mechanisms for better use of federal and state funding in the delivery of
289.6 mental health services for children.

289.7 Sec. 29. Minnesota Statutes 2024, section 245.4874, subdivision 1, is amended to read:

289.8 Subdivision 1. **Duties of county board.** (a) The county board must:

289.9 (1) develop a system of affordable and locally available children's mental health services
289.10 according to sections 245.487 to 245.4889;

289.11 (2) consider the assessment of unmet needs in the county as reported by the local
289.12 children's mental health advisory council under section 245.4875, subdivision 5, paragraph
289.13 (b), clause (3). The county shall provide, upon request of the local children's mental health
289.14 advisory council, readily available data to assist in the determination of unmet needs;

289.15 (3) assure that parents and providers in the county receive information about how to
289.16 gain access to services provided according to sections 245.487 to 245.4889;

289.17 (4) coordinate the delivery of children's mental health services with services provided
289.18 by social services, education, corrections, health, and vocational agencies to improve the
289.19 availability of mental health services to children and the cost-effectiveness of their delivery;

289.20 (5) assure that mental health services delivered according to sections 245.487 to 245.4889
289.21 are delivered expeditiously and are appropriate to the child's diagnostic assessment and
289.22 individual treatment plan;

289.23 (6) provide for case management services to each child with ~~severe emotional disturbance~~
289.24 serious mental illness according to sections 245.486; 245.4871, subdivisions 3 and 4; and
289.25 245.4881, subdivisions 1, 3, and 5;

289.26 (7) provide for screening of each child under section 245.4885 upon admission to a
289.27 residential treatment facility, ~~acute care hospital inpatient treatment, or informal admission~~
289.28 ~~to a regional treatment center;~~

289.29 (8) prudently administer grants and purchase-of-service contracts that the county board
289.30 determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4889;

290.1 (9) assure that mental health professionals, mental health practitioners, and case managers
290.2 employed by or under contract to the county to provide mental health services are qualified
290.3 under section 245.4871;

290.4 (10) assure that children's mental health services are coordinated with adult mental health
290.5 services specified in sections 245.461 to 245.486 so that a continuum of mental health
290.6 services is available to serve persons with mental illness, regardless of the person's age;

290.7 (11) assure that culturally competent mental health consultants are used as necessary to
290.8 assist the county board in assessing and providing appropriate treatment for children of
290.9 cultural or racial minority heritage; and

290.10 (12) consistent with section 245.486, arrange for or provide a children's mental health
290.11 screening for:

290.12 (i) a child receiving child protective services;

290.13 (ii) a child in ~~out-of-home placement~~ residential treatment or therapeutic foster care;

290.14 (iii) a child for whom parental rights have been terminated;

290.15 (iv) a child found to be delinquent; or

290.16 (v) a child found to have committed a juvenile petty offense for the third or subsequent
290.17 time.

290.18 A children's mental health screening is not required when a screening or diagnostic
290.19 assessment has been performed within the previous 180 days, or the child is currently under
290.20 the care of a mental health professional.

290.21 (b) When a child is receiving protective services or is in ~~out-of-home placement~~
290.22 residential treatment or foster care, the court or county agency must notify a parent or
290.23 guardian whose parental rights have not been terminated of the potential mental health
290.24 screening and the option to prevent the screening by notifying the court or county agency
290.25 in writing.

290.26 (c) When a child is found to be delinquent or a child is found to have committed a
290.27 juvenile petty offense for the third or subsequent time, the court or county agency must
290.28 obtain written informed consent from the parent or legal guardian before a screening is
290.29 conducted unless the court, notwithstanding the parent's failure to consent, determines that
290.30 the screening is in the child's best interest.

290.31 (d) The screening shall be conducted with a screening instrument approved by the
290.32 commissioner of human services according to criteria that are updated and issued annually

291.1 to ensure that approved screening instruments are valid and useful for child welfare and
291.2 juvenile justice populations. Screenings shall be conducted by a mental health practitioner
291.3 as defined in section 245.4871, subdivision 26, or a probation officer or local social services
291.4 agency staff person who is trained in the use of the screening instrument. Training in the
291.5 use of the instrument shall include:

- 291.6 (1) training in the administration of the instrument;
- 291.7 (2) the interpretation of its validity given the child's current circumstances;
- 291.8 (3) the state and federal data practices laws and confidentiality standards;
- 291.9 (4) the parental consent requirement; and
- 291.10 (5) providing respect for families and cultural values.

291.11 If the screen indicates a need for assessment, the child's family, or if the family lacks
291.12 mental health insurance, the local social services agency, in consultation with the child's
291.13 family, shall have conducted a diagnostic assessment, including a functional assessment.
291.14 The administration of the screening shall safeguard the privacy of children receiving the
291.15 screening and their families and shall comply with the Minnesota Government Data Practices
291.16 Act, chapter 13, and the federal Health Insurance Portability and Accountability Act of
291.17 1996, Public Law 104-191. Screening results are classified as private data on individuals,
291.18 as defined by section 13.02, subdivision 12. The county board or Tribal nation may provide
291.19 the commissioner with access to the screening results for the purposes of program evaluation
291.20 and improvement.

291.21 (e) When the county board refers clients to providers of children's therapeutic services
291.22 and supports under section 256B.0943, the county board must clearly identify the desired
291.23 services components not covered under section 256B.0943 and identify the reimbursement
291.24 source for those requested services, the method of payment, and the payment rate to the
291.25 provider.

291.26 Sec. 30. Minnesota Statutes 2024, section 245.4875, subdivision 5, is amended to read:

291.27 Subd. 5. **Local children's advisory council.** (a) By October 1, 1989, the county board,
291.28 individually or in conjunction with other county boards, shall establish a local children's
291.29 mental health advisory council or children's mental health subcommittee of the existing
291.30 local mental health advisory council or shall include persons on its existing mental health
291.31 advisory council who are representatives of children's mental health interests. The following
291.32 individuals must serve on the local children's mental health advisory council, the children's
291.33 mental health subcommittee of an existing local mental health advisory council, or be

included on an existing mental health advisory council: (1) at least one person who was in a mental health program as a child or adolescent; (2) at least one parent of a child or adolescent with ~~severe emotional disturbance~~ serious mental illness; (3) one children's mental health professional; (4) representatives of minority populations of significant size residing in the county; (5) a representative of the children's mental health local coordinating council; and (6) one family community support services program representative.

(b) The local children's mental health advisory council or children's mental health subcommittee of an existing advisory council shall seek input from parents, former consumers, providers, and others about the needs of children with ~~emotional disturbance~~ mental illness in the local area and services needed by families of these children, and shall meet monthly, unless otherwise determined by the council or subcommittee, but not less than quarterly, to review, evaluate, and make recommendations regarding the local children's mental health system. Annually, the local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council shall:

(1) arrange for input from the local system of care providers regarding coordination of care between the services;

(2) identify for the county board the individuals, providers, agencies, and associations as specified in section 245.4877, clause (2); and

(3) provide to the county board a report of unmet mental health needs of children residing in the county.

(c) The county board shall consider the advice of its local children's mental health advisory council or children's mental health subcommittee of the existing local mental health advisory council in carrying out its authorities and responsibilities.

Sec. 31. Minnesota Statutes 2024, section 245.4876, subdivision 4, is amended to read:

Subd. 4. **Referral for case management.** Each provider of emergency services, outpatient treatment, community support services, family community support services, day treatment services, screening under section 245.4885, professional home-based family treatment services, residential treatment facilities, acute care hospital inpatient treatment facilities, or regional treatment center services must inform each child with ~~severe emotional disturbance~~ serious mental illness, and the child's parent or legal representative, of the availability and potential benefits to the child of case management. The information shall be provided as specified in subdivision 5. If consent is obtained according to subdivision 5, the provider

293.1 must refer the child by notifying the county employee designated by the county board to
293.2 coordinate case management activities of the child's name and address and by informing
293.3 the child's family of whom to contact to request case management. The provider must
293.4 document compliance with this subdivision in the child's record. The parent or child may
293.5 directly request case management even if there has been no referral.

293.6 Sec. 32. Minnesota Statutes 2024, section 245.4876, subdivision 5, is amended to read:

293.7 Subd. 5. **Consent for services or for release of information.** (a) Although sections
293.8 245.487 to 245.4889 require each county board, within the limits of available resources, to
293.9 make the mental health services listed in those sections available to each child residing in
293.10 the county who needs them, the county board shall not provide any services, either directly
293.11 or by contract, unless consent to the services is obtained under this subdivision. The case
293.12 manager assigned to a child with a ~~severe emotional disturbance~~ serious mental illness shall
293.13 not disclose to any person other than the case manager's immediate supervisor and the mental
293.14 health professional providing clinical supervision of the case manager information on the
293.15 child, the child's family, or services provided to the child or the child's family without
293.16 informed written consent unless required to do so by statute or under the Minnesota
293.17 Government Data Practices Act. Informed written consent must comply with section 13.05,
293.18 subdivision 4, paragraph (d), and specify the purpose and use for which the case manager
293.19 may disclose the information.

293.20 (b) The consent or authorization must be obtained from the child's parent unless: (1) the
293.21 parental rights are terminated; or (2) consent is otherwise provided under sections 144.341
293.22 to 144.347; 253B.04, subdivision 1; 260C.148; 260C.151; and 260C.201, subdivision 1,
293.23 the terms of appointment of a court-appointed guardian or conservator, or federal regulations
293.24 governing substance use disorder services.

293.25 Sec. 33. Minnesota Statutes 2024, section 245.4877, is amended to read:

293.26 **245.4877 EDUCATION AND PREVENTION SERVICES.**

293.27 Education and prevention services must be available to all children residing in the county.
293.28 Education and prevention services must be designed to:

293.29 (1) convey information regarding ~~emotional disturbances~~ mental illnesses, mental health
293.30 needs, and treatment resources to the general public;

293.31 (2) at least annually, distribute to individuals and agencies identified by the county board
293.32 and the local children's mental health advisory council information on predictors and

294.1 symptoms of ~~emotional disturbances~~ mental illnesses, where mental health services are
294.2 available in the county, and how to access the services;

294.3 (3) increase understanding and acceptance of problems associated with ~~emotional~~
294.4 ~~disturbances~~ mental illnesses;

294.5 (4) improve people's skills in dealing with high-risk situations known to affect children's
294.6 mental health and functioning;

294.7 (5) prevent development or deepening of ~~emotional disturbances~~ mental illnesses; and

294.8 (6) refer each child with ~~emotional disturbance~~ mental illness or the child's family with
294.9 additional mental health needs to appropriate mental health services.

294.10 Sec. 34. Minnesota Statutes 2024, section 245.488, subdivision 1, is amended to read:

294.11 Subdivision 1. **Availability of outpatient services.** (a) County boards must provide or
294.12 contract for enough outpatient services within the county to meet the needs of each child
294.13 with ~~emotional disturbance~~ mental illness residing in the county and the child's family.

294.14 Services may be provided directly by the county through county-operated mental health
294.15 clinics meeting the standards of chapter 245I; by contract with privately operated mental
294.16 health clinics meeting the standards of chapter 245I; by contract with hospital mental health
294.17 outpatient programs certified by the Joint Commission on Accreditation of Hospital
294.18 Organizations; or by contract with a mental health professional. A child or a child's parent
294.19 may be required to pay a fee based in accordance with section 245.481. Outpatient services
294.20 include:

294.21 (1) conducting diagnostic assessments;

294.22 (2) conducting psychological testing;

294.23 (3) developing or modifying individual treatment plans;

294.24 (4) making referrals and recommending placements as appropriate;

294.25 (5) treating the child's mental health needs through therapy; and

294.26 (6) prescribing and managing medication and evaluating the effectiveness of prescribed
294.27 medication.

294.28 (b) County boards may request a waiver allowing outpatient services to be provided in
294.29 a nearby trade area if it is determined that the child requires necessary and appropriate
294.30 services that are only available outside the county.

295.1 (c) Outpatient services offered by the county board to prevent placement must be at the
295.2 level of treatment appropriate to the child's diagnostic assessment.

295.3 Sec. 35. Minnesota Statutes 2024, section 245.488, subdivision 3, is amended to read:

295.4 Subd. 3. **Mental health crisis services.** County boards must provide or contract for
295.5 mental health crisis services within the county to meet the needs of children with ~~emotional~~
295.6 ~~disturbance~~ mental illness residing in the county who are determined, through an assessment
295.7 by a mental health professional, to be experiencing a mental health crisis or mental health
295.8 emergency. The mental health crisis services provided must be medically necessary, as
295.9 defined in section 62Q.53, subdivision 2, and necessary for the safety of the child or others
295.10 regardless of the setting.

295.11 Sec. 36. Minnesota Statutes 2024, section 245.4881, subdivision 1, is amended to read:

295.12 Subdivision 1. **Availability of case management services.** (a) The county board shall
295.13 provide case management services for each child with ~~severe emotional disturbance~~ serious
295.14 mental illness who is a resident of the county and the child's family who request or consent
295.15 to the services. Case management services must be offered to a child with a serious ~~emotional~~
295.16 ~~disturbance~~ mental illness who is over the age of 18 consistent with section 245.4875,
295.17 subdivision 8, or the child's legal representative, provided the child's service needs can be
295.18 met within the children's service system. Before discontinuing case management services
295.19 under this subdivision for children between the ages of 17 and 21, a transition plan must be
295.20 developed. The transition plan must be developed with the child and, with the consent of a
295.21 child age 18 or over, the child's parent, guardian, or legal representative. The transition plan
295.22 should include plans for health insurance, housing, education, employment, and treatment.
295.23 Staffing ratios must be sufficient to serve the needs of the clients. The case manager must
295.24 meet the requirements in section 245.4871, subdivision 4.

295.25 (b) Except as permitted by law and the commissioner under demonstration projects, case
295.26 management services provided to children with ~~severe emotional disturbance~~ serious mental
295.27 illness eligible for medical assistance must be billed to the medical assistance program under
295.28 sections 256B.02, subdivision 8, and 256B.0625.

295.29 (c) Case management services are eligible for reimbursement under the medical assistance
295.30 program. Costs of mentoring, supervision, and continuing education may be included in the
295.31 reimbursement rate methodology used for case management services under the medical
295.32 assistance program.

296.1 Sec. 37. Minnesota Statutes 2024, section 245.4881, subdivision 4, is amended to read:

296.2 Subd. 4. **Individual family community support plan.** (a) For each child, the case
296.3 manager must develop an individual family community support plan that incorporates the
296.4 child's individual treatment plan. The individual treatment plan may not be a substitute for
296.5 the development of an individual family community support plan. The case manager is
296.6 responsible for developing the individual family community support plan within 30 days
296.7 of intake based on a diagnostic assessment and for implementing and monitoring the delivery
296.8 of services according to the individual family community support plan. The case manager
296.9 must review the plan at least every 180 calendar days after it is developed, unless the case
296.10 manager has received a written request from the child's family or an advocate for the child
296.11 for a review of the plan every 90 days after it is developed. To the extent appropriate, the
296.12 child with ~~severe emotional disturbance~~ serious mental illness, the child's family, advocates,
296.13 service providers, and significant others must be involved in all phases of development and
296.14 implementation of the individual family community support plan. Notwithstanding the lack
296.15 of an individual family community support plan, the case manager shall assist the child and
296.16 child's family in accessing the needed services listed in section 245.4884, subdivision 1.

296.17 (b) The child's individual family community support plan must state:

296.18 (1) the goals and expected outcomes of each service and criteria for evaluating the
296.19 effectiveness and appropriateness of the service;

296.20 (2) the activities for accomplishing each goal;

296.21 (3) a schedule for each activity; and

296.22 (4) the frequency of face-to-face contacts by the case manager, as appropriate to client
296.23 need and the implementation of the individual family community support plan.

296.24 Sec. 38. Minnesota Statutes 2024, section 245.4882, subdivision 1, is amended to read:

296.25 Subdivision 1. **Availability of residential treatment services.** County boards must
296.26 provide or contract for enough residential treatment services to meet the needs of each child
296.27 with ~~severe emotional disturbance~~ serious mental illness residing in the county and needing
296.28 this level of care. Length of stay is based on the child's residential treatment need and shall
296.29 be reviewed every 90 days. Services must be appropriate to the child's age and treatment
296.30 needs and must be made available as close to the county as possible. Residential treatment
296.31 must be designed to:

296.32 (1) help the child improve family living and social interaction skills;

297.1 (2) help the child gain the necessary skills to return to the community;

297.2 (3) stabilize crisis admissions; and

297.3 (4) work with families throughout the placement to improve the ability of the families
297.4 to care for children with ~~severe emotional disturbance~~ serious mental illness in the home.

297.5 Sec. 39. Minnesota Statutes 2024, section 245.4882, subdivision 5, is amended to read:

297.6 Subd. 5. **Specialized residential treatment services.** The commissioner of human
297.7 services shall continue efforts to further interagency collaboration to develop a comprehensive
297.8 system of services, including family community support and specialized residential treatment
297.9 services for children. The services shall be designed for children with ~~emotional disturbance~~
297.10 mental illness who exhibit violent or destructive behavior and for whom local treatment
297.11 services are not feasible due to the small number of children statewide who need the services
297.12 and the specialized nature of the services required. The services shall be located in community
297.13 settings.

297.14 Sec. 40. Minnesota Statutes 2024, section 245.4884, is amended to read:

297.15 **245.4884 FAMILY COMMUNITY SUPPORT SERVICES.**

297.16 Subdivision 1. **Availability of family community support services.** By July 1, 1991,
297.17 county boards must provide or contract for sufficient family community support services
297.18 within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious
297.19 mental illness who resides in the county and the child's family. Children or their parents
297.20 may be required to pay a fee in accordance with section 245.481.

297.21 Family community support services must be designed to improve the ability of children
297.22 with ~~severe emotional disturbance~~ serious mental illness to:

297.23 (1) manage basic activities of daily living;

297.24 (2) function appropriately in home, school, and community settings;

297.25 (3) participate in leisure time or community youth activities;

297.26 (4) set goals and plans;

297.27 (5) reside with the family in the community;

297.28 (6) participate in after-school and summer activities;

297.29 (7) make a smooth transition among mental health and education services provided to
297.30 children; and

(8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

The commissioner of human services shall work with mental health professionals to develop standards for clinical supervision of family community support services. These standards shall be incorporated in rule and in guidelines for grants for family community support services.

Subd. 2. Day treatment services provided. (a) Day treatment services must be part of the family community support services available to each child with ~~severe emotional disturbance~~ serious mental illness residing in the county. A child or the child's parent may be required to pay a fee according to section 245.481. Day treatment services must be designed to:

(1) provide a structured environment for treatment;

(2) provide support for residing in the community;

(3) prevent placements that are more intensive, costly, or restrictive than necessary to meet the child's need;

(4) coordinate with or be offered in conjunction with the child's education program;

(5) provide therapy and family intervention for children that are coordinated with education services provided and funded by schools; and

(6) operate during all 12 months of the year.

(b) County boards may request a waiver from including day treatment services if they can document that:

(1) alternative services exist through the county's family community support services for each child who would otherwise need day treatment services; and

(2) county demographics and geography make the provision of day treatment services cost ineffective and unfeasible.

Subd. 3. Professional home-based family treatment provided. (a) By January 1, 1991, county boards must provide or contract for sufficient professional home-based family treatment within the county to meet the needs of each child with ~~severe emotional disturbance~~ serious mental illness who is at risk of ~~out-of-home placement~~ residential treatment or

299.1 therapeutic foster care due to the child's ~~emotional disturbance~~ mental illness or who is
299.2 returning to the home from ~~out-of-home placement~~ residential treatment or therapeutic
299.3 foster care. The child or the child's parent may be required to pay a fee according to section
299.4 245.481. The county board shall require that all service providers of professional home-based
299.5 family treatment set fee schedules approved by the county board that are based on the child's
299.6 or family's ability to pay. The professional home-based family treatment must be designed
299.7 to assist each child with ~~severe emotional disturbance~~ serious mental illness who is at risk
299.8 of or who is returning from ~~out-of-home placement~~ residential treatment or therapeutic
299.9 foster care and the child's family to:

299.10 (1) improve overall family functioning in all areas of life;

299.11 (2) treat the child's symptoms of ~~emotional disturbance~~ mental illness that contribute to
299.12 a risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care;

299.13 (3) provide a positive change in the emotional, behavioral, and mental well-being of
299.14 children and their families; and

299.15 (4) reduce risk of ~~out-of-home placement~~ residential treatment or therapeutic foster care
299.16 for the identified child with ~~severe emotional disturbance~~ serious mental illness and other
299.17 siblings or successfully reunify and reintegrate into the family a child returning from
299.18 ~~out-of-home placement~~ residential treatment or therapeutic foster care due to ~~emotional~~
299.19 ~~disturbance~~ mental illness.

299.20 (b) Professional home-based family treatment must be provided by a team consisting of
299.21 a mental health professional and others who are skilled in the delivery of mental health
299.22 services to children and families in conjunction with other human service providers. The
299.23 professional home-based family treatment team must maintain flexible hours of service
299.24 availability and must provide or arrange for crisis services for each family, 24 hours a day,
299.25 seven days a week. Case loads for each professional home-based family treatment team
299.26 must be small enough to permit the delivery of intensive services and to meet the needs of
299.27 the family. Professional home-based family treatment providers shall coordinate services
299.28 and service needs with case managers assigned to children and their families. The treatment
299.29 team must develop an individual treatment plan that identifies the specific treatment
299.30 objectives for both the child and the family.

299.31 Subd. 4. **Therapeutic support of foster care.** By January 1, 1992, county boards must
299.32 provide or contract for foster care with therapeutic support as defined in section 245.4871,
299.33 subdivision 34. Foster families caring for children with ~~severe emotional disturbance~~ serious

300.1 mental illness must receive training and supportive services, as necessary, at no cost to the
300.2 foster families within the limits of available resources.

300.3 Subd. 5. **Benefits assistance.** The county board must offer help to a child with ~~severe~~
300.4 ~~emotional disturbance~~ serious mental illness and the child's family in applying for federal
300.5 benefits, including Supplemental Security Income, medical assistance, and Medicare.

300.6 Sec. 41. Minnesota Statutes 2024, section 245.4885, subdivision 1, is amended to read:

300.7 Subdivision 1. **Admission criteria.** (a) Prior to admission or placement, except in the
300.8 case of an emergency, all children referred for treatment of ~~severe emotional disturbance~~
300.9 serious mental illness in a treatment foster care setting, residential treatment facility, or
300.10 informally admitted to a regional treatment center shall undergo an assessment to determine
300.11 the appropriate level of care if county funds are used to pay for the child's services. An
300.12 emergency includes when a child is in need of and has been referred for crisis stabilization
300.13 services under section 245.4882, subdivision 6. A child who has been referred to residential
300.14 treatment for crisis stabilization services in a residential treatment center is not required to
300.15 undergo an assessment under this section.

300.16 (b) The county board shall determine the appropriate level of care for a child when
300.17 county-controlled funds are used to pay for the child's residential treatment under this
300.18 chapter, including residential treatment provided in a qualified residential treatment program
300.19 as defined in section 260C.007, subdivision 26d. When a county board does not have
300.20 responsibility for a child's placement and the child is enrolled in a prepaid health program
300.21 under section 256B.69, the enrolled child's contracted health plan must determine the
300.22 appropriate level of care for the child. When Indian Health Services funds or funds of a
300.23 tribally owned facility funded under the Indian Self-Determination and Education Assistance
300.24 Act, Public Law 93-638, are used for the child, the Indian Health Services or 638 tribal
300.25 health facility must determine the appropriate level of care for the child. When more than
300.26 one entity bears responsibility for a child's coverage, the entities shall coordinate level of
300.27 care determination activities for the child to the extent possible.

300.28 (c) The child's level of care determination shall determine whether the proposed treatment:

300.29 (1) is necessary;

300.30 (2) is appropriate to the child's individual treatment needs;

300.31 (3) cannot be effectively provided in the child's home; and

300.32 (4) provides a length of stay as short as possible consistent with the individual child's
300.33 needs.

(d) When a level of care determination is conducted, the county board or other entity may not determine that a screening of a child, referral, or admission to a residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment of a child that evaluates the child's family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care to the child. The validated tool must be approved by the commissioner of human services and may be the validated tool approved for the child's assessment under section 260C.704 if the juvenile treatment screening team recommended placement of the child in a qualified residential treatment program. If a diagnostic assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether these services are available and accessible to the child and the child's family. The child and the child's family must be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

(f) The level of care determination, placement decision, and recommendations for mental health services must be documented in the child's record and made available to the child's family, as appropriate.

Sec. 42. Minnesota Statutes 2024, 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;

- 302.1 (2) Indian tribes;
- 302.2 (3) children's collaboratives under section 142D.15 or 245.493; or
- 302.3 (4) mental health service providers.
- 302.4 (b) The following services are eligible for grants under this section:
- 302.5 (1) services to children with ~~emotional disturbances~~ mental illness as defined in section
- 302.6 245.4871, subdivision 15, and their families;
- 302.7 (2) transition services under section 245.4875, subdivision 8, for young adults under
- 302.8 age 21 and their families;
- 302.9 (3) respite care services for children with ~~emotional disturbances~~ mental illness or ~~severe~~
- 302.10 ~~emotional disturbances~~ serious mental illness who are at risk of residential treatment or
- 302.11 hospitalization; ~~who are already in out-of-home placement~~ residential treatment, therapeutic
- 302.12 foster care, or in family foster settings as defined in chapter 142B and at risk of change in
- 302.13 ~~out-of-home placement~~ foster care or placement in a residential facility or other higher level
- 302.14 of care; ~~who have utilized crisis services or emergency room services;~~ or who have
- 302.15 experienced a loss of in-home staffing support. Allowable activities and expenses for respite
- 302.16 care services are defined under subdivision 4. A child is not required to have case
- 302.17 management services to receive respite care services. Counties must work to provide access
- 302.18 to regularly scheduled respite care;
- 302.19 (4) children's mental health crisis services;
- 302.20 (5) child-, youth-, and family-specific mobile response and stabilization services models;
- 302.21 (6) mental health services for people from cultural and ethnic minorities, including
- 302.22 supervision of clinical trainees who are Black, indigenous, or people of color;
- 302.23 (7) children's mental health screening and follow-up diagnostic assessment and treatment;
- 302.24 (8) services to promote and develop the capacity of providers to use evidence-based
- 302.25 practices in providing children's mental health services;
- 302.26 (9) school-linked mental health services under section 245.4901;
- 302.27 (10) building evidence-based mental health intervention capacity for children birth to
- 302.28 age five;
- 302.29 (11) suicide prevention and counseling services that use text messaging statewide;
- 302.30 (12) mental health first aid training;

303.1 (13) training for parents, collaborative partners, and mental health providers on the
303.2 impact of adverse childhood experiences and trauma and development of an interactive
303.3 website to share information and strategies to promote resilience and prevent trauma;

303.4 (14) transition age services to develop or expand mental health treatment and supports
303.5 for adolescents and young adults 26 years of age or younger;

303.6 (15) early childhood mental health consultation;

303.7 (16) evidence-based interventions for youth at risk of developing or experiencing a first
303.8 episode of psychosis, and a public awareness campaign on the signs and symptoms of
303.9 psychosis;

303.10 (17) psychiatric consultation for primary care practitioners; and

303.11 (18) providers to begin operations and meet program requirements when establishing a
303.12 new children's mental health program. These may be start-up grants.

303.13 (c) Services under paragraph (b) must be designed to help each child to function and
303.14 remain with the child's family in the community and delivered consistent with the child's
303.15 treatment plan. Transition services to eligible young adults under this paragraph must be
303.16 designed to foster independent living in the community.

303.17 (d) As a condition of receiving grant funds, a grantee shall obtain all available third-party
303.18 reimbursement sources, if applicable.

303.19 (e) The commissioner may establish and design a pilot program to expand the mobile
303.20 response and stabilization services model for children, youth, and families. The commissioner
303.21 may use grant funding to consult with a qualified expert entity to assist in the formulation
303.22 of measurable outcomes and explore and position the state to submit a Medicaid state plan
303.23 amendment to scale the model statewide.

303.24 Sec. 43. Minnesota Statutes 2024, section 245.4907, subdivision 2, is amended to read:

303.25 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that
303.26 employs a mental health certified peer family specialist qualified under section 245I.04,
303.27 subdivision 12, and that provides services to families who have a child:

303.28 (1) with ~~an emotional disturbance~~ a mental illness or ~~severe emotional disturbance~~ serious
303.29 mental illness under chapter 245;

303.30 (2) receiving inpatient hospitalization under section 256B.0625, subdivision 1;

303.31 (3) admitted to a residential treatment facility under section 245.4882;

- 304.1 (4) receiving children's intensive behavioral health services under section 256B.0946;
304.2 (5) receiving day treatment or children's therapeutic services and supports under section
304.3 256B.0943; or
304.4 (6) receiving crisis response services under section 256B.0624.

304.5 Sec. 44. Minnesota Statutes 2024, section 245.491, subdivision 2, is amended to read:

304.6 Subd. 2. **Purpose.** The legislature finds that children with mental illnesses or emotional
304.7 or behavioral disturbances or who are at risk of suffering such disturbances often require
304.8 services from multiple service systems including mental health, social services, education,
304.9 corrections, juvenile court, health, and employment and economic development. In order
304.10 to better meet the needs of these children, it is the intent of the legislature to establish an
304.11 integrated children's mental health service system that:

304.12 (1) allows local service decision makers to draw funding from a single local source so
304.13 that funds follow clients and eliminates the need to match clients, funds, services, and
304.14 provider eligibilities;

304.15 (2) creates a local pool of state, local, and private funds to procure a greater medical
304.16 assistance federal financial participation;

304.17 (3) improves the efficiency of use of existing resources;

304.18 (4) minimizes or eliminates the incentives for cost and risk shifting; and

304.19 (5) increases the incentives for earlier identification and intervention.

304.20 The children's mental health integrated fund established under sections 245.491 to 245.495
304.21 must be used to develop and support this integrated mental health service system. In
304.22 developing this integrated service system, it is not the intent of the legislature to limit any
304.23 rights available to children and their families through existing federal and state laws.

304.24 Sec. 45. Minnesota Statutes 2024, section 245.492, subdivision 3, is amended to read:

304.25 Subd. 3. **Children with emotional or behavioral disturbances.** "Children with
304.26 emotional or behavioral disturbances" includes children with ~~emotional disturbances~~ mental
304.27 illnesses as defined in section 245.4871, subdivision 15, and children with emotional or
304.28 behavioral disorders as defined in Minnesota Rules, part 3525.1329, subpart 1.

305.1 Sec. 46. Minnesota Statutes 2024, section 245.697, subdivision 2a, is amended to read:

305.2 Subd. 2a. **Subcommittee on Children's Mental Health.** The State Advisory Council
305.3 on Mental Health (the "advisory council") must have a Subcommittee on Children's Mental
305.4 Health. The subcommittee must make recommendations to the advisory council on policies,
305.5 laws, regulations, and services relating to children's mental health. Members of the
305.6 subcommittee must include:

305.7 (1) the commissioners or designees of the commissioners of the Departments of Human
305.8 Services, Health, Education, State Planning, and Corrections;

305.9 (2) a designee of the Direct Care and Treatment executive board;

305.10 (3) the commissioner of commerce or a designee of the commissioner who is
305.11 knowledgeable about medical insurance issues;

305.12 (4) at least one representative of an advocacy group for children with ~~emotional~~
305.13 ~~disturbances~~ mental illnesses;

305.14 (5) providers of children's mental health services, including at least one provider of
305.15 services to preadolescent children, one provider of services to adolescents, and one
305.16 hospital-based provider;

305.17 (6) parents of children who have ~~emotional disturbances~~ mental illnesses;

305.18 (7) a present or former consumer of adolescent mental health services;

305.19 (8) educators currently working with ~~emotionally-disturbed~~ children with mental illnesses;

305.20 (9) people knowledgeable about the needs of ~~emotionally-disturbed~~ children with mental
305.21 illnesses of minority races and cultures;

305.22 (10) people experienced in working with ~~emotionally-disturbed~~ children with mental
305.23 illnesses who have committed status offenses;

305.24 (11) members of the advisory council;

305.25 (12) one person from the local corrections department and one representative of the
305.26 Minnesota District Judges Association Juvenile Committee; and

305.27 (13) county commissioners and social services agency representatives.

305.28 The chair of the advisory council shall appoint subcommittee members described in
305.29 clauses (4) to (12) through the process established in section 15.0597. The chair shall appoint
305.30 members to ensure a geographical balance on the subcommittee. Terms, compensation,
305.31 removal, and filling of vacancies are governed by subdivision 1, except that terms of

306.1 subcommittee members who are also members of the advisory council are coterminous with
306.2 their terms on the advisory council. The subcommittee shall meet at the call of the
306.3 subcommittee chair who is elected by the subcommittee from among its members. The
306.4 subcommittee expires with the expiration of the advisory council.

306.5 Sec. 47. Minnesota Statutes 2024, section 245.814, subdivision 3, is amended to read:

306.6 Subd. 3. **Compensation provisions.** (a) If the commissioner of human services is unable
306.7 to obtain insurance through ordinary methods for coverage of foster home providers, the
306.8 appropriation shall be returned to the general fund and the state shall pay claims subject to
306.9 the following limitations.

306.10 ~~(a)~~ (b) Compensation shall be provided only for injuries, damage, or actions set forth in
306.11 subdivision 1.

306.12 ~~(b)~~ (c) Compensation shall be subject to the conditions and exclusions set forth in
306.13 subdivision 2.

306.14 ~~(e)~~ (d) The state shall provide compensation for bodily injury, property damage, or
306.15 personal injury resulting from the foster home providers activities as a foster home provider
306.16 while the foster child or adult is in the care, custody, and control of the foster home provider
306.17 in an amount not to exceed \$250,000 for each occurrence.

306.18 ~~(d)~~ (e) The state shall provide compensation for damage or destruction of property caused
306.19 or sustained by a foster child or adult in an amount not to exceed \$250 for each occurrence.

306.20 ~~(e)~~ (f) The compensation in paragraphs ~~(e)~~ and (d) and (e) is the total obligation for all
306.21 damages because of each occurrence regardless of the number of claims made in connection
306.22 with the same occurrence, but compensation applies separately to each foster home. The
306.23 state shall have no other responsibility to provide compensation for any injury or loss caused
306.24 or sustained by any foster home provider or foster child or foster adult.

306.25 (g) This coverage is extended as a benefit to foster home providers to encourage care
306.26 of persons who need ~~out-of-home~~ the providers' care. Nothing in this section shall be
306.27 construed to mean that foster home providers are agents or employees of the state nor does
306.28 the state accept any responsibility for the selection, monitoring, supervision, or control of
306.29 foster home providers which is exclusively the responsibility of the counties which shall
306.30 regulate foster home providers in the manner set forth in the rules of the commissioner of
306.31 human services.

307.1 Sec. 48. Minnesota Statutes 2024, section 245.826, is amended to read:

307.2 **245.826 USE OF RESTRICTIVE TECHNIQUES AND PROCEDURES IN**
307.3 **FACILITIES SERVING ~~EMOTIONALLY DISTURBED~~ CHILDREN WITH**
307.4 **MENTAL ILLNESSES.**

307.5 When amending rules governing facilities serving ~~emotionally disturbed~~ children with
307.6 mental illnesses that are licensed under section 245A.09 and Minnesota Rules, parts
307.7 2960.0510 to 2960.0530 and 2960.0580 to 2960.0700, the commissioner of human services
307.8 shall include provisions governing the use of restrictive techniques and procedures. No
307.9 provision of these rules may encourage or require the use of restrictive techniques and
307.10 procedures. The rules must prohibit: (1) the application of certain restrictive techniques or
307.11 procedures in facilities, except as authorized in the child's case plan and monitored by the
307.12 county caseworker responsible for the child; (2) the use of restrictive techniques or procedures
307.13 that restrict the clients' normal access to nutritious diet, drinking water, adequate ventilation,
307.14 necessary medical care, ordinary hygiene facilities, normal sleeping conditions, and necessary
307.15 clothing; and (3) the use of corporal punishment. The rule may specify other restrictive
307.16 techniques and procedures and the specific conditions under which permitted techniques
307.17 and procedures are to be carried out.

307.18 Sec. 49. Minnesota Statutes 2024, section 245.91, subdivision 2, is amended to read:

307.19 Subd. 2. **Agency.** "Agency" means the divisions, officials, or employees of the state
307.20 Departments of Human Services, Direct Care and Treatment, Health, and Education, and
307.21 of local school districts and designated county social service agencies as defined in section
307.22 256G.02, subdivision 7, that are engaged in monitoring, providing, or regulating services
307.23 or treatment for mental illness, developmental disability, or substance use disorder, ~~or~~
307.24 ~~emotional disturbance.~~

307.25 Sec. 50. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

307.26 Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or
307.27 residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency,
307.28 facility, or program that provides services or treatment for mental illness, developmental
307.29 disability, or substance use disorder, ~~or emotional disturbance~~ that is required to be licensed,
307.30 certified, or registered by the commissioner of human services, health, or education; a sober
307.31 home as defined in section 254B.01, subdivision 11; peer recovery support services provided
307.32 by a recovery community organization as defined in section 254B.01, subdivision 8; and

308.1 an acute care inpatient facility that provides services or treatment for mental illness,
308.2 developmental disability, or substance use disorder, ~~or emotional disturbance~~.

308.3 Sec. 51. Minnesota Statutes 2024, section 245.92, is amended to read:

308.4 **245.92 OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS;**
308.5 **FUNCTION.**

308.6 The ombudsman for persons receiving services or treatment for mental illness,
308.7 developmental disability, or substance use disorder, ~~or emotional disturbance~~ shall promote
308.8 the highest attainable standards of treatment, competence, efficiency, and justice. The
308.9 ombudsman may gather information and data about decisions, acts, and other matters of an
308.10 agency, facility, or program, and shall monitor the treatment of individuals participating in
308.11 a University of Minnesota Department of Psychiatry clinical drug trial. The ombudsman is
308.12 appointed by the governor, serves in the unclassified service, and may be removed only for
308.13 just cause. The ombudsman must be selected without regard to political affiliation and must
308.14 be a person who has knowledge and experience concerning the treatment, needs, and rights
308.15 of clients, and who is highly competent and qualified. No person may serve as ombudsman
308.16 while holding another public office.

308.17 Sec. 52. Minnesota Statutes 2024, section 245.94, subdivision 1, is amended to read:

308.18 Subdivision 1. **Powers.** (a) The ombudsman may prescribe the methods by which
308.19 complaints to the office are to be made, reviewed, and acted upon. The ombudsman may
308.20 not levy a complaint fee.

308.21 (b) The ombudsman is a health oversight agency as defined in Code of Federal
308.22 Regulations, title 45, section 164.501. The ombudsman may access patient records according
308.23 to Code of Federal Regulations, title 42, section 2.53. For purposes of this paragraph,
308.24 "records" has the meaning given in Code of Federal Regulations, title 42, section
308.25 2.53(a)(1)(i).

308.26 (c) The ombudsman may mediate or advocate on behalf of a client.

308.27 (d) The ombudsman may investigate the quality of services provided to clients and
308.28 determine the extent to which quality assurance mechanisms within state and county
308.29 government work to promote the health, safety, and welfare of clients.

308.30 (e) At the request of a client, or upon receiving a complaint or other information affording
308.31 reasonable grounds to believe that the rights of one or more clients who may not be capable
308.32 of requesting assistance have been adversely affected, the ombudsman may gather

309.1 information and data about and analyze, on behalf of the client, the actions of an agency,
309.2 facility, or program.

309.3 (f) The ombudsman may gather, on behalf of one or more clients, records of an agency,
309.4 facility, or program, or records related to clinical drug trials from the University of Minnesota
309.5 Department of Psychiatry, if the records relate to a matter that is within the scope of the
309.6 ombudsman's authority. If the records are private and the client is capable of providing
309.7 consent, the ombudsman shall first obtain the client's consent. The ombudsman is not
309.8 required to obtain consent for access to private data on clients with developmental disabilities
309.9 and individuals served by the Minnesota Sex Offender Program. The ombudsman may also
309.10 take photographic or videographic evidence while reviewing the actions of an agency,
309.11 facility, or program, with the consent of the client. The ombudsman is not required to obtain
309.12 consent for access to private data on decedents who were receiving services for mental
309.13 illness, developmental disability, or substance use disorder, ~~or emotional disturbance~~. All
309.14 data collected, created, received, or maintained by the ombudsman are governed by chapter
309.15 13 and other applicable law.

309.16 (g) Notwithstanding any law to the contrary, the ombudsman may subpoena a person
309.17 to appear, give testimony, or produce documents or other evidence that the ombudsman
309.18 considers relevant to a matter under inquiry. The ombudsman may petition the appropriate
309.19 court in Ramsey County to enforce the subpoena. A witness who is at a hearing or is part
309.20 of an investigation possesses the same privileges that a witness possesses in the courts or
309.21 under the law of this state. Data obtained from a person under this paragraph are private
309.22 data as defined in section 13.02, subdivision 12.

309.23 (h) The ombudsman may, at reasonable times in the course of conducting a review, enter
309.24 and view premises within the control of an agency, facility, or program.

309.25 (i) The ombudsman may attend Direct Care and Treatment Review Board and Special
309.26 Review Board proceedings; proceedings regarding the transfer of clients, as defined in
309.27 section 246.50, subdivision 4, between institutions operated by the Direct Care and Treatment
309.28 executive board; and, subject to the consent of the affected client, other proceedings affecting
309.29 the rights of clients. The ombudsman is not required to obtain consent to attend meetings
309.30 or proceedings and have access to private data on clients with developmental disabilities
309.31 and individuals served by the Minnesota Sex Offender Program.

309.32 (j) The ombudsman shall gather data of agencies, facilities, or programs classified as
309.33 private or confidential as defined in section 13.02, subdivisions 3 and 12, regarding services

310.1 provided to clients with developmental disabilities and individuals served by the Minnesota
310.2 Sex Offender Program.

310.3 (k) To avoid duplication and preserve evidence, the ombudsman shall inform relevant
310.4 licensing or regulatory officials before undertaking a review of an action of the facility or
310.5 program.

310.6 (l) The Office of Ombudsman shall provide the services of the Civil Commitment
310.7 Training and Resource Center.

310.8 (m) The ombudsman shall monitor the treatment of individuals participating in a
310.9 University of Minnesota Department of Psychiatry clinical drug trial and ensure that all
310.10 protections for human subjects required by federal law and the Institutional Review Board
310.11 are provided.

310.12 (n) Sections 245.91 to 245.97 are in addition to other provisions of law under which any
310.13 other remedy or right is provided.

310.14 Sec. 53. Minnesota Statutes 2024, section 245A.03, subdivision 2, is amended to read:

310.15 Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

310.16 (1) residential or nonresidential programs that are provided to a person by an individual
310.17 who is related;

310.18 (2) nonresidential programs that are provided by an unrelated individual to persons from
310.19 a single related family;

310.20 (3) residential or nonresidential programs that are provided to adults who do not misuse
310.21 substances or have a substance use disorder, a mental illness, a developmental disability, a
310.22 functional impairment, or a physical disability;

310.23 (4) sheltered workshops or work activity programs that are certified by the commissioner
310.24 of employment and economic development;

310.25 (5) programs operated by a public school for children 33 months or older;

310.26 (6) nonresidential programs primarily for children that provide care or supervision for
310.27 periods of less than three hours a day while the child's parent or legal guardian is in the
310.28 same building as the nonresidential program or present within another building that is
310.29 directly contiguous to the building in which the nonresidential program is located;

310.30 (7) nursing homes or hospitals licensed by the commissioner of health except as specified
310.31 under section 245A.02;

- 311.1 (8) board and lodge facilities licensed by the commissioner of health that do not provide
311.2 children's residential services under Minnesota Rules, chapter 2960, mental health or
311.3 substance use disorder treatment;
- 311.4 (9) programs licensed by the commissioner of corrections;
- 311.5 (10) recreation programs for children or adults that are operated or approved by a park
311.6 and recreation board whose primary purpose is to provide social and recreational activities;
- 311.7 (11) noncertified boarding care homes unless they provide services for five or more
311.8 persons whose primary diagnosis is mental illness or a developmental disability;
- 311.9 (12) programs for children such as scouting, boys clubs, girls clubs, and sports and art
311.10 programs, and nonresidential programs for children provided for a cumulative total of less
311.11 than 30 days in any 12-month period;
- 311.12 (13) residential programs for persons with mental illness, that are located in hospitals;
- 311.13 (14) camps licensed by the commissioner of health under Minnesota Rules, chapter
311.14 4630;
- 311.15 (15) mental health outpatient services for adults with mental illness or children with
311.16 ~~emotional disturbance~~ mental illness;
- 311.17 (16) residential programs serving school-age children whose sole purpose is cultural or
311.18 educational exchange, until the commissioner adopts appropriate rules;
- 311.19 (17) community support services programs as defined in section 245.462, subdivision
311.20 6, and family community support services as defined in section 245.4871, subdivision 17;
- 311.21 (18) assisted living facilities licensed by the commissioner of health under chapter 144G;
- 311.22 (19) substance use disorder treatment activities of licensed professionals in private
311.23 practice as defined in section 245G.01, subdivision 17;
- 311.24 (20) consumer-directed community support service funded under the Medicaid waiver
311.25 for persons with developmental disabilities when the individual who provided the service
311.26 is:
- 311.27 (i) the same individual who is the direct payee of these specific waiver funds or paid by
311.28 a fiscal agent, fiscal intermediary, or employer of record; and
- 311.29 (ii) not otherwise under the control of a residential or nonresidential program that is
311.30 required to be licensed under this chapter when providing the service;

312.1 (21) a county that is an eligible vendor under section 254B.05 to provide care coordination
312.2 and comprehensive assessment services;

312.3 (22) a recovery community organization that is an eligible vendor under section 254B.05
312.4 to provide peer recovery support services; or

312.5 (23) programs licensed by the commissioner of children, youth, and families in chapter
312.6 142B.

312.7 (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a
312.8 building in which a nonresidential program is located if it shares a common wall with the
312.9 building in which the nonresidential program is located or is attached to that building by
312.10 skyway, tunnel, atrium, or common roof.

312.11 (c) Except for the home and community-based services identified in section 245D.03,
312.12 subdivision 1, nothing in this chapter shall be construed to require licensure for any services
312.13 provided and funded according to an approved federal waiver plan where licensure is
312.14 specifically identified as not being a condition for the services and funding.

312.15 Sec. 54. Minnesota Statutes 2024, section 245A.26, subdivision 1, is amended to read:

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

312.18 (b) "Clinical trainee" means a staff person who is qualified under section 245I.04,
312.19 subdivision 6.

312.20 (c) "License holder" means an individual, organization, or government entity that was
312.21 issued a license by the commissioner of human services under this chapter for residential
312.22 mental health treatment for children with ~~emotional disturbance~~ mental illness according
312.23 to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to 2960.0700, or shelter
312.24 care services according to Minnesota Rules, parts 2960.0010 to 2960.0120 and 2960.0510
312.25 to 2960.0530.

312.26 (d) "Mental health professional" means an individual who is qualified under section
312.27 245I.04, subdivision 2.

312.28 Sec. 55. Minnesota Statutes 2024, section 245A.26, subdivision 2, is amended to read:

312.29 Subd. 2. **Scope and applicability.** (a) This section establishes additional licensing
312.30 requirements for a children's residential facility to provide children's residential crisis

313.1 stabilization services to a client who is experiencing a mental health crisis and is in need of
313.2 residential treatment services.

313.3 (b) A children's residential facility may provide residential crisis stabilization services
313.4 only if the facility is licensed to provide:

313.5 (1) residential mental health treatment for children with ~~emotional disturbance~~ mental
313.6 illness according to Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0580 to
313.7 2960.0700; or

313.8 (2) shelter care services according to Minnesota Rules, parts 2960.0010 to 2960.0120
313.9 and 2960.0510 to 2960.0530.

313.10 (c) If a client receives residential crisis stabilization services for 35 days or fewer in a
313.11 facility licensed according to paragraph (b), clause (1), the facility is not required to complete
313.12 a diagnostic assessment or treatment plan under Minnesota Rules, part 2960.0180, subpart
313.13 2, and part 2960.0600.

313.14 (d) If a client receives residential crisis stabilization services for 35 days or fewer in a
313.15 facility licensed according to paragraph (b), clause (2), the facility is not required to develop
313.16 a plan for meeting the client's immediate needs under Minnesota Rules, part 2960.0520,
313.17 subpart 3.

313.18 Sec. 56. Minnesota Statutes 2024, section 246C.12, subdivision 4, is amended to read:

313.19 Subd. 4. **Staff safety training.** The executive board shall require all staff in mental
313.20 health and support units at regional treatment centers who have contact with ~~persons~~ children
313.21 or adults with mental illness ~~or severe emotional disturbance~~ to be appropriately trained in
313.22 violence reduction and violence prevention and shall establish criteria for such training.
313.23 Training programs shall be developed with input from consumer advocacy organizations
313.24 and shall employ violence prevention techniques as preferable to physical interaction.

313.25 Sec. 57. Minnesota Statutes 2024, section 252.27, subdivision 1, is amended to read:

313.26 Subdivision 1. **County of financial responsibility.** Whenever any child who has a
313.27 developmental disability, or a physical disability or ~~emotional disturbance~~ mental illness is
313.28 in 24-hour care outside the home including respite care, in a facility licensed by the
313.29 commissioner of human services, the cost of services shall be paid by the county of financial
313.30 responsibility determined pursuant to chapter 256G. If the child's parents or guardians do
313.31 not reside in this state, the cost shall be paid by the responsible governmental agency in the

314.1 state from which the child came, by the parents or guardians of the child if they are financially
314.2 able, or, if no other payment source is available, by the commissioner of human services.

314.3 Sec. 58. Minnesota Statutes 2024, section 256B.02, subdivision 11, is amended to read:

314.4 Subd. 11. **Related condition.** "Related condition" means a condition:

314.5 (1) that is found to be closely related to a developmental disability, including but not
314.6 limited to cerebral palsy, epilepsy, autism, fetal alcohol spectrum disorder, and Prader-Willi
314.7 syndrome; and

314.8 (2) that meets all of the following criteria:

314.9 (i) is severe and chronic;

314.10 (ii) results in impairment of general intellectual functioning or adaptive behavior similar
314.11 to that of persons with developmental disabilities;

314.12 (iii) requires treatment or services similar to those required for persons with
314.13 developmental disabilities;

314.14 (iv) is manifested before the person reaches 22 years of age;

314.15 (v) is likely to continue indefinitely;

314.16 (vi) results in substantial functional limitations in three or more of the following areas
314.17 of major life activity:

314.18 (A) self-care;

314.19 (B) understanding and use of language;

314.20 (C) learning;

314.21 (D) mobility;

314.22 (E) self-direction; or

314.23 (F) capacity for independent living; and

314.24 (vii) is not attributable to mental illness as defined in section 245.462, subdivision 20,
314.25 ~~or an emotional disturbance as defined in section 245.4871, subdivision 15.~~ For purposes
314.26 of this item, notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15,
314.27 "mental illness" does not include autism or other pervasive developmental disorders.

315.1 Sec. 59. Minnesota Statutes 2024, section 256B.055, subdivision 12, is amended to read:

315.2 Subd. 12. **Children with disabilities.** (a) A person is eligible for medical assistance if
315.3 the person is under age 19 and qualifies as a disabled individual under United States Code,
315.4 title 42, section 1382c(a), and would be eligible for medical assistance under the state plan
315.5 if residing in a medical institution, and the child requires a level of care provided in a hospital,
315.6 nursing facility, or intermediate care facility for persons with developmental disabilities,
315.7 for whom home care is appropriate, provided that the cost to medical assistance under this
315.8 section is not more than the amount that medical assistance would pay for if the child resides
315.9 in an institution. After the child is determined to be eligible under this section, the
315.10 commissioner shall review the child's disability under United States Code, title 42, section
315.11 1382c(a) and level of care defined under this section no more often than annually and may
315.12 elect, based on the recommendation of health care professionals under contract with the
315.13 state medical review team, to extend the review of disability and level of care up to a
315.14 maximum of four years. The commissioner's decision on the frequency of continuing review
315.15 of disability and level of care is not subject to administrative appeal under section 256.045.
315.16 The county agency shall send a notice of disability review to the enrollee six months prior
315.17 to the date the recertification of disability is due. Nothing in this subdivision shall be
315.18 construed as affecting other redeterminations of medical assistance eligibility under this
315.19 chapter and annual cost-effective reviews under this section.

315.20 (b) For purposes of this subdivision, "hospital" means an institution as defined in section
315.21 144.696, subdivision 3, 144.55, subdivision 3, or Minnesota Rules, part 4640.3600, and
315.22 licensed pursuant to sections 144.50 to 144.58. For purposes of this subdivision, a child
315.23 requires a level of care provided in a hospital if the child is determined by the commissioner
315.24 to need an extensive array of health services, including mental health services, for an
315.25 undetermined period of time, whose health condition requires frequent monitoring and
315.26 treatment by a health care professional or by a person supervised by a health care
315.27 professional, who would reside in a hospital or require frequent hospitalization if these
315.28 services were not provided, and the daily care needs are more complex than a nursing facility
315.29 level of care.

315.30 A child with serious ~~emotional disturbance~~ mental illness requires a level of care provided
315.31 in a hospital if the commissioner determines that the individual requires 24-hour supervision
315.32 because the person exhibits recurrent or frequent suicidal or homicidal ideation or behavior,
315.33 recurrent or frequent psychosomatic disorders or somatopsychic disorders that may become
315.34 life threatening, recurrent or frequent severe socially unacceptable behavior associated with
315.35 psychiatric disorder, ongoing and chronic psychosis or severe, ongoing and chronic

316.1 developmental problems requiring continuous skilled observation, or severe disabling
316.2 symptoms for which office-centered outpatient treatment is not adequate, and which overall
316.3 severely impact the individual's ability to function.

316.4 (c) For purposes of this subdivision, "nursing facility" means a facility which provides
316.5 nursing care as defined in section 144A.01, subdivision 5, licensed pursuant to sections
316.6 144A.02 to 144A.10, which is appropriate if a person is in active restorative treatment; is
316.7 in need of special treatments provided or supervised by a licensed nurse; or has unpredictable
316.8 episodes of active disease processes requiring immediate judgment by a licensed nurse. For
316.9 purposes of this subdivision, a child requires the level of care provided in a nursing facility
316.10 if the child is determined by the commissioner to meet the requirements of the preadmission
316.11 screening assessment document under section 256B.0911, adjusted to address age-appropriate
316.12 standards for children age 18 and under.

316.13 (d) For purposes of this subdivision, "intermediate care facility for persons with
316.14 developmental disabilities" or "ICF/DD" means a program licensed to provide services to
316.15 persons with developmental disabilities under section 252.28, and chapter 245A, and a
316.16 physical plant licensed as a supervised living facility under chapter 144, which together are
316.17 certified by the Minnesota Department of Health as meeting the standards in Code of Federal
316.18 Regulations, title 42, part 483, for an intermediate care facility which provides services for
316.19 persons with developmental disabilities who require 24-hour supervision and active treatment
316.20 for medical, behavioral, or habilitation needs. For purposes of this subdivision, a child
316.21 requires a level of care provided in an ICF/DD if the commissioner finds that the child has
316.22 a developmental disability in accordance with section 256B.092, is in need of a 24-hour
316.23 plan of care and active treatment similar to persons with developmental disabilities, and
316.24 there is a reasonable indication that the child will need ICF/DD services.

316.25 (e) For purposes of this subdivision, a person requires the level of care provided in a
316.26 nursing facility if the person requires 24-hour monitoring or supervision and a plan of mental
316.27 health treatment because of specific symptoms or functional impairments associated with
316.28 a serious mental illness or disorder diagnosis, which meet severity criteria for mental health
316.29 established by the commissioner and published in March 1997 as the Minnesota Mental
316.30 Health Level of Care for Children and Adolescents with Severe Emotional Disorders.

316.31 (f) The determination of the level of care needed by the child shall be made by the
316.32 commissioner based on information supplied to the commissioner by (1) the parent or
316.33 guardian, (2) the child's physician or physicians, advanced practice registered nurse or
316.34 advanced practice registered nurses, or physician assistant or physician assistants, and (3)

317.1 other professionals as requested by the commissioner. The commissioner shall establish a
317.2 screening team to conduct the level of care determinations according to this subdivision.

317.3 (g) If a child meets the conditions in paragraph (b), (c), (d), or (e), the commissioner
317.4 must assess the case to determine whether:

317.5 (1) the child qualifies as a disabled individual under United States Code, title 42, section
317.6 1382c(a), and would be eligible for medical assistance if residing in a medical institution;
317.7 and

317.8 (2) the cost of medical assistance services for the child, if eligible under this subdivision,
317.9 would not be more than the cost to medical assistance if the child resides in a medical
317.10 institution to be determined as follows:

317.11 (i) for a child who requires a level of care provided in an ICF/DD, the cost of care for
317.12 the child in an institution shall be determined using the average payment rate established
317.13 for the regional treatment centers that are certified as ICF's/DD;

317.14 (ii) for a child who requires a level of care provided in an inpatient hospital setting
317.15 according to paragraph (b), cost-effectiveness shall be determined according to Minnesota
317.16 Rules, part 9505.3520, items F and G; and

317.17 (iii) for a child who requires a level of care provided in a nursing facility according to
317.18 paragraph (c) or (e), cost-effectiveness shall be determined according to Minnesota Rules,
317.19 part 9505.3040, except that the nursing facility average rate shall be adjusted to reflect rates
317.20 which would be paid for children under age 16. The commissioner may authorize an amount
317.21 up to the amount medical assistance would pay for a child referred to the commissioner by
317.22 the preadmission screening team under section 256B.0911.

317.23 Sec. 60. Minnesota Statutes 2024, section 256B.0616, subdivision 1, is amended to read:

317.24 Subdivision 1. **Scope.** Medical assistance covers mental health certified family peer
317.25 specialists services, as established in subdivision 2, subject to federal approval, if provided
317.26 to recipients who have ~~an emotional disturbance~~ a mental illness or ~~severe emotional~~
317.27 ~~disturbance~~ serious mental illness under chapter 245, and are provided by a mental health
317.28 certified family peer specialist who has completed the training under subdivision 5 and is
317.29 qualified according to section 245I.04, subdivision 12. A family peer specialist cannot
317.30 provide services to the peer specialist's family.

318.1 Sec. 61. Minnesota Statutes 2024, section 256B.0757, subdivision 2, is amended to read:

318.2 Subd. 2. **Eligible individual.** (a) The commissioner may elect to develop health home
318.3 models in accordance with United States Code, title 42, section 1396w-4.

318.4 (b) An individual is eligible for health home services under this section if the individual
318.5 is eligible for medical assistance under this chapter and has a condition that meets the
318.6 definition of mental illness as described in section 245.462, subdivision 20, paragraph (a),
318.7 or ~~emotional disturbance as defined in section 245.4871~~, subdivision 15, clause (2). The
318.8 commissioner shall establish criteria for determining continued eligibility.

318.9 Sec. 62. Minnesota Statutes 2024, section 256B.0943, subdivision 1, is amended to read:

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

318.12 (b) "Children's therapeutic services and supports" means the flexible package of mental
318.13 health services for children who require varying therapeutic and rehabilitative levels of
318.14 intervention to treat a diagnosed ~~emotional disturbance, as defined in section 245.4871,~~
318.15 ~~subdivision 15, or a diagnosed~~ mental illness, as defined in section 245.462, subdivision
318.16 20, or 245.4871, subdivision 15. The services are time-limited interventions that are delivered
318.17 using various treatment modalities and combinations of services designed to reach treatment
318.18 outcomes identified in the individual treatment plan.

318.19 (c) "Clinical trainee" means a staff person who is qualified according to section 245I.04,
318.20 subdivision 6.

318.21 (d) "Crisis planning" has the meaning given in section 245.4871, subdivision 9a.

318.22 (e) "Culturally competent provider" means a provider who understands and can utilize
318.23 to a client's benefit the client's culture when providing services to the client. A provider
318.24 may be culturally competent because the provider is of the same cultural or ethnic group
318.25 as the client or the provider has developed the knowledge and skills through training and
318.26 experience to provide services to culturally diverse clients.

318.27 (f) "Day treatment program" for children means a site-based structured mental health
318.28 program consisting of psychotherapy for three or more individuals and individual or group
318.29 skills training provided by a team, under the treatment supervision of a mental health
318.30 professional.

318.31 (g) "Direct service time" means the time that a mental health professional, clinical trainee,
318.32 mental health practitioner, or mental health behavioral aide spends face-to-face with a client

319.1 and the client's family or providing covered services through telehealth as defined under
319.2 section 256B.0625, subdivision 3b. Direct service time includes time in which the provider
319.3 obtains a client's history, develops a client's treatment plan, records individual treatment
319.4 outcomes, or provides service components of children's therapeutic services and supports.
319.5 Direct service time does not include time doing work before and after providing direct
319.6 services, including scheduling or maintaining clinical records.

319.7 (h) "Direction of mental health behavioral aide" means the activities of a mental health
319.8 professional, clinical trainee, or mental health practitioner in guiding the mental health
319.9 behavioral aide in providing services to a client. The direction of a mental health behavioral
319.10 aide must be based on the client's individual treatment plan and meet the requirements in
319.11 subdivision 6, paragraph (b), clause (7).

319.12 ~~(i) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15.~~

319.13 ~~(j)~~ (i) "Individual treatment plan" means the plan described in section 245I.10,
319.14 subdivisions 7 and 8.

319.15 ~~(k)~~ (j) "Mental health behavioral aide services" means medically necessary one-on-one
319.16 activities performed by a mental health behavioral aide qualified according to section
319.17 245I.04, subdivision 16, to assist a child retain or generalize psychosocial skills as previously
319.18 trained by a mental health professional, clinical trainee, or mental health practitioner and
319.19 as described in the child's individual treatment plan and individual behavior plan. Activities
319.20 involve working directly with the child or child's family as provided in subdivision 9,
319.21 paragraph (b), clause (4).

319.22 ~~(l)~~ (k) "Mental health certified family peer specialist" means a staff person who is
319.23 qualified according to section 245I.04, subdivision 12.

319.24 ~~(m)~~ (l) "Mental health practitioner" means a staff person who is qualified according to
319.25 section 245I.04, subdivision 4.

319.26 ~~(n)~~ (m) "Mental health professional" means a staff person who is qualified according to
319.27 section 245I.04, subdivision 2.

319.28 ~~(o)~~ (n) "Mental health service plan development" includes:

319.29 (1) development and revision of a child's individual treatment plan; and

319.30 (2) administering and reporting standardized outcome measurements approved by the
319.31 commissioner, as periodically needed to evaluate the effectiveness of treatment.

320.1 ~~(p)~~ (o) "Mental illness," ~~for persons at least age 18 but under age 21,~~ has the meaning
320.2 given in section 245.462, subdivision 20, paragraph (a), for persons at least age 18 but under
320.3 age 21, and has the meaning given in section 245.4871, subdivision 15, for children under
320.4 18 years of age.

320.5 ~~(q)~~ (p) "Psychotherapy" means the treatment described in section 256B.0671, subdivision
320.6 11.

320.7 ~~(r)~~ (q) "Rehabilitative services" or "psychiatric rehabilitation services" means
320.8 interventions to: (1) restore a child or adolescent to an age-appropriate developmental
320.9 trajectory that had been disrupted by a psychiatric illness; or (2) enable the child to
320.10 self-monitor, compensate for, cope with, counteract, or replace psychosocial skills deficits
320.11 or maladaptive skills acquired over the course of a psychiatric illness. Psychiatric
320.12 rehabilitation services for children combine coordinated psychotherapy to address internal
320.13 psychological, emotional, and intellectual processing deficits, and skills training to restore
320.14 personal and social functioning. Psychiatric rehabilitation services establish a progressive
320.15 series of goals with each achievement building upon a prior achievement.

320.16 ~~(s)~~ (r) "Skills training" means individual, family, or group training, delivered by or under
320.17 the supervision of a mental health professional, designed to facilitate the acquisition of
320.18 psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate
320.19 developmental trajectory heretofore disrupted by a psychiatric illness or to enable the child
320.20 to self-monitor, compensate for, cope with, counteract, or replace skills deficits or
320.21 maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject
320.22 to the service delivery requirements under subdivision 9, paragraph (b), clause (2).

320.23 ~~(t)~~ (s) "Standard diagnostic assessment" means the assessment described in section
320.24 245I.10, subdivision 6.

320.25 ~~(u)~~ (t) "Treatment supervision" means the supervision described in section 245I.06.

320.26 Sec. 63. Minnesota Statutes 2024, section 256B.0943, subdivision 3, is amended to read:

320.27 Subd. 3. **Determination of client eligibility.** (a) A client's eligibility to receive children's
320.28 therapeutic services and supports under this section shall be determined based on a standard
320.29 diagnostic assessment by a mental health professional or a clinical trainee that is performed
320.30 within one year before the initial start of service and updated as required under section
320.31 245I.10, subdivision 2. The standard diagnostic assessment must:

321.1 (1) determine whether a child under age 18 has a diagnosis of ~~emotional disturbance~~
321.2 mental illness or, if the person is between the ages of 18 and 21, whether the person has a
321.3 mental illness;

321.4 (2) document children's therapeutic services and supports as medically necessary to
321.5 address an identified disability, functional impairment, and the individual client's needs and
321.6 goals; and

321.7 (3) be used in the development of the individual treatment plan.

321.8 (b) Notwithstanding paragraph (a), a client may be determined to be eligible for up to
321.9 five days of day treatment under this section based on a hospital's medical history and
321.10 presentation examination of the client.

321.11 (c) Children's therapeutic services and supports include development and rehabilitative
321.12 services that support a child's developmental treatment needs.

321.13 Sec. 64. Minnesota Statutes 2024, section 256B.0943, subdivision 9, is amended to read:

321.14 Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified
321.15 provider entity must ensure that:

321.16 (1) the provider's caseload size should reasonably enable the provider to play an active
321.17 role in service planning, monitoring, and delivering services to meet the client's and client's
321.18 family's needs, as specified in each client's individual treatment plan;

321.19 (2) site-based programs, including day treatment programs, provide staffing and facilities
321.20 to ensure the client's health, safety, and protection of rights, and that the programs are able
321.21 to implement each client's individual treatment plan; and

321.22 (3) a day treatment program is provided to a group of clients by a team under the treatment
321.23 supervision of a mental health professional. The day treatment program must be provided
321.24 in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation
321.25 of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community
321.26 mental health center under section 245.62; or (iii) an entity that is certified under subdivision
321.27 4 to operate a program that meets the requirements of section 245.4884, subdivision 2, and
321.28 Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize
321.29 the client's mental health status while developing and improving the client's independent
321.30 living and socialization skills. The goal of the day treatment program must be to reduce or
321.31 relieve the effects of mental illness and provide training to enable the client to live in the
321.32 community. The remainder of the structured treatment program may include patient and/or
321.33 family or group psychotherapy, and individual or group skills training, if included in the

322.1 client's individual treatment plan. Day treatment programs are not part of inpatient or
322.2 residential treatment services. When a day treatment group that meets the minimum group
322.3 size requirement temporarily falls below the minimum group size because of a member's
322.4 temporary absence, medical assistance covers a group session conducted for the group
322.5 members in attendance. A day treatment program may provide fewer than the minimally
322.6 required hours for a particular child during a billing period in which the child is transitioning
322.7 into, or out of, the program.

322.8 (b) To be eligible for medical assistance payment, a provider entity must deliver the
322.9 service components of children's therapeutic services and supports in compliance with the
322.10 following requirements:

322.11 (1) psychotherapy to address the child's underlying mental health disorder must be
322.12 documented as part of the child's ongoing treatment. A provider must deliver or arrange for
322.13 medically necessary psychotherapy unless the child's parent or caregiver chooses not to
322.14 receive it or the provider determines that psychotherapy is no longer medically necessary.
322.15 When a provider determines that psychotherapy is no longer medically necessary, the
322.16 provider must update required documentation, including but not limited to the individual
322.17 treatment plan, the child's medical record, or other authorizations, to include the
322.18 determination. When a provider determines that a child needs psychotherapy but
322.19 psychotherapy cannot be delivered due to a shortage of licensed mental health professionals
322.20 in the child's community, the provider must document the lack of access in the child's
322.21 medical record;

322.22 (2) individual, family, or group skills training is subject to the following requirements:

322.23 (i) a mental health professional, clinical trainee, or mental health practitioner shall provide
322.24 skills training;

322.25 (ii) skills training delivered to a child or the child's family must be targeted to the specific
322.26 deficits or maladaptations of the child's mental health disorder and must be prescribed in
322.27 the child's individual treatment plan;

322.28 (iii) group skills training may be provided to multiple recipients who, because of the
322.29 nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from
322.30 interaction in a group setting, which must be staffed as follows:

322.31 (A) one mental health professional, clinical trainee, or mental health practitioner must
322.32 work with a group of three to eight clients; or

323.1 (B) any combination of two mental health professionals, clinical trainees, or mental
323.2 health practitioners must work with a group of nine to 12 clients;

323.3 (iv) a mental health professional, clinical trainee, or mental health practitioner must have
323.4 taught the psychosocial skill before a mental health behavioral aide may practice that skill
323.5 with the client; and

323.6 (v) for group skills training, when a skills group that meets the minimum group size
323.7 requirement temporarily falls below the minimum group size because of a group member's
323.8 temporary absence, the provider may conduct the session for the group members in
323.9 attendance;

323.10 (3) crisis planning to a child and family must include development of a written plan that
323.11 anticipates the particular factors specific to the child that may precipitate a psychiatric crisis
323.12 for the child in the near future. The written plan must document actions that the family
323.13 should be prepared to take to resolve or stabilize a crisis, such as advance arrangements for
323.14 direct intervention and support services to the child and the child's family. Crisis planning
323.15 must include preparing resources designed to address abrupt or substantial changes in the
323.16 functioning of the child or the child's family when sudden change in behavior or a loss of
323.17 usual coping mechanisms is observed, or the child begins to present a danger to self or
323.18 others;

323.19 (4) mental health behavioral aide services must be medically necessary treatment services,
323.20 identified in the child's individual treatment plan.

323.21 To be eligible for medical assistance payment, mental health behavioral aide services must
323.22 be delivered to a child who has been diagnosed with ~~an emotional disturbance or~~ a mental
323.23 illness, as provided in subdivision 1, paragraph (a). The mental health behavioral aide must
323.24 document the delivery of services in written progress notes. Progress notes must reflect
323.25 implementation of the treatment strategies, as performed by the mental health behavioral
323.26 aide and the child's responses to the treatment strategies; and

323.27 (5) mental health service plan development must be performed in consultation with the
323.28 child's family and, when appropriate, with other key participants in the child's life by the
323.29 child's treating mental health professional or clinical trainee or by a mental health practitioner
323.30 and approved by the treating mental health professional. Treatment plan drafting consists
323.31 of development, review, and revision by face-to-face or electronic communication. The
323.32 provider must document events, including the time spent with the family and other key
323.33 participants in the child's life to approve the individual treatment plan. Medical assistance
323.34 covers service plan development before completion of the child's individual treatment plan.

324.1 Service plan development is covered only if a treatment plan is completed for the child. If
324.2 upon review it is determined that a treatment plan was not completed for the child, the
324.3 commissioner shall recover the payment for the service plan development.

324.4 Sec. 65. Minnesota Statutes 2024, section 256B.0943, subdivision 12, is amended to read:

324.5 Subd. 12. **Excluded services.** The following services are not eligible for medical
324.6 assistance payment as children's therapeutic services and supports:

324.7 (1) service components of children's therapeutic services and supports simultaneously
324.8 provided by more than one provider entity unless prior authorization is obtained;

324.9 (2) treatment by multiple providers within the same agency at the same clock time,
324.10 unless one service is delivered to the child and the other service is delivered to the child's
324.11 family or treatment team without the child present;

324.12 (3) children's therapeutic services and supports provided in violation of medical assistance
324.13 policy in Minnesota Rules, part 9505.0220;

324.14 (4) mental health behavioral aide services provided by a personal care assistant who is
324.15 not qualified as a mental health behavioral aide and employed by a certified children's
324.16 therapeutic services and supports provider entity;

324.17 (5) service components of CTSS that are the responsibility of a residential or program
324.18 license holder, including foster care providers under the terms of a service agreement or
324.19 administrative rules governing licensure; and

324.20 (6) adjunctive activities that may be offered by a provider entity but are not otherwise
324.21 covered by medical assistance, including:

324.22 (i) a service that is primarily recreation oriented or that is provided in a setting that is
324.23 not medically supervised. This includes sports activities, exercise groups, activities such as
324.24 craft hours, leisure time, social hours, meal or snack time, trips to community activities,
324.25 and tours;

324.26 (ii) a social or educational service that does not have or cannot reasonably be expected
324.27 to have a therapeutic outcome related to the client's ~~emotional disturbance~~ mental illness;

324.28 (iii) prevention or education programs provided to the community; and

324.29 (iv) treatment for clients with primary diagnoses of alcohol or other drug abuse.

325.1 Sec. 66. Minnesota Statutes 2024, section 256B.0943, subdivision 13, is amended to read:

325.2 Subd. 13. **Exception to excluded services.** Notwithstanding subdivision 12, up to 15
325.3 hours of children's therapeutic services and supports provided within a six-month period to
325.4 a child with ~~severe emotional disturbance~~ serious mental illness who is residing in a hospital;
325.5 a residential treatment facility licensed under Minnesota Rules, parts 2960.0580 to 2960.0690;
325.6 a psychiatric residential treatment facility under section 256B.0625, subdivision 45a; a
325.7 regional treatment center; or other institutional group setting or who is participating in a
325.8 program of partial hospitalization are eligible for medical assistance payment if part of the
325.9 discharge plan.

325.10 Sec. 67. Minnesota Statutes 2024, section 256B.0945, subdivision 1, is amended to read:

325.11 Subdivision 1. **Residential services; provider qualifications.** (a) Counties must arrange
325.12 to provide residential services for children with ~~severe emotional disturbance~~ serious mental
325.13 illness according to sections 245.4882, 245.4885, and this section.

325.14 (b) Services must be provided by a facility that is licensed according to section 245.4882
325.15 and administrative rules promulgated thereunder, and under contract with the county.

325.16 (c) Eligible service costs may be claimed for a facility that is located in a state that
325.17 borders Minnesota if:

325.18 (1) the facility is the closest facility to the child's home, providing the appropriate level
325.19 of care; and

325.20 (2) the commissioner of human services has completed an inspection of the out-of-state
325.21 program according to the interagency agreement with the commissioner of corrections under
325.22 section 260B.198, subdivision 11, paragraph (b), and the program has been certified by the
325.23 commissioner of corrections under section 260B.198, subdivision 11, paragraph (a), to
325.24 substantially meet the standards applicable to children's residential mental health treatment
325.25 programs under Minnesota Rules, chapter 2960. Nothing in this section requires the
325.26 commissioner of human services to enforce the background study requirements under chapter
325.27 245C or the requirements related to prevention and investigation of alleged maltreatment
325.28 under section 626.557 or chapter 260E. Complaints received by the commissioner of human
325.29 services must be referred to the out-of-state licensing authority for possible follow-up.

325.30 (d) Notwithstanding paragraph (b), eligible service costs may be claimed for an
325.31 out-of-state inpatient treatment facility if:

325.32 (1) the facility specializes in providing mental health services to children who are deaf,
325.33 deafblind, or hard-of-hearing and who use American Sign Language as their first language;

326.1 (2) the facility is licensed by the state in which it is located; and

326.2 (3) the state in which the facility is located is a member state of the Interstate Compact
326.3 on Mental Health.

326.4 Sec. 68. Minnesota Statutes 2024, section 256B.0946, subdivision 6, is amended to read:

326.5 Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this
326.6 section and are not eligible for medical assistance payment as components of children's
326.7 intensive behavioral health services, but may be billed separately:

326.8 (1) inpatient psychiatric hospital treatment;

326.9 (2) mental health targeted case management;

326.10 (3) partial hospitalization;

326.11 (4) medication management;

326.12 (5) children's mental health day treatment services;

326.13 (6) crisis response services under section 256B.0624;

326.14 (7) transportation; and

326.15 (8) mental health certified family peer specialist services under section 256B.0616.

326.16 (b) Children receiving intensive behavioral health services are not eligible for medical
326.17 assistance reimbursement for the following services while receiving children's intensive
326.18 behavioral health services:

326.19 (1) psychotherapy and skills training components of children's therapeutic services and
326.20 supports under section 256B.0943;

326.21 (2) mental health behavioral aide services as defined in section 256B.0943, subdivision
326.22 1, paragraph ~~(h)~~ (j);

326.23 (3) home and community-based waiver services;

326.24 (4) mental health residential treatment; and

326.25 (5) medical assistance room and board rate, as defined in section 256B.056, subdivision
326.26 5d.

327.1 Sec. 69. Minnesota Statutes 2024, section 256B.0947, subdivision 3a, is amended to read:

327.2 Subd. 3a. **Required service components.** (a) Intensive nonresidential rehabilitative
327.3 mental health services, supports, and ancillary activities that are covered by a single daily
327.4 rate per client must include the following, as needed by the individual client:

327.5 (1) individual, family, and group psychotherapy;

327.6 (2) individual, family, and group skills training, as defined in section 256B.0943,
327.7 subdivision 1, paragraph ~~(t)~~ (r);

327.8 (3) crisis planning as defined in section 245.4871, subdivision 9a;

327.9 (4) medication management provided by a physician, an advanced practice registered
327.10 nurse with certification in psychiatric and mental health care, or a physician assistant;

327.11 (5) mental health case management as provided in section 256B.0625, subdivision 20;

327.12 (6) medication education services as defined in this section;

327.13 (7) care coordination by a client-specific lead worker assigned by and responsible to the
327.14 treatment team;

327.15 (8) psychoeducation of and consultation and coordination with the client's biological,
327.16 adoptive, or foster family and, in the case of a youth living independently, the client's
327.17 immediate nonfamilial support network;

327.18 (9) clinical consultation to a client's employer or school or to other service agencies or
327.19 to the courts to assist in managing the mental illness or co-occurring disorder and to develop
327.20 client support systems;

327.21 (10) coordination with, or performance of, crisis intervention and stabilization services
327.22 as defined in section 256B.0624;

327.23 (11) transition services;

327.24 (12) co-occurring substance use disorder treatment as defined in section 245I.02,
327.25 subdivision 11; and

327.26 (13) housing access support that assists clients to find, obtain, retain, and move to safe
327.27 and adequate housing. Housing access support does not provide monetary assistance for
327.28 rent, damage deposits, or application fees.

327.29 (b) The provider shall ensure and document the following by means of performing the
327.30 required function or by contracting with a qualified person or entity: client access to crisis

328.1 intervention services, as defined in section 256B.0624, and available 24 hours per day and
328.2 seven days per week.

328.3 Sec. 70. Minnesota Statutes 2024, section 256B.69, subdivision 23, is amended to read:

328.4 Subd. 23. **Alternative services; elderly persons and persons with a disability.** (a) The
328.5 commissioner may implement demonstration projects to create alternative integrated delivery
328.6 systems for acute and long-term care services to elderly persons and persons with disabilities
328.7 as defined in section 256B.77, subdivision 7a, that provide increased coordination, improve
328.8 access to quality services, and mitigate future cost increases. The commissioner may seek
328.9 federal authority to combine Medicare and Medicaid capitation payments for the purpose
328.10 of such demonstrations and may contract with Medicare-approved special needs plans that
328.11 are offered by a demonstration provider or by an entity that is directly or indirectly wholly
328.12 owned or controlled by a demonstration provider to provide Medicaid services. Medicare
328.13 funds and services shall be administered according to the terms and conditions of the federal
328.14 contract and demonstration provisions. For the purpose of administering medical assistance
328.15 funds, demonstrations under this subdivision are subject to subdivisions 1 to 22. The
328.16 provisions of Minnesota Rules, parts 9500.1450 to 9500.1464, apply to these demonstrations,
328.17 with the exceptions of parts 9500.1452, subpart 2, item B; and 9500.1457, subpart 1, items
328.18 B and C, which do not apply to persons enrolling in demonstrations under this section. All
328.19 enforcement and rulemaking powers available under chapters 62D, 62M, and 62Q are hereby
328.20 granted to the commissioner of health with respect to Medicare-approved special needs
328.21 plans with which the commissioner contracts to provide Medicaid services under this section.
328.22 An initial open enrollment period may be provided. Persons who disenroll from
328.23 demonstrations under this subdivision remain subject to Minnesota Rules, parts 9500.1450
328.24 to 9500.1464. When a person is enrolled in a health plan under these demonstrations and
328.25 the health plan's participation is subsequently terminated for any reason, the person shall
328.26 be provided an opportunity to select a new health plan and shall have the right to change
328.27 health plans within the first 60 days of enrollment in the second health plan. Persons required
328.28 to participate in health plans under this section who fail to make a choice of health plan
328.29 shall not be randomly assigned to health plans under these demonstrations. Notwithstanding
328.30 section 256L.12, subdivision 5, and Minnesota Rules, part 9505.5220, subpart 1, item A,
328.31 if adopted, for the purpose of demonstrations under this subdivision, the commissioner may
328.32 contract with managed care organizations, including counties, to serve only elderly persons
328.33 eligible for medical assistance, elderly persons with a disability, or persons with a disability
328.34 only. For persons with a primary diagnosis of developmental disability, serious and persistent
328.35 mental illness, or serious ~~emotional disturbance~~ mental illness in children, the commissioner

329.1 must ensure that the county authority has approved the demonstration and contracting design.
329.2 Enrollment in these projects for persons with disabilities shall be voluntary. The
329.3 commissioner shall not implement any demonstration project under this subdivision for
329.4 persons with a primary diagnosis of developmental disabilities, serious and persistent mental
329.5 illness, or serious ~~emotional disturbance~~, mental illness in children without approval of the
329.6 county board of the county in which the demonstration is being implemented.

329.7 (b) MS 2009 Supplement [Expired, 2003 c 47 s 4; 2007 c 147 art 7 s 60]

329.8 (c) Before implementation of a demonstration project for persons with a disability, the
329.9 commissioner must provide information to appropriate committees of the house of
329.10 representatives and senate and must involve representatives of affected disability groups in
329.11 the design of the demonstration projects.

329.12 (d) A nursing facility reimbursed under the alternative reimbursement methodology in
329.13 section 256B.434 may, in collaboration with a hospital, clinic, or other health care entity
329.14 provide services under paragraph (a). The commissioner shall amend the state plan and seek
329.15 any federal waivers necessary to implement this paragraph.

329.16 (e) The commissioner, in consultation with the commissioners of commerce and health,
329.17 may approve and implement programs for all-inclusive care for the elderly (PACE) according
329.18 to federal laws and regulations governing that program and state laws or rules applicable
329.19 to participating providers. A PACE provider is not required to be licensed or certified as a
329.20 health plan company as defined in section 62Q.01, subdivision 4. Persons age 55 and older
329.21 who have been screened by the county and found to be eligible for services under the elderly
329.22 waiver or community access for disability inclusion or who are already eligible for Medicaid
329.23 but meet level of care criteria for receipt of waiver services may choose to enroll in the
329.24 PACE program. Medicare and Medicaid services will be provided according to this
329.25 subdivision and federal Medicare and Medicaid requirements governing PACE providers
329.26 and programs. PACE enrollees will receive Medicaid home and community-based services
329.27 through the PACE provider as an alternative to services for which they would otherwise be
329.28 eligible through home and community-based waiver programs and Medicaid State Plan
329.29 Services. The commissioner shall establish Medicaid rates for PACE providers that do not
329.30 exceed costs that would have been incurred under fee-for-service or other relevant managed
329.31 care programs operated by the state.

329.32 (f) The commissioner shall seek federal approval to expand the Minnesota disability
329.33 health options (MnDHO) program established under this subdivision in stages, first to
329.34 regional population centers outside the seven-county metro area and then to all areas of the

state. Until July 1, 2009, expansion for MnDHO projects that include home and community-based services is limited to the two projects and service areas in effect on March 1, 2006. Enrollment in integrated MnDHO programs that include home and community-based services shall remain voluntary. Costs for home and community-based services included under MnDHO must not exceed costs that would have been incurred under the fee-for-service program. Notwithstanding whether expansion occurs under this paragraph, in determining MnDHO payment rates and risk adjustment methods, the commissioner must consider the methods used to determine county allocations for home and community-based program participants. If necessary to reduce MnDHO rates to comply with the provision regarding MnDHO costs for home and community-based services, the commissioner shall achieve the reduction by maintaining the base rate for contract year 2010 for services provided under the community access for disability inclusion waiver at the same level as for contract year 2009. The commissioner may apply other reductions to MnDHO rates to implement decreases in provider payment rates required by state law. Effective January 1, 2011, enrollment and operation of the MnDHO program in effect during 2010 shall cease. The commissioner may reopen the program provided all applicable conditions of this section are met. In developing program specifications for expansion of integrated programs, the commissioner shall involve and consult the state-level stakeholder group established in subdivision 28, paragraph (d), including consultation on whether and how to include home and community-based waiver programs. Plans to reopen MnDHO projects shall be presented to the chairs of the house of representatives and senate committees with jurisdiction over health and human services policy and finance prior to implementation.

(g) Notwithstanding section 256B.0621, health plans providing services under this section are responsible for home care targeted case management and relocation targeted case management. Services must be provided according to the terms of the waivers and contracts approved by the federal government.

Sec. 71. Minnesota Statutes 2024, section 256B.77, subdivision 7a, is amended to read:

Subd. 7a. **Eligible individuals.** (a) Persons are eligible for the demonstration project as provided in this subdivision.

(b) "Eligible individuals" means those persons living in the demonstration site who are eligible for medical assistance and are disabled based on a disability determination under section 256B.055, subdivisions 7 and 12, or who are eligible for medical assistance and have been diagnosed as having:

(1) serious and persistent mental illness as defined in section 245.462, subdivision 20;

331.1 (2) ~~severe emotional disturbance~~ serious mental illness as defined in section 245.4871,
331.2 subdivision 6; or

331.3 (3) developmental disability, or being a person with a developmental disability as defined
331.4 in section 252A.02, or a related condition as defined in section 256B.02, subdivision 11.

331.5 Other individuals may be included at the option of the county authority based on agreement
331.6 with the commissioner.

331.7 (c) Eligible individuals include individuals in excluded time status, as defined in chapter
331.8 256G. Enrollees in excluded time at the time of enrollment shall remain in excluded time
331.9 status as long as they live in the demonstration site and shall be eligible for 90 days after
331.10 placement outside the demonstration site if they move to excluded time status in a county
331.11 within Minnesota other than their county of financial responsibility.

331.12 (d) A person who is a sexual psychopathic personality as defined in section 253D.02,
331.13 subdivision 15, or a sexually dangerous person as defined in section 253D.02, subdivision
331.14 16, is excluded from enrollment in the demonstration project.

331.15 Sec. 72. Minnesota Statutes 2024, section 260B.157, subdivision 3, is amended to read:

331.16 Subd. 3. **Juvenile treatment screening team.** (a) The local social services agency shall
331.17 establish a juvenile treatment screening team to conduct screenings and prepare case plans
331.18 under this subdivision. The team, which may be the team constituted under section 245.4885
331.19 or 256B.092 or chapter 254B, shall consist of social workers, juvenile justice professionals,
331.20 and persons with expertise in the treatment of juveniles who are emotionally disabled,
331.21 chemically dependent, or have a developmental disability. The team shall involve parents
331.22 or guardians in the screening process as appropriate. The team may be the same team as
331.23 defined in section 260C.157, subdivision 3.

331.24 (b) If the court, prior to, or as part of, a final disposition, proposes to place a child:

331.25 (1) for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness,
331.26 and residential placement is consistent with section 260.012, a developmental disability, or
331.27 chemical dependency in a residential treatment facility out of state or in one which is within
331.28 the state and licensed by the commissioner of human services under chapter 245A; or

331.29 (2) in any out-of-home setting potentially exceeding 30 days in duration, including a
331.30 post-dispositional placement in a facility licensed by the commissioner of corrections or
331.31 human services, the court shall notify the county welfare agency. The county's juvenile
331.32 treatment screening team must either:

332.1 (i) screen and evaluate the child and file its recommendations with the court within 14
332.2 days of receipt of the notice; or

332.3 (ii) elect not to screen a given case, and notify the court of that decision within three
332.4 working days.

332.5 (c) If the screening team has elected to screen and evaluate the child, the child may not
332.6 be placed for the primary purpose of treatment for ~~an emotional disturbance~~ mental illness,
332.7 a developmental disability, or chemical dependency, in a residential treatment facility out
332.8 of state nor in a residential treatment facility within the state that is licensed under chapter
332.9 245A, unless one of the following conditions applies:

332.10 (1) a treatment professional certifies that an emergency requires the placement of the
332.11 child in a facility within the state;

332.12 (2) the screening team has evaluated the child and recommended that a residential
332.13 placement is necessary to meet the child's treatment needs and the safety needs of the
332.14 community, that it is a cost-effective means of meeting the treatment needs, and that it will
332.15 be of therapeutic value to the child; or

332.16 (3) the court, having reviewed a screening team recommendation against placement,
332.17 determines to the contrary that a residential placement is necessary. The court shall state
332.18 the reasons for its determination in writing, on the record, and shall respond specifically to
332.19 the findings and recommendation of the screening team in explaining why the
332.20 recommendation was rejected. The attorney representing the child and the prosecuting
332.21 attorney shall be afforded an opportunity to be heard on the matter.

332.22 Sec. 73. Minnesota Statutes 2024, section 260C.007, subdivision 16, is amended to read:

332.23 Subd. 16. ~~Emotionally disturbed~~ **Mental illness.** "~~Emotionally disturbed~~ Mental illness"
332.24 means ~~emotional disturbance~~ a mental illness as described in section 245.4871, subdivision
332.25 15.

332.26 Sec. 74. Minnesota Statutes 2024, section 260C.007, subdivision 26d, is amended to read:

332.27 Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment
332.28 program" means a children's residential treatment program licensed under chapter 245A or
332.29 licensed or approved by a tribe that is approved to receive foster care maintenance payments
332.30 under section 142A.418 that:

332.31 (1) has a trauma-informed treatment model designed to address the needs of children
332.32 with serious emotional or behavioral disorders or disturbances or mental illnesses;

333.1 (2) has registered or licensed nursing staff and other licensed clinical staff who:

333.2 (i) provide care within the scope of their practice; and

333.3 (ii) are available 24 hours per day and seven days per week;

333.4 (3) is accredited by any of the following independent, nonprofit organizations: the

333.5 Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission

333.6 on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation

333.7 (COA), or any other nonprofit accrediting organization approved by the United States

333.8 Department of Health and Human Services;

333.9 (4) if it is in the child's best interests, facilitates participation of the child's family members

333.10 in the child's treatment programming consistent with the child's out-of-home placement

333.11 plan under sections 260C.212, subdivision 1, and 260C.708;

333.12 (5) facilitates outreach to family members of the child, including siblings;

333.13 (6) documents how the facility facilitates outreach to the child's parents and relatives,

333.14 as well as documents the child's parents' and other relatives' contact information;

333.15 (7) documents how the facility includes family members in the child's treatment process,

333.16 including after the child's discharge, and how the facility maintains the child's sibling

333.17 connections; and

333.18 (8) provides the child and child's family with discharge planning and family-based

333.19 aftercare support for at least six months after the child's discharge. Aftercare support may

333.20 include clinical care consultation under section 256B.0671, subdivision 7, and mental health

333.21 certified family peer specialist services under section 256B.0616.

333.22 Sec. 75. Minnesota Statutes 2024, section 260C.007, subdivision 27b, is amended to read:

333.23 Subd. 27b. **Residential treatment facility.** "Residential treatment facility" means a

333.24 24-hour-a-day program that provides treatment for children with ~~emotional disturbance~~

333.25 mental illness, consistent with section 245.4871, subdivision 32, and includes a licensed

333.26 residential program specializing in caring 24 hours a day for children with a developmental

333.27 delay or related condition. A residential treatment facility does not include a psychiatric

333.28 residential treatment facility under section 256B.0941 or a family foster home as defined

333.29 in section 260C.007, subdivision 16b.

334.1 Sec. 76. Minnesota Statutes 2024, section 260C.157, subdivision 3, is amended to read:

334.2 Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency
334.3 shall establish a juvenile treatment screening team to conduct screenings under this chapter
334.4 and chapter 260D, for a child to receive treatment for ~~an emotional disturbance~~ a mental
334.5 illness, a developmental disability, or related condition in a residential treatment facility
334.6 licensed by the commissioner of human services under chapter 245A, or licensed or approved
334.7 by a tribe. A screening team is not required for a child to be in: (1) a residential facility
334.8 specializing in prenatal, postpartum, or parenting support; (2) a facility specializing in
334.9 high-quality residential care and supportive services to children and youth who have been
334.10 or are at risk of becoming victims of sex trafficking or commercial sexual exploitation; (3)
334.11 supervised settings for youth who are 18 years of age or older and living independently; or
334.12 (4) a licensed residential family-based treatment facility for substance abuse consistent with
334.13 section 260C.190. Screenings are also not required when a child must be placed in a facility
334.14 due to an emotional crisis or other mental health emergency.

334.15 (b) The responsible social services agency shall conduct screenings within 15 days of a
334.16 request for a screening, unless the screening is for the purpose of residential treatment and
334.17 the child is enrolled in a prepaid health program under section 256B.69, in which case the
334.18 agency shall conduct the screening within ten working days of a request. The responsible
334.19 social services agency shall convene the juvenile treatment screening team, which may be
334.20 constituted under section 245.4885, 254B.05, or 256B.092. The team shall consist of social
334.21 workers; persons with expertise in the treatment of juveniles who are emotionally disturbed,
334.22 chemically dependent, or have a developmental disability; and the child's parent, guardian,
334.23 or permanent legal custodian. The team may include the child's relatives as defined in section
334.24 260C.007, subdivisions 26b and 27, the child's foster care provider, and professionals who
334.25 are a resource to the child's family such as teachers, medical or mental health providers,
334.26 and clergy, as appropriate, consistent with the family and permanency team as defined in
334.27 section 260C.007, subdivision 16a. Prior to forming the team, the responsible social services
334.28 agency must consult with the child's parents, the child if the child is age 14 or older, and,
334.29 if applicable, the child's tribe to obtain recommendations regarding which individuals to
334.30 include on the team and to ensure that the team is family-centered and will act in the child's
334.31 best interests. If the child, child's parents, or legal guardians raise concerns about specific
334.32 relatives or professionals, the team should not include those individuals. This provision
334.33 does not apply to paragraph (c).

334.34 (c) If the agency provides notice to tribes under section 260.761, and the child screened
334.35 is an Indian child, the responsible social services agency must make a rigorous and concerted

335.1 effort to include a designated representative of the Indian child's tribe on the juvenile
335.2 treatment screening team, unless the child's tribal authority declines to appoint a
335.3 representative. The Indian child's tribe may delegate its authority to represent the child to
335.4 any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.
335.5 The provisions of the Indian Child Welfare Act of 1978, United States Code, title 25, sections
335.6 1901 to 1963, and the Minnesota Indian Family Preservation Act, sections 260.751 to
335.7 260.835, apply to this section.

335.8 (d) If the court, prior to, or as part of, a final disposition or other court order, proposes
335.9 to place a child with ~~an emotional disturbance or~~ a mental illness, developmental disability,
335.10 or related condition in residential treatment, the responsible social services agency must
335.11 conduct a screening. If the team recommends treating the child in a qualified residential
335.12 treatment program, the agency must follow the requirements of sections 260C.70 to
335.13 260C.714.

335.14 The court shall ascertain whether the child is an Indian child and shall notify the
335.15 responsible social services agency and, if the child is an Indian child, shall notify the Indian
335.16 child's tribe as paragraph (c) requires.

335.17 (e) When the responsible social services agency is responsible for placing and caring
335.18 for the child and the screening team recommends placing a child in a qualified residential
335.19 treatment program as defined in section 260C.007, subdivision 26d, the agency must: (1)
335.20 begin the assessment and processes required in section 260C.704 without delay; and (2)
335.21 conduct a relative search according to section 260C.221 to assemble the child's family and
335.22 permanency team under section 260C.706. Prior to notifying relatives regarding the family
335.23 and permanency team, the responsible social services agency must consult with the child's
335.24 parent or legal guardian, the child if the child is age 14 or older, and, if applicable, the child's
335.25 tribe to ensure that the agency is providing notice to individuals who will act in the child's
335.26 best interests. The child and the child's parents may identify a culturally competent qualified
335.27 individual to complete the child's assessment. The agency shall make efforts to refer the
335.28 assessment to the identified qualified individual. The assessment may not be delayed for
335.29 the purpose of having the assessment completed by a specific qualified individual.

335.30 (f) When a screening team determines that a child does not need treatment in a qualified
335.31 residential treatment program, the screening team must:

335.32 (1) document the services and supports that will prevent the child's foster care placement
335.33 and will support the child remaining at home;

336.1 (2) document the services and supports that the agency will arrange to place the child
336.2 in a family foster home; or

336.3 (3) document the services and supports that the agency has provided in any other setting.

336.4 (g) When the Indian child's tribe or tribal health care services provider or Indian Health
336.5 Services provider proposes to place a child for the primary purpose of treatment for ~~an~~
336.6 ~~emotional disturbance~~ a mental illness, a developmental disability, or co-occurring ~~emotional~~
336.7 ~~disturbance~~ mental illness and chemical dependency, the Indian child's tribe or the tribe
336.8 delegated by the child's tribe shall submit necessary documentation to the county juvenile
336.9 treatment screening team, which must invite the Indian child's tribe to designate a
336.10 representative to the screening team.

336.11 (h) The responsible social services agency must conduct and document the screening in
336.12 a format approved by the commissioner of human services.

336.13 Sec. 77. Minnesota Statutes 2024, section 260C.201, subdivision 1, is amended to read:

336.14 Subdivision 1. **Dispositions.** (a) If the court finds that the child is in need of protection
336.15 or services or neglected and in foster care, the court shall enter an order making any of the
336.16 following dispositions of the case:

336.17 (1) place the child under the protective supervision of the responsible social services
336.18 agency or child-placing agency in the home of a parent of the child under conditions
336.19 prescribed by the court directed to the correction of the child's need for protection or services:

336.20 (i) the court may order the child into the home of a parent who does not otherwise have
336.21 legal custody of the child, however, an order under this section does not confer legal custody
336.22 on that parent;

336.23 (ii) if the court orders the child into the home of a father who is not adjudicated, the
336.24 father must cooperate with paternity establishment proceedings regarding the child in the
336.25 appropriate jurisdiction as one of the conditions prescribed by the court for the child to
336.26 continue in the father's home; and

336.27 (iii) the court may order the child into the home of a noncustodial parent with conditions
336.28 and may also order both the noncustodial and the custodial parent to comply with the
336.29 requirements of a case plan under subdivision 2; or

336.30 (2) transfer legal custody to one of the following:

336.31 (i) a child-placing agency; or

337.1 (ii) the responsible social services agency. In making a foster care placement of a child
337.2 whose custody has been transferred under this subdivision, the agency shall make an
337.3 individualized determination of how the placement is in the child's best interests using the
337.4 placement consideration order for relatives and the best interest factors in section 260C.212,
337.5 subdivision 2, and may include a child colocated with a parent in a licensed residential
337.6 family-based substance use disorder treatment program under section 260C.190; or

337.7 (3) order a trial home visit without modifying the transfer of legal custody to the
337.8 responsible social services agency under clause (2). Trial home visit means the child is
337.9 returned to the care of the parent or guardian from whom the child was removed for a period
337.10 not to exceed six months. During the period of the trial home visit, the responsible social
337.11 services agency:

337.12 (i) shall continue to have legal custody of the child, which means that the agency may
337.13 see the child in the parent's home, at school, in a child care facility, or other setting as the
337.14 agency deems necessary and appropriate;

337.15 (ii) shall continue to have the ability to access information under section 260C.208;

337.16 (iii) shall continue to provide appropriate services to both the parent and the child during
337.17 the period of the trial home visit;

337.18 (iv) without previous court order or authorization, may terminate the trial home visit in
337.19 order to protect the child's health, safety, or welfare and may remove the child to foster care;

337.20 (v) shall advise the court and parties within three days of the termination of the trial
337.21 home visit when a visit is terminated by the responsible social services agency without a
337.22 court order; and

337.23 (vi) shall prepare a report for the court when the trial home visit is terminated whether
337.24 by the agency or court order that describes the child's circumstances during the trial home
337.25 visit and recommends appropriate orders, if any, for the court to enter to provide for the
337.26 child's safety and stability. In the event a trial home visit is terminated by the agency by
337.27 removing the child to foster care without prior court order or authorization, the court shall
337.28 conduct a hearing within ten days of receiving notice of the termination of the trial home
337.29 visit by the agency and shall order disposition under this subdivision or commence
337.30 permanency proceedings under sections 260C.503 to 260C.515. The time period for the
337.31 hearing may be extended by the court for good cause shown and if it is in the best interests
337.32 of the child as long as the total time the child spends in foster care without a permanency
337.33 hearing does not exceed 12 months;

338.1 (4) if the child has been adjudicated as a child in need of protection or services because
338.2 the child is in need of special services or care to treat or ameliorate a physical or mental
338.3 disability or ~~emotional disturbance~~ a mental illness as defined in section 245.4871,
338.4 subdivision 15, the court may order the child's parent, guardian, or custodian to provide it.
338.5 The court may order the child's health plan company to provide mental health services to
338.6 the child. Section 62Q.535 applies to an order for mental health services directed to the
338.7 child's health plan company. If the health plan, parent, guardian, or custodian fails or is
338.8 unable to provide this treatment or care, the court may order it provided. Absent specific
338.9 written findings by the court that the child's disability is the result of abuse or neglect by
338.10 the child's parent or guardian, the court shall not transfer legal custody of the child for the
338.11 purpose of obtaining special treatment or care solely because the parent is unable to provide
338.12 the treatment or care. If the court's order for mental health treatment is based on a diagnosis
338.13 made by a treatment professional, the court may order that the diagnosing professional not
338.14 provide the treatment to the child if it finds that such an order is in the child's best interests;
338.15 or

338.16 (5) if the court believes that the child has sufficient maturity and judgment and that it is
338.17 in the best interests of the child, the court may order a child 16 years old or older to be
338.18 allowed to live independently, either alone or with others as approved by the court under
338.19 supervision the court considers appropriate, if the county board, after consultation with the
338.20 court, has specifically authorized this dispositional alternative for a child.

338.21 (b) If the child was adjudicated in need of protection or services because the child is a
338.22 runaway or habitual truant, the court may order any of the following dispositions in addition
338.23 to or as alternatives to the dispositions authorized under paragraph (a):

338.24 (1) counsel the child or the child's parents, guardian, or custodian;

338.25 (2) place the child under the supervision of a probation officer or other suitable person
338.26 in the child's own home under conditions prescribed by the court, including reasonable rules
338.27 for the child's conduct and the conduct of the parents, guardian, or custodian, designed for
338.28 the physical, mental, and moral well-being and behavior of the child;

338.29 (3) subject to the court's supervision, transfer legal custody of the child to one of the
338.30 following:

338.31 (i) a reputable person of good moral character. No person may receive custody of two
338.32 or more unrelated children unless licensed to operate a residential program under sections
338.33 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child or of public safety that the child's driver's license or instruction permit be canceled, the court may order the commissioner of public safety to cancel the child's license or permit for any period up to the child's 18th birthday. If the child does not have a driver's license or permit, the court may order a denial of driving privileges for any period up to the child's 18th birthday. The court shall forward an order issued under this clause to the commissioner, who shall cancel the license or permit or deny driving privileges without a hearing for the period specified by the court. At any time before the expiration of the period of cancellation or denial, the court may, for good cause, order the commissioner of public safety to allow the child to apply for a license or permit, and the commissioner shall so authorize;

(8) order that the child's parent or legal guardian deliver the child to school at the beginning of each school day for a period of time specified by the court; or

(9) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

To the extent practicable, the court shall enter a disposition order the same day it makes a finding that a child is in need of protection or services or neglected and in foster care, but in no event more than 15 days after the finding unless the court finds that the best interests of the child will be served by granting a delay. If the child was under eight years of age at the time the petition was filed, the disposition order must be entered within ten days of the finding and the court may not grant a delay unless good cause is shown and the court finds the best interests of the child will be served by the delay.

(c) If a child who is 14 years of age or older is adjudicated in need of protection or services because the child is a habitual truant and truancy procedures involving the child were previously dealt with by a school attendance review board or county attorney mediation program under section 260A.06 or 260A.07, the court shall order a cancellation or denial

340.1 of driving privileges under paragraph (b), clause (7), for any period up to the child's 18th
340.2 birthday.

340.3 (d) In the case of a child adjudicated in need of protection or services because the child
340.4 has committed domestic abuse and been ordered excluded from the child's parent's home,
340.5 the court shall dismiss jurisdiction if the court, at any time, finds the parent is able or willing
340.6 to provide an alternative safe living arrangement for the child as defined in paragraph (f).

340.7 (e) When a parent has complied with a case plan ordered under subdivision 6 and the
340.8 child is in the care of the parent, the court may order the responsible social services agency
340.9 to monitor the parent's continued ability to maintain the child safely in the home under such
340.10 terms and conditions as the court determines appropriate under the circumstances.

340.11 (f) For the purposes of this subdivision, "alternative safe living arrangement" means a
340.12 living arrangement for a child proposed by a petitioning parent or guardian if a court excludes
340.13 the minor from the parent's or guardian's home that is separate from the victim of domestic
340.14 abuse and safe for the child respondent. A living arrangement proposed by a petitioning
340.15 parent or guardian is presumed to be an alternative safe living arrangement absent information
340.16 to the contrary presented to the court. In evaluating any proposed living arrangement, the
340.17 court shall consider whether the arrangement provides the child with necessary food, clothing,
340.18 shelter, and education in a safe environment. Any proposed living arrangement that would
340.19 place the child in the care of an adult who has been physically or sexually violent is presumed
340.20 unsafe.

340.21 Sec. 78. Minnesota Statutes 2024, section 260C.201, subdivision 2, is amended to read:

340.22 Subd. 2. **Written findings.** (a) Any order for a disposition authorized under this section
340.23 shall contain written findings of fact to support the disposition and case plan ordered and
340.24 shall also set forth in writing the following information:

340.25 (1) why the best interests and safety of the child are served by the disposition and case
340.26 plan ordered;

340.27 (2) what alternative dispositions or services under the case plan were considered by the
340.28 court and why such dispositions or services were not appropriate in the instant case;

340.29 (3) when legal custody of the child is transferred, the appropriateness of the particular
340.30 placement made or to be made by the placing agency using the relative and sibling placement
340.31 considerations and best interest factors in section 260C.212, subdivision 2, or the
340.32 appropriateness of a child colocated with a parent in a licensed residential family-based
340.33 substance use disorder treatment program under section 260C.190;

(4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:

(i) to prevent the child's placement and to reunify the child with the parent or guardian from whom the child was removed at the earliest time consistent with the child's safety.

The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal or that reasonable efforts were not required under section 260.012 or 260C.178, subdivision 1;

(ii) to identify and locate any noncustodial or nonresident parent of the child and to assess such parent's ability to provide day-to-day care of the child, and, where appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide day-to-day care of the child as required under section 260C.219, unless such services are not required under section 260.012 or 260C.178, subdivision 1. The court's findings must include a description of the agency's efforts to:

(A) identify and locate the child's noncustodial or nonresident parent;

(B) assess the noncustodial or nonresident parent's ability to provide day-to-day care of the child; and

(C) if appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide the child's day-to-day care, including efforts to engage the noncustodial or nonresident parent in assuming care and responsibility of the child;

(iii) to make the diligent search for relatives and provide the notices required under section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the agency has made diligent efforts to conduct a relative search and has appropriately engaged relatives who responded to the notice under section 260C.221 and other relatives, who came to the attention of the agency after notice under section 260C.221 was sent, in placement and case planning decisions fulfills the requirement of this item;

(iv) to identify and make a foster care placement of the child, considering the order in section 260C.212, subdivision 2, paragraph (a), in the home of an unlicensed relative, according to the requirements of section 142B.06, a licensed relative, or other licensed foster care provider, who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support the reunification plan for the child. If the court finds that the agency has not appropriately considered relatives for placement of the child, the court shall order the agency to comply with section 260C.212,

342.1 subdivision 2, paragraph (a). The court may order the agency to continue considering
342.2 relatives for placement of the child regardless of the child's current placement setting; and
342.3 (v) to place siblings together in the same home or to ensure visitation is occurring when
342.4 siblings are separated in foster care placement and visitation is in the siblings' best interests
342.5 under section 260C.212, subdivision 2, paragraph (d); and

342.6 (5) if the child has been adjudicated as a child in need of protection or services because
342.7 the child is in need of special services or care to treat or ameliorate a mental disability or
342.8 ~~emotional disturbance~~ a mental illness as defined in section 245.4871, subdivision 15, the
342.9 written findings shall also set forth:

342.10 (i) whether the child has mental health needs that must be addressed by the case plan;

342.11 (ii) what consideration was given to the diagnostic and functional assessments performed
342.12 by the child's mental health professional and to health and mental health care professionals'
342.13 treatment recommendations;

342.14 (iii) what consideration was given to the requests or preferences of the child's parent or
342.15 guardian with regard to the child's interventions, services, or treatment; and

342.16 (iv) what consideration was given to the cultural appropriateness of the child's treatment
342.17 or services.

342.18 (b) If the court finds that the social services agency's preventive or reunification efforts
342.19 have not been reasonable but that further preventive or reunification efforts could not permit
342.20 the child to safely remain at home, the court may nevertheless authorize or continue the
342.21 removal of the child.

342.22 (c) If the child has been identified by the responsible social services agency as the subject
342.23 of concurrent permanency planning, the court shall review the reasonable efforts of the
342.24 agency to develop a permanency plan for the child that includes a primary plan that is for
342.25 reunification with the child's parent or guardian and a secondary plan that is for an alternative,
342.26 legally permanent home for the child in the event reunification cannot be achieved in a
342.27 timely manner.

342.28 Sec. 79. Minnesota Statutes 2024, section 260C.301, subdivision 4, is amended to read:

342.29 Subd. 4. **Current foster care children.** Except for cases where the child is in placement
342.30 due solely to the child's developmental disability or ~~emotional disturbance~~ a mental illness,
342.31 where custody has not been transferred to the responsible social services agency, and where
342.32 the court finds compelling reasons to continue placement, the county attorney shall file a

343.1 termination of parental rights petition or a petition to transfer permanent legal and physical
343.2 custody to a relative under section 260C.515, subdivision 4, for all children who have been
343.3 in out-of-home care for 15 of the most recent 22 months. This requirement does not apply
343.4 if there is a compelling reason approved by the court for determining that filing a termination
343.5 of parental rights petition or other permanency petition would not be in the best interests
343.6 of the child or if the responsible social services agency has not provided reasonable efforts
343.7 necessary for the safe return of the child, if reasonable efforts are required.

343.8 Sec. 80. Minnesota Statutes 2024, section 260D.01, is amended to read:

343.9 **260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.**

343.10 (a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for
343.11 treatment" provisions of the Juvenile Court Act.

343.12 (b) The juvenile court has original and exclusive jurisdiction over a child in voluntary
343.13 foster care for treatment upon the filing of a report or petition required under this chapter.
343.14 All obligations of the responsible social services agency to a child and family in foster care
343.15 contained in chapter 260C not inconsistent with this chapter are also obligations of the
343.16 agency with regard to a child in foster care for treatment under this chapter.

343.17 (c) This chapter shall be construed consistently with the mission of the children's mental
343.18 health service system as set out in section 245.487, subdivision 3, and the duties of an agency
343.19 under sections 256B.092 and 260C.157 and Minnesota Rules, parts 9525.0004 to 9525.0016,
343.20 to meet the needs of a child with a developmental disability or related condition. This
343.21 chapter:

343.22 (1) establishes voluntary foster care through a voluntary foster care agreement as the
343.23 means for an agency and a parent to provide needed treatment when the child must be in
343.24 foster care to receive necessary treatment for ~~an emotional disturbance or~~ a mental illness,
343.25 developmental disability, or related condition;

343.26 (2) establishes court review requirements for a child in voluntary foster care for treatment
343.27 due to ~~emotional disturbance or~~ a mental illness, developmental disability, or a related
343.28 condition;

343.29 (3) establishes the ongoing responsibility of the parent as legal custodian to visit the
343.30 child, to plan together with the agency for the child's treatment needs, to be available and
343.31 accessible to the agency to make treatment decisions, and to obtain necessary medical,
343.32 dental, and other care for the child;

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the child's diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the child by the responsible social services agency's screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016; and

(5) includes the requirements for a child's placement in sections 260C.70 to 260C.714, when the juvenile treatment screening team recommends placing a child in a qualified residential treatment program, except as modified by this chapter.

(d) This chapter does not apply when there is a current determination under chapter 260E that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition. When there is a determination under chapter 260E that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's ~~emotional disturbance or~~ mental illness, developmental disability, or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure that a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires out-of-home placement and the child cannot be maintained in the home of the parent; and

(3) to ensure that the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the

345.1 agency files a petition under chapter 260C, and establishes by clear and convincing evidence
345.2 that the child is in need of protection or services.

345.3 (f) The legal parent-child relationship shall be supported under this chapter by maintaining
345.4 the parent's legal authority and responsibility for ongoing planning for the child and by the
345.5 agency's assisting the parent, when necessary, to exercise the parent's ongoing right and
345.6 obligation to visit or to have reasonable contact with the child. Ongoing planning means:

345.7 (1) actively participating in the planning and provision of educational services, medical,
345.8 and dental care for the child;

345.9 (2) actively planning and participating with the agency and the foster care facility for
345.10 the child's treatment needs;

345.11 (3) planning to meet the child's need for safety, stability, and permanency, and the child's
345.12 need to stay connected to the child's family and community;

345.13 (4) engaging with the responsible social services agency to ensure that the family and
345.14 permanency team under section 260C.706 consists of appropriate family members. For
345.15 purposes of voluntary placement of a child in foster care for treatment under chapter 260D,
345.16 prior to forming the child's family and permanency team, the responsible social services
345.17 agency must consult with the child's parent or legal guardian, the child if the child is 14
345.18 years of age or older, and, if applicable, the child's Tribe to obtain recommendations regarding
345.19 which individuals to include on the team and to ensure that the team is family-centered and
345.20 will act in the child's best interests. If the child, child's parents, or legal guardians raise
345.21 concerns about specific relatives or professionals, the team should not include those
345.22 individuals unless the individual is a treating professional or an important connection to the
345.23 youth as outlined in the case or crisis plan; and

345.24 (5) for a voluntary placement under this chapter in a qualified residential treatment
345.25 program, as defined in section 260C.007, subdivision 26d, for purposes of engaging in a
345.26 relative search as provided in section 260C.221, the county agency must consult with the
345.27 child's parent or legal guardian, the child if the child is 14 years of age or older, and, if
345.28 applicable, the child's Tribe to obtain recommendations regarding which adult relatives the
345.29 county agency should notify. If the child, child's parents, or legal guardians raise concerns
345.30 about specific relatives, the county agency should not notify those relatives.

345.31 (g) The provisions of section 260.012 to ensure placement prevention, family
345.32 reunification, and all active and reasonable effort requirements of that section apply.

346.1 Sec. 81. Minnesota Statutes 2024, section 260D.02, subdivision 5, is amended to read:

346.2 Subd. 5. **Child in voluntary foster care for treatment.** "Child in voluntary foster care
346.3 for treatment" means a child with ~~emotional disturbance~~ a mental illness or developmental
346.4 disability, or who has a related condition and is in foster care under a voluntary foster care
346.5 agreement between the child's parent and the agency due to concurrence between the agency
346.6 and the parent when it is determined that foster care is medically necessary:

346.7 (1) due to a determination by the agency's screening team based on its review of the
346.8 diagnostic and functional assessment under section 245.4885; or

346.9 (2) due to a determination by the agency's screening team under section 256B.092 and
346.10 Minnesota Rules, parts 9525.0004 to 9525.0016.

346.11 A child is not in voluntary foster care for treatment under this chapter when there is a
346.12 current determination under chapter 260E that the child requires child protective services
346.13 or when the child is in foster care for any reason other than the child's ~~emotional or~~ mental
346.14 illness, developmental disability, or related condition.

346.15 Sec. 82. Minnesota Statutes 2024, section 260D.02, subdivision 9, is amended to read:

346.16 Subd. 9. ~~Emotional disturbance~~ Mental illness. "~~Emotional disturbance~~ Mental illness"
346.17 means ~~emotional disturbance~~ a mental illness as described in section 245.4871, subdivision
346.18 15.

346.19 Sec. 83. Minnesota Statutes 2024, section 260D.03, subdivision 1, is amended to read:

346.20 Subdivision 1. **Voluntary foster care.** When the agency's screening team, based upon
346.21 the diagnostic and functional assessment under section 245.4885 or medical necessity
346.22 screenings under section 256B.092, subdivision 7, determines the child's need for treatment
346.23 due to ~~emotional disturbance or~~ a mental illness, developmental disability, or related condition
346.24 requires foster care placement of the child, a voluntary foster care agreement between the
346.25 child's parent and the agency gives the agency legal authority to place the child in foster
346.26 care.

347.1 Sec. 84. Minnesota Statutes 2024, section 260D.04, is amended to read:

347.2 **260D.04 REQUIRED INFORMATION FOR A CHILD IN VOLUNTARY FOSTER**
347.3 **CARE FOR TREATMENT.**

347.4 An agency with authority to place a child in voluntary foster care for treatment due to
347.5 ~~emotional disturbance or~~ a mental illness, developmental disability, or related condition;
347.6 shall inform the child, age 12 or older, of the following:

347.7 (1) the child has the right to be consulted in the preparation of the out-of-home placement
347.8 plan required under section 260C.212, subdivision 1, and the administrative review required
347.9 under section 260C.203;

347.10 (2) the child has the right to visit the parent and the right to visit the child's siblings as
347.11 determined safe and appropriate by the parent and the agency;

347.12 (3) if the child disagrees with the foster care facility or services provided under the
347.13 out-of-home placement plan required under section 260C.212, subdivision 1, the agency
347.14 shall include information about the nature of the child's disagreement and, to the extent
347.15 possible, the agency's understanding of the basis of the child's disagreement in the information
347.16 provided to the court in the report required under section 260D.06; and

347.17 (4) the child has the rights established under Minnesota Rules, part 2960.0050, as a
347.18 resident of a facility licensed by the state.

347.19 Sec. 85. Minnesota Statutes 2024, section 260D.06, subdivision 2, is amended to read:

347.20 Subd. 2. **Agency report to court; court review.** The agency shall obtain judicial review
347.21 by reporting to the court according to the following procedures:

347.22 (a) A written report shall be forwarded to the court within 165 days of the date of the
347.23 voluntary placement agreement. The written report shall contain or have attached:

347.24 (1) a statement of facts that necessitate the child's foster care placement;

347.25 (2) the child's name, date of birth, race, gender, and current address;

347.26 (3) the names, race, date of birth, residence, and post office addresses of the child's
347.27 parents or legal custodian;

347.28 (4) a statement regarding the child's eligibility for membership or enrollment in an Indian
347.29 tribe and the agency's compliance with applicable provisions of sections 260.751 to 260.835;

347.30 (5) the names and addresses of the foster parents or chief administrator of the facility in
347.31 which the child is placed, if the child is not in a family foster home or group home;

348.1 (6) a copy of the out-of-home placement plan required under section 260C.212,
348.2 subdivision 1;

348.3 (7) a written summary of the proceedings of any administrative review required under
348.4 section 260C.203;

348.5 (8) evidence as specified in section 260C.712 when a child is placed in a qualified
348.6 residential treatment program as defined in section 260C.007, subdivision 26d; and

348.7 (9) any other information the agency, parent or legal custodian, the child or the foster
348.8 parent, or other residential facility wants the court to consider.

348.9 (b) In the case of a child in placement due to ~~emotional disturbance~~ a mental illness, the
348.10 written report shall include as an attachment, the child's individual treatment plan developed
348.11 by the child's treatment professional, as provided in section 245.4871, subdivision 21, or
348.12 the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph
348.13 (e).

348.14 (c) In the case of a child in placement due to developmental disability or a related
348.15 condition, the written report shall include as an attachment, the child's individual service
348.16 plan, as provided in section 256B.092, subdivision 1b; the child's individual program plan,
348.17 as provided in Minnesota Rules, part 9525.0004, subpart 11; the child's waiver care plan;
348.18 or the child's standard written plan, as provided in section 125A.023, subdivision 3, paragraph
348.19 (e).

348.20 (d) The agency must inform the child, age 12 or older, the child's parent, and the foster
348.21 parent or foster care facility of the reporting and court review requirements of this section
348.22 and of their right to submit information to the court:

348.23 (1) if the child or the child's parent or the foster care provider wants to send information
348.24 to the court, the agency shall advise those persons of the reporting date and the date by
348.25 which the agency must receive the information they want forwarded to the court so the
348.26 agency is timely able submit it with the agency's report required under this subdivision;

348.27 (2) the agency must also inform the child, age 12 or older, the child's parent, and the
348.28 foster care facility that they have the right to be heard in person by the court and how to
348.29 exercise that right;

348.30 (3) the agency must also inform the child, age 12 or older, the child's parent, and the
348.31 foster care provider that an in-court hearing will be held if requested by the child, the parent,
348.32 or the foster care provider; and

(4) if, at the time required for the report under this section, a child, age 12 or older, disagrees about the foster care facility or services provided under the out-of-home placement plan required under section 260C.212, subdivision 1, the agency shall include information regarding the child's disagreement, and to the extent possible, the basis for the child's disagreement in the report required under this section.

(e) After receiving the required report, the court has jurisdiction to make the following determinations and must do so within ten days of receiving the forwarded report, whether a hearing is requested:

(1) whether the voluntary foster care arrangement is in the child's best interests;

(2) whether the parent and agency are appropriately planning for the child; and

(3) in the case of a child age 12 or older, who disagrees with the foster care facility or services provided under the out-of-home placement plan, whether it is appropriate to appoint counsel and a guardian ad litem for the child using standards and procedures under section 260C.163.

(f) Unless requested by a parent, representative of the foster care facility, or the child, no in-court hearing is required in order for the court to make findings and issue an order as required in paragraph (e).

(g) If the court finds the voluntary foster care arrangement is in the child's best interests and that the agency and parent are appropriately planning for the child, the court shall issue an order containing explicit, individualized findings to support its determination. The individualized findings shall be based on the agency's written report and other materials submitted to the court. The court may make this determination notwithstanding the child's disagreement, if any, reported under paragraph (d).

(h) The court shall send a copy of the order to the county attorney, the agency, parent, child, age 12 or older, and the foster parent or foster care facility.

(i) The court shall also send the parent, the child, age 12 or older, the foster parent, or representative of the foster care facility notice of the permanency review hearing required under section 260D.07, paragraph (e).

(j) If the court finds continuing the voluntary foster care arrangement is not in the child's best interests or that the agency or the parent are not appropriately planning for the child, the court shall notify the agency, the parent, the foster parent or foster care facility, the child, age 12 or older, and the county attorney of the court's determinations and the basis for the

350.1 court's determinations. In this case, the court shall set the matter for hearing and appoint a
350.2 guardian ad litem for the child under section 260C.163, subdivision 5.

350.3 Sec. 86. Minnesota Statutes 2024, section 260D.07, is amended to read:

350.4 **260D.07 REQUIRED PERMANENCY REVIEW HEARING.**

350.5 (a) When the court has found that the voluntary arrangement is in the child's best interests
350.6 and that the agency and parent are appropriately planning for the child pursuant to the report
350.7 submitted under section 260D.06, and the child continues in voluntary foster care as defined
350.8 in section 260D.02, subdivision 10, for 13 months from the date of the voluntary foster care
350.9 agreement, or has been in placement for 15 of the last 22 months, the agency must:

350.10 (1) terminate the voluntary foster care agreement and return the child home; or

350.11 (2) determine whether there are compelling reasons to continue the voluntary foster care
350.12 arrangement and, if the agency determines there are compelling reasons, seek judicial
350.13 approval of its determination; or

350.14 (3) file a petition for the termination of parental rights.

350.15 (b) When the agency is asking for the court's approval of its determination that there are
350.16 compelling reasons to continue the child in the voluntary foster care arrangement, the agency
350.17 shall file a "Petition for Permanency Review Regarding a Child in Voluntary Foster Care
350.18 for Treatment" and ask the court to proceed under this section.

350.19 (c) The "Petition for Permanency Review Regarding a Child in Voluntary Foster Care
350.20 for Treatment" shall be drafted or approved by the county attorney and be under oath. The
350.21 petition shall include:

350.22 (1) the date of the voluntary placement agreement;

350.23 (2) whether the petition is due to the child's developmental disability or ~~emotional~~
350.24 ~~disturbance~~ mental illness;

350.25 (3) the plan for the ongoing care of the child and the parent's participation in the plan;

350.26 (4) a description of the parent's visitation and contact with the child;

350.27 (5) the date of the court finding that the foster care placement was in the best interests
350.28 of the child, if required under section 260D.06, or the date the agency filed the motion under
350.29 section 260D.09, paragraph (b);

350.30 (6) the agency's reasonable efforts to finalize the permanent plan for the child, including
350.31 returning the child to the care of the child's family;

351.1 (7) a citation to this chapter as the basis for the petition; and

351.2 (8) evidence as specified in section 260C.712 when a child is placed in a qualified
351.3 residential treatment program as defined in section 260C.007, subdivision 26d.

351.4 (d) An updated copy of the out-of-home placement plan required under section 260C.212,
351.5 subdivision 1, shall be filed with the petition.

351.6 (e) The court shall set the date for the permanency review hearing no later than 14 months
351.7 after the child has been in placement or within 30 days of the petition filing date when the
351.8 child has been in placement 15 of the last 22 months. The court shall serve the petition
351.9 together with a notice of hearing by United States mail on the parent, the child age 12 or
351.10 older, the child's guardian ad litem, if one has been appointed, the agency, the county
351.11 attorney, and counsel for any party.

351.12 (f) The court shall conduct the permanency review hearing on the petition no later than
351.13 14 months after the date of the voluntary placement agreement, within 30 days of the filing
351.14 of the petition when the child has been in placement 15 of the last 22 months, or within 15
351.15 days of a motion to terminate jurisdiction and to dismiss an order for foster care under
351.16 chapter 260C, as provided in section 260D.09, paragraph (b).

351.17 (g) At the permanency review hearing, the court shall:

351.18 (1) inquire of the parent if the parent has reviewed the "Petition for Permanency Review
351.19 Regarding a Child in Voluntary Foster Care for Treatment," whether the petition is accurate,
351.20 and whether the parent agrees to the continued voluntary foster care arrangement as being
351.21 in the child's best interests;

351.22 (2) inquire of the parent if the parent is satisfied with the agency's reasonable efforts to
351.23 finalize the permanent plan for the child, including whether there are services available and
351.24 accessible to the parent that might allow the child to safely be with the child's family;

351.25 (3) inquire of the parent if the parent consents to the court entering an order that:

351.26 (i) approves the responsible agency's reasonable efforts to finalize the permanent plan
351.27 for the child, which includes ongoing future planning for the safety, health, and best interests
351.28 of the child; and

351.29 (ii) approves the responsible agency's determination that there are compelling reasons
351.30 why the continued voluntary foster care arrangement is in the child's best interests; and

351.31 (4) inquire of the child's guardian ad litem and any other party whether the guardian or
351.32 the party agrees that:

352.1 (i) the court should approve the responsible agency's reasonable efforts to finalize the
352.2 permanent plan for the child, which includes ongoing and future planning for the safety,
352.3 health, and best interests of the child; and

352.4 (ii) the court should approve of the responsible agency's determination that there are
352.5 compelling reasons why the continued voluntary foster care arrangement is in the child's
352.6 best interests.

352.7 (h) At a permanency review hearing under this section, the court may take the following
352.8 actions based on the contents of the sworn petition and the consent of the parent:

352.9 (1) approve the agency's compelling reasons that the voluntary foster care arrangement
352.10 is in the best interests of the child; and

352.11 (2) find that the agency has made reasonable efforts to finalize the permanent plan for
352.12 the child.

352.13 (i) A child, age 12 or older, may object to the agency's request that the court approve its
352.14 compelling reasons for the continued voluntary arrangement and may be heard on the reasons
352.15 for the objection. Notwithstanding the child's objection, the court may approve the agency's
352.16 compelling reasons and the voluntary arrangement.

352.17 (j) If the court does not approve the voluntary arrangement after hearing from the child
352.18 or the child's guardian ad litem, the court shall dismiss the petition. In this case, either:

352.19 (1) the child must be returned to the care of the parent; or

352.20 (2) the agency must file a petition under section 260C.141, asking for appropriate relief
352.21 under sections 260C.301 or 260C.503 to 260C.521.

352.22 (k) When the court approves the agency's compelling reasons for the child to continue
352.23 in voluntary foster care for treatment, and finds that the agency has made reasonable efforts
352.24 to finalize a permanent plan for the child, the court shall approve the continued voluntary
352.25 foster care arrangement, and continue the matter under the court's jurisdiction for the purposes
352.26 of reviewing the child's placement every 12 months while the child is in foster care.

352.27 (l) A finding that the court approves the continued voluntary placement means the agency
352.28 has continued legal authority to place the child while a voluntary placement agreement
352.29 remains in effect. The parent or the agency may terminate a voluntary agreement as provided
352.30 in section 260D.10. Termination of a voluntary foster care placement of an Indian child is
352.31 governed by section 260.765, subdivision 4.

353.1 Sec. 87. Minnesota Statutes 2024, section 260E.11, subdivision 3, is amended to read:

353.2 Subd. 3. **Report to medical examiner or coroner; notification to local agency and**
353.3 **law enforcement; report ombudsman.** (a) A person mandated to report maltreatment who
353.4 knows or has reason to believe a child has died as a result of maltreatment shall report that
353.5 information to the appropriate medical examiner or coroner instead of the local welfare
353.6 agency, police department, or county sheriff.

353.7 (b) The medical examiner or coroner shall notify the local welfare agency, police
353.8 department, or county sheriff in instances in which the medical examiner or coroner believes
353.9 that the child has died as a result of maltreatment. The medical examiner or coroner shall
353.10 complete an investigation as soon as feasible and report the findings to the police department
353.11 or county sheriff and the local welfare agency.

353.12 (c) If the child was receiving services or treatment for mental illness, developmental
353.13 disability, or substance use disorder, ~~or emotional disturbance~~ from an agency, facility, or
353.14 program as defined in section 245.91, the medical examiner or coroner shall also notify and
353.15 report findings to the ombudsman established under sections 245.91 to 245.97.

353.16 Sec. 88. Minnesota Statutes 2024, section 295.50, subdivision 9b, is amended to read:

353.17 Subd. 9b. **Patient services.** (a) "Patient services" means inpatient and outpatient services
353.18 and other goods and services provided by hospitals, surgical centers, or health care providers.
353.19 They include the following health care goods and services provided to a patient or consumer:

353.20 (1) bed and board;

353.21 (2) nursing services and other related services;

353.22 (3) use of hospitals, surgical centers, or health care provider facilities;

353.23 (4) medical social services;

353.24 (5) drugs, biologicals, supplies, appliances, and equipment;

353.25 (6) other diagnostic or therapeutic items or services;

353.26 (7) medical or surgical services;

353.27 (8) items and services furnished to ambulatory patients not requiring emergency care;

353.28 and

353.29 (9) emergency services.

353.30 (b) "Patient services" does not include:

- 354.1 (1) services provided to nursing homes licensed under chapter 144A;
- 354.2 (2) examinations for purposes of utilization reviews, insurance claims or eligibility,
- 354.3 litigation, and employment, including reviews of medical records for those purposes;
- 354.4 (3) services provided to and by community residential mental health facilities licensed
- 354.5 under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, and to and by
- 354.6 residential treatment programs for children with ~~severe emotional disturbance~~ a serious
- 354.7 mental illness licensed or certified under chapter 245A;
- 354.8 (4) services provided under the following programs: day treatment services as defined
- 354.9 in section 245.462, subdivision 8; assertive community treatment as described in section
- 354.10 256B.0622; adult rehabilitative mental health services as described in section 256B.0623;
- 354.11 crisis response services as described in section 256B.0624; and children's therapeutic services
- 354.12 and supports as described in section 256B.0943;
- 354.13 (5) services provided to and by community mental health centers as defined in section
- 354.14 245.62, subdivision 2;
- 354.15 (6) services provided to and by assisted living programs and congregate housing
- 354.16 programs;
- 354.17 (7) hospice care services;
- 354.18 (8) home and community-based waived services under chapter 256S and sections
- 354.19 256B.49 and 256B.501;
- 354.20 (9) targeted case management services under sections 256B.0621; 256B.0625,
- 354.21 subdivisions 20, 20a, 33, and 44; and 256B.094; and
- 354.22 (10) services provided to the following: supervised living facilities for persons with
- 354.23 developmental disabilities licensed under Minnesota Rules, parts 4665.0100 to 4665.9900;
- 354.24 housing with services establishments required to be registered under chapter 144D; board
- 354.25 and lodging establishments providing only custodial services that are licensed under chapter
- 354.26 157 and registered under section 157.17 to provide supportive services or health supervision
- 354.27 services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training
- 354.28 and habilitation services for adults with developmental disabilities as defined in section
- 354.29 252.41, subdivision 3; boarding care homes as defined in Minnesota Rules, part 4655.0100;
- 354.30 adult day care services as defined in section 245A.02, subdivision 2a; and home health
- 354.31 agencies as defined in Minnesota Rules, part 9505.0175, subpart 15, or licensed under
- 354.32 chapter 144A.

ARTICLE 11**ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL
TREATMENT SERVICES RECODIFICATION**

Section 1. Minnesota Statutes 2024, section 256B.0622, subdivision 1, is amended to read:

Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically necessary, assertive community treatment when the services are provided by an entity certified under and meeting the standards in this section.

~~(b) Subject to federal approval, medical assistance covers medically necessary, intensive residential treatment services when the services are provided by an entity licensed under and meeting the standards in section 245I.23.~~

~~(e)~~ (b) The provider entity must make reasonable and good faith efforts to report individual client outcomes to the commissioner, using instruments and protocols approved by the commissioner.

Sec. 2. Minnesota Statutes 2024, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for assertive community treatment and intensive residential treatment services.** (a) Payment for ~~intensive residential treatment services and~~ assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph ~~(d)~~ (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

~~(e) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.~~

~~(d)~~ (c) The commissioner shall determine ~~one rate for each provider that will bill medical assistance for residential services under this section and~~ one rate for each assertive community treatment provider under this section. If a single entity provides both ~~services~~ intensive

356.1 residential treatment services under section 256B.0632 and assertive community treatment
356.2 under this section, one rate is established for the entity's intensive residential treatment
356.3 services under section 256B.0632 and another rate for the entity's ~~nonresidential~~ assertive
356.4 community treatment services under this section. A provider is not eligible for payment
356.5 under this section without authorization from the commissioner. The commissioner shall
356.6 develop rates using the following criteria:

356.7 (1) the provider's cost for services shall include direct services costs, other program
356.8 costs, and other costs determined as follows:

356.9 (i) the direct services costs must be determined using actual costs of salaries, benefits,
356.10 payroll taxes, and training of direct service staff and service-related transportation;

356.11 (ii) other program costs not included in item (i) must be determined as a specified
356.12 percentage of the direct services costs as determined by item (i). The percentage used shall
356.13 be determined by the commissioner based upon the average of percentages that represent
356.14 the relationship of other program costs to direct services costs among the entities that provide
356.15 similar services;

356.16 (iii) physical plant costs calculated based on the percentage of space within the program
356.17 that is entirely devoted to treatment and programming. This does not include administrative
356.18 or residential space;

356.19 (iv) assertive community treatment physical plant costs must be reimbursed as part of
356.20 the costs described in item (ii); and

356.21 (v) subject to federal approval, up to an additional five percent of the total rate may be
356.22 added to the program rate as a quality incentive based upon the entity meeting performance
356.23 criteria specified by the commissioner;

356.24 (2) ~~actual cost~~ is costs are defined as costs which are allowable, allocable, and reasonable,
356.25 and consistent with federal reimbursement requirements under Code of Federal Regulations,
356.26 title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and
356.27 Budget Circular Number A-122, relating to nonprofit entities;

356.28 (3) the number of service units;

356.29 (4) the degree to which clients will receive services other than services under this section
356.30 or section 256B.0632; and

356.31 (5) the costs of other services that will be separately reimbursed.

~~(e)~~ (d) The rate for ~~intensive residential treatment services~~ and assertive community treatment must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

~~(f)~~ (f) ~~Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.~~

~~(g)~~ (e) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

~~(h)~~ (f) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

~~(i)~~ (g) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph ~~(d)~~ (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph ~~(d)~~ (c).

~~(j)~~ (h) Effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment, adult residential crisis stabilization services, and intensive residential treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. This paragraph expires upon federal approval.

(i) Effective upon the expiration of paragraph (h), and effective for the rate years beginning on and after January 1, 2024, rates for assertive community treatment services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Medicare Economic Index, as forecasted in the third quarter of the calendar year before the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined.

358.1 ~~(k)~~ (j) Entities who discontinue providing services must be subject to a settle-up process
358.2 whereby actual costs and reimbursement for the previous 12 months are compared. In the
358.3 event that the entity was paid more than the entity's actual costs plus any applicable
358.4 performance-related funding due the provider, the excess payment must be reimbursed to
358.5 the department. If a provider's revenue is less than actual allowed costs due to lower
358.6 utilization than projected, the commissioner may reimburse the provider to recover its actual
358.7 allowable costs. The resulting adjustments by the commissioner must be proportional to the
358.8 percent of total units of service reimbursed by the commissioner and must reflect a difference
358.9 of greater than five percent.

358.10 ~~(h)~~ (k) A provider may request of the commissioner a review of any rate-setting decision
358.11 made under this subdivision.

358.12 Sec. 3. Minnesota Statutes 2024, section 256B.0622, subdivision 11, is amended to read:

358.13 Subd. 11. **Sustainability grants.** The commissioner may disburse grant funds directly
358.14 to ~~intensive residential treatment services providers and~~ assertive community treatment
358.15 providers to maintain access to these services.

358.16 Sec. 4. Minnesota Statutes 2024, section 256B.0622, subdivision 12, is amended to read:

358.17 Subd. 12. **Start-up grants.** The commissioner may, within available appropriations,
358.18 disburse grant funding to counties, Indian tribes, or mental health service providers to
358.19 establish additional assertive community treatment teams, ~~intensive residential treatment~~
358.20 ~~services, or crisis residential services.~~

358.21 Sec. 5. **[256B.0632] INTENSIVE RESIDENTIAL TREATMENT SERVICES.**

358.22 Subdivision 1. **Scope.** (a) Subject to federal approval, medical assistance covers medically
358.23 necessary, intensive residential treatment services when the services are provided by an
358.24 entity licensed under and meeting the standards in section 245I.23.

358.25 (b) The provider entity must make reasonable and good faith efforts to report individual
358.26 client outcomes to the commissioner, using instruments and protocols approved by the
358.27 commissioner.

358.28 Subd. 2. **Provider entity licensure and contract requirements for intensive residential**
358.29 **treatment services.** (a) The commissioner shall develop procedures for counties and
358.30 providers to submit other documentation as needed to allow the commissioner to determine
358.31 whether the standards in this section are met.

(b) A provider entity must specify in the provider entity's application what geographic area and populations will be served by the proposed program. A provider entity must document that the capacity or program specialties of existing programs are not sufficient to meet the service needs of the target population. A provider entity must submit evidence of ongoing relationships with other providers and levels of care to facilitate referrals to and from the proposed program.

(c) A provider entity must submit documentation that the provider entity requested a statement of need from each county board and Tribal authority that serves as a local mental health authority in the proposed service area. The statement of need must specify if the local mental health authority supports or does not support the need for the proposed program and the basis for this determination. If a local mental health authority does not respond within 60 days of the receipt of the request, the commissioner shall determine the need for the program based on the documentation submitted by the provider entity.

Subd. 3. Medical assistance payment for intensive residential treatment services. (a) Payment for intensive residential treatment services in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (d), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) Payment must not be made based solely on a court order to participate in intensive residential treatment services. If a client has a court order to participate in the program or to obtain assessment for treatment and follow treatment recommendations, payment under this section must only be provided if the client is eligible for the service and the service is determined to be medically necessary.

(d) The commissioner shall determine one rate for each provider that will bill medical assistance for intensive residential treatment services under this section. If a single entity provides both intensive residential treatment services under this section and assertive community treatment under section 256B.0622, one rate is established for the entity's intensive residential treatment services under this section and another rate for the entity's assertive community treatment services under section 256B.0622. A provider is not eligible

for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space; and

(iv) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual costs are defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of services units;

(4) the degree to which clients will receive services other than services under this section or section 256B.0622; and

(5) the costs of other services that will be separately reimbursed.

(e) The rate for intensive residential treatment services must exclude the medical assistance room and board rate, as defined in section 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(f) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services

361.1 treatment team. Physician services, whether billed separately or included in the rate, may
361.2 be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning
361.3 given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth
361.4 is used to provide intensive residential treatment services.

361.5 (g) The rate for a provider must not exceed the rate charged by that provider for the
361.6 same service to other payors.

361.7 (h) The rates for existing programs must be established prospectively based upon the
361.8 expenditures and utilization over a prior 12-month period using the criteria established in
361.9 paragraph (d). The rates for new programs must be established based upon estimated
361.10 expenditures and estimated utilization using the criteria established in paragraph (d).

361.11 (i) Effective upon the expiration of section 256B.0622, subdivision 8, paragraph (h),
361.12 and effective for rate years beginning on and after January 1, 2024, rates for intensive
361.13 residential treatment services and adult residential crisis stabilization services must be
361.14 annually adjusted for inflation using the Centers for Medicare and Medicaid Services
361.15 Medicare Economic Index, as forecasted in the third quarter of the calendar year before the
361.16 rate year. The inflation adjustment must be based on the 12-month period from the midpoint
361.17 of the previous rate year to the midpoint of the rate year for which the rate is being
361.18 determined.

361.19 (j) Entities who discontinue providing services must be subject to a settle-up process
361.20 whereby actual costs and reimbursement for the previous 12 months are compared. In the
361.21 event that the entity was paid more than the entity's actual costs plus any applicable
361.22 performance-related funding due the provider, the excess payment must be reimbursed to
361.23 the department. If a provider's revenue is less than actual allowed costs due to lower
361.24 utilization than projected, the commissioner may reimburse the provider to recover its actual
361.25 allowable costs. The resulting adjustments by the commissioner must be proportional to the
361.26 percent of total units of service reimbursed by the commissioner and must reflect a difference
361.27 of greater than five percent.

361.28 (k) A provider may request of the commissioner a review of any rate-setting decision
361.29 made under this subdivision.

361.30 **Subd. 4. Provider enrollment; rate setting for county-operated entities. Counties**
361.31 **that employ their own staff to provide services under this section shall apply directly to the**
361.32 **commissioner for enrollment and rate setting. In this case, a county contract is not required.**

Subd. 5. Provider enrollment; rate setting for specialized program. A county contract is not required for a provider proposing to serve a subpopulation of eligible clients under the following circumstances:

(1) the provider demonstrates that the subpopulation to be served requires a specialized program which is not available from county-approved entities; and

(2) the subpopulation to be served is of such a low incidence that it is not feasible to develop a program serving a single county or regional group of counties.

Subd. 6. Sustainability grants. The commissioner may disburse grant funds directly to intensive residential treatment services providers to maintain access to these services.

Subd. 7. Start-up grants. The commissioner may, within available appropriations, disburse grant funding to counties, Indian Tribes, or mental health service providers to establish additional intensive residential treatment services and residential crisis services.

Sec. 6. REPEALER.

Minnesota Statutes 2024, section 256B.0622, subdivision 4, is repealed.

ARTICLE 12

**ASSERTIVE COMMUNITY TREATMENT AND INTENSIVE RESIDENTIAL
TREATMENT SERVICES RECODIFICATION CONFORMING CHANGES**

Section 1. Minnesota Statutes 2024, section 148F.11, subdivision 1, is amended to read:

Subdivision 1. **Other professionals.** (a) Nothing in this chapter prevents members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to: licensed physicians; registered nurses; licensed practical nurses; licensed psychologists and licensed psychological practitioners; members of the clergy provided such services are provided within the scope of regular ministries; American Indian medicine men and women; licensed attorneys; probation officers; licensed marriage and family therapists; licensed social workers; social workers employed by city, county, or state agencies; licensed professional counselors; licensed professional clinical counselors; licensed school counselors; registered occupational therapists or occupational therapy assistants; Upper Midwest Indian Council on Addictive Disorders (UMICAD) certified counselors when providing services to Native American people; city, county, or state employees when providing assessments or case management under Minnesota Rules, chapter 9530; and staff persons providing co-occurring substance use disorder treatment in adult mental health rehabilitative programs certified or licensed by the

363.1 Department of Human Services under section 245I.23, 256B.0622, ~~or~~ 256B.0623, or
363.2 256B.0632.

363.3 (b) Nothing in this chapter prohibits technicians and resident managers in programs
363.4 licensed by the Department of Human Services from discharging their duties as provided
363.5 in Minnesota Rules, chapter 9530.

363.6 (c) Any person who is exempt from licensure under this section must not use a title
363.7 incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug
363.8 counselor" or otherwise hold himself or herself out to the public by any title or description
363.9 stating or implying that he or she is engaged in the practice of alcohol and drug counseling,
363.10 or that he or she is licensed to engage in the practice of alcohol and drug counseling, unless
363.11 that person is also licensed as an alcohol and drug counselor. Persons engaged in the practice
363.12 of alcohol and drug counseling are not exempt from the board's jurisdiction solely by the
363.13 use of one of the titles in paragraph (a).

363.14 Sec. 2. Minnesota Statutes 2024, section 245.4662, subdivision 1, is amended to read:

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

363.17 (b) "Community partnership" means a project involving the collaboration of two or more
363.18 eligible applicants.

363.19 (c) "Eligible applicant" means an eligible county, Indian tribe, mental health service
363.20 provider, hospital, or community partnership. Eligible applicant does not include a
363.21 state-operated direct care and treatment facility or program under chapters 246 and 246C.

363.22 (d) "Intensive residential treatment services" has the meaning given in section ~~256B.0622~~
363.23 256B.0632.

363.24 (e) "Metropolitan area" means the seven-county metropolitan area, as defined in section
363.25 473.121, subdivision 2.

363.26 Sec. 3. Minnesota Statutes 2024, section 245.4906, subdivision 2, is amended to read:

363.27 Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider that
363.28 employs a mental health certified peer specialist qualified under section 245I.04, subdivision
363.29 10, and that provides services to individuals receiving assertive community treatment ~~or~~
363.30 ~~intensive residential treatment services~~ under section 256B.0622, intensive residential
363.31 treatment services under section 256B.0632, adult rehabilitative mental health services
363.32 under section 256B.0623, or crisis response services under section 256B.0624.

364.1 Sec. 4. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

364.2 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
364.3 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
364.4 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
364.5 fund services. State money appropriated for this paragraph must be placed in a separate
364.6 account established for this purpose.

364.7 (b) Persons with dependent children who are determined to be in need of substance use
364.8 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
364.9 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
364.10 subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment
364.11 services. Treatment services must be appropriate for the individual or family, which may
364.12 include long-term care treatment or treatment in a facility that allows the dependent children
364.13 to stay in the treatment facility. The county shall pay for out-of-home placement costs, if
364.14 applicable.

364.15 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
364.16 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision
364.17 5, paragraph (b), clause (9).

364.18 (d) A client is eligible to have substance use disorder treatment paid for with funds from
364.19 the behavioral health fund when the client:

364.20 (1) is eligible for MFIP as determined under chapter 142G;

364.21 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
364.22 9505.0010 to 9505.0150;

364.23 (3) is eligible for general assistance, general assistance medical care, or work readiness
364.24 as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

364.25 (4) has income that is within current household size and income guidelines for entitled
364.26 persons, as defined in this subdivision and subdivision 7.

364.27 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
364.28 a third-party payment source are eligible for the behavioral health fund if the third-party
364.29 payment source pays less than 100 percent of the cost of treatment services for eligible
364.30 clients.

364.31 (f) A client is ineligible to have substance use disorder treatment services paid for with
364.32 behavioral health fund money if the client:

365.1 (1) has an income that exceeds current household size and income guidelines for entitled
365.2 persons as defined in this subdivision and subdivision 7; or

365.3 (2) has an available third-party payment source that will pay the total cost of the client's
365.4 treatment.

365.5 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
365.6 is eligible for continued treatment service that is paid for by the behavioral health fund until
365.7 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
365.8 if the client:

365.9 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
365.10 medical care; or

365.11 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local
365.12 agency under section 254B.04.

365.13 (h) When a county commits a client under chapter 253B to a regional treatment center
365.14 for substance use disorder services and the client is ineligible for the behavioral health fund,
365.15 the county is responsible for the payment to the regional treatment center according to
365.16 section 254B.05, subdivision 4.

365.17 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
365.18 provided through intensive residential treatment services and residential crisis services under
365.19 section ~~256B.0622~~ 256B.0632.

365.20 Sec. 5. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

365.21 Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board
365.22 are eligible for behavioral health fund payment if the vendor:

365.23 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
365.24 while residing in the facility and provide consequences for infractions of those rules;

365.25 (2) is determined to meet applicable health and safety requirements;

365.26 (3) is not a jail or prison;

365.27 (4) is not concurrently receiving funds under chapter 256I for the recipient;

365.28 (5) admits individuals who are 18 years of age or older;

365.29 (6) is registered as a board and lodging or lodging establishment according to section
365.30 157.17;

365.31 (7) has awake staff on site whenever a client is present;

366.1 (8) has staff who are at least 18 years of age and meet the requirements of section
366.2 245G.11, subdivision 1, paragraph (b);

366.3 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

366.4 (10) meets the requirements of section 245G.08, subdivision 5, if administering
366.5 medications to clients;

366.6 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
366.7 fraternization and the mandatory reporting requirements of section 626.557;

366.8 (12) documents coordination with the treatment provider to ensure compliance with
366.9 section 254B.03, subdivision 2;

366.10 (13) protects client funds and ensures freedom from exploitation by meeting the
366.11 provisions of section 245A.04, subdivision 13;

366.12 (14) has a grievance procedure that meets the requirements of section 245G.15,
366.13 subdivision 2; and

366.14 (15) has sleeping and bathroom facilities for men and women separated by a door that
366.15 is locked, has an alarm, or is supervised by awake staff.

366.16 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
366.17 paragraph (a), clauses (5) to (15).

366.18 (c) Programs providing children's mental health crisis admissions and stabilization under
366.19 section 245.4882, subdivision 6, are eligible vendors of room and board.

366.20 (d) Programs providing children's residential services under section 245.4882, except
366.21 services for individuals who have a placement under chapter 260C or 260D, are eligible
366.22 vendors of room and board.

366.23 (e) Licensed programs providing intensive residential treatment services or residential
366.24 crisis stabilization services pursuant to section ~~256B.0622~~ or 256B.0624 or 256B.0632 are
366.25 eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

366.26 (f) A vendor that is not licensed as a residential treatment program must have a policy
366.27 to address staffing coverage when a client may unexpectedly need to be present at the room
366.28 and board site.

366.29 Sec. 6. Minnesota Statutes 2024, section 256.478, subdivision 2, is amended to read:

366.30 Subd. 2. **Eligibility.** An individual is eligible for the transition to community initiative
366.31 if the individual can demonstrate that current services are not capable of meeting individual

367.1 treatment and service needs that can be met in the community with support, and the individual
367.2 meets at least one of the following criteria:

367.3 (1) the person meets the criteria under section 256B.092, subdivision 13, or 256B.49,
367.4 subdivision 24;

367.5 (2) the person has met treatment objectives and no longer requires a hospital-level care,
367.6 residential-level care, or a secure treatment setting, but the person's discharge from the
367.7 Anoka Metro Regional Treatment Center, the Minnesota Forensic Mental Health Program,
367.8 the Child and Adolescent Behavioral Health Hospital program, a psychiatric residential
367.9 treatment facility under section 256B.0941, intensive residential treatment services under
367.10 section ~~256B.0622~~ 256B.0632, children's residential services under section 245.4882,
367.11 juvenile detention facility, county supervised building, or a hospital would be substantially
367.12 delayed without additional resources available through the transitions to community initiative;

367.13 (3) the person (i) is receiving customized living services reimbursed under section
367.14 256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or
367.15 community residential services reimbursed under section 256B.4914; (ii) expresses a desire
367.16 to move; and (iii) has received approval from the commissioner; or

367.17 (4) the person can demonstrate that the person's needs are beyond the scope of current
367.18 service designs and grant funding can support the inclusion of additional supports for the
367.19 person to access appropriate treatment and services in the least restrictive environment.

367.20 Sec. 7. Minnesota Statutes 2024, section 256B.0615, subdivision 1, is amended to read:

367.21 Subdivision 1. **Scope.** Medical assistance covers mental health certified peer specialist
367.22 services, as established in subdivision 2, if provided to recipients who are eligible for services
367.23 under sections 256B.0622, 256B.0623, ~~and 256B.0624~~, and 256B.0632 and are provided
367.24 by a mental health certified peer specialist who has completed the training under subdivision
367.25 5 and is qualified according to section 245I.04, subdivision 10.

367.26 Sec. 8. Minnesota Statutes 2024, section 256B.0615, subdivision 3, is amended to read:

367.27 Subd. 3. **Eligibility.** Peer support services may be made available to consumers of (1)
367.28 intensive residential treatment services under section ~~256B.0622~~ 256B.0632; (2) adult
367.29 rehabilitative mental health services under section 256B.0623; and (3) crisis stabilization
367.30 and mental health mobile crisis intervention services under section 256B.0624.

368.1 Sec. 9. Minnesota Statutes 2024, section 256B.82, is amended to read:

368.2 **256B.82 PREPAID PLANS AND MENTAL HEALTH REHABILITATIVE**
368.3 **SERVICES.**

368.4 Medical assistance and MinnesotaCare prepaid health plans may include coverage for
368.5 adult mental health rehabilitative services under section 256B.0623, intensive rehabilitative
368.6 services under section ~~256B.0622~~ 256B.0632, and adult mental health crisis response services
368.7 under section 256B.0624, beginning January 1, 2005.

368.8 By January 15, 2004, the commissioner shall report to the legislature how these services
368.9 should be included in prepaid plans. The commissioner shall consult with mental health
368.10 advocates, health plans, and counties in developing this report. The report recommendations
368.11 must include a plan to ensure coordination of these services between health plans and
368.12 counties, assure recipient access to essential community providers, and monitor the health
368.13 plans' delivery of services through utilization review and quality standards.

368.14 Sec. 10. Minnesota Statutes 2024, section 256D.44, subdivision 5, is amended to read:

368.15 Subd. 5. **Special needs.** (a) In addition to the state standards of assistance established
368.16 in subdivisions 1 to 4, payments are allowed for the following special needs of recipients
368.17 of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment
368.18 center, or a setting authorized to receive housing support payments under chapter 256I.

368.19 (b) The county agency shall pay a monthly allowance for medically prescribed diets if
368.20 the cost of those additional dietary needs cannot be met through some other maintenance
368.21 benefit. The need for special diets or dietary items must be prescribed by a licensed physician,
368.22 advanced practice registered nurse, or physician assistant. Costs for special diets shall be
368.23 determined as percentages of the allotment for a one-person household under the thrifty
368.24 food plan as defined by the United States Department of Agriculture. The types of diets and
368.25 the percentages of the thrifty food plan that are covered are as follows:

368.26 (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

368.27 (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of
368.28 thrifty food plan;

368.29 (3) controlled protein diet, less than 40 grams and requires special products, 125 percent
368.30 of thrifty food plan;

368.31 (4) low cholesterol diet, 25 percent of thrifty food plan;

368.32 (5) high residue diet, 20 percent of thrifty food plan;

369.1 (6) pregnancy and lactation diet, 35 percent of thrifty food plan;

369.2 (7) gluten-free diet, 25 percent of thrifty food plan;

369.3 (8) lactose-free diet, 25 percent of thrifty food plan;

369.4 (9) antidumping diet, 15 percent of thrifty food plan;

369.5 (10) hypoglycemic diet, 15 percent of thrifty food plan; or

369.6 (11) ketogenic diet, 25 percent of thrifty food plan.

369.7 (c) Payment for nonrecurring special needs must be allowed for necessary home repairs
369.8 or necessary repairs or replacement of household furniture and appliances using the payment
369.9 standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as
369.10 other funding sources are not available.

369.11 (d) A fee for guardian or conservator service is allowed at a reasonable rate negotiated
369.12 by the county or approved by the court. This rate shall not exceed five percent of the
369.13 assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian
369.14 or conservator is a member of the county agency staff, no fee is allowed.

369.15 (e) The county agency shall continue to pay a monthly allowance of \$68 for restaurant
369.16 meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and
369.17 who eats two or more meals in a restaurant daily. The allowance must continue until the
369.18 person has not received Minnesota supplemental aid for one full calendar month or until
369.19 the person's living arrangement changes and the person no longer meets the criteria for the
369.20 restaurant meal allowance, whichever occurs first.

369.21 (f) A fee equal to the maximum monthly amount allowed by the Social Security
369.22 Administration is allowed for representative payee services provided by an agency that
369.23 meets the requirements under SSI regulations to charge a fee for representative payee
369.24 services. This special need is available to all recipients of Minnesota supplemental aid
369.25 regardless of their living arrangement.

369.26 (g)(1) Notwithstanding the language in this subdivision, an amount equal to one-half of
369.27 the maximum federal Supplemental Security Income payment amount for a single individual
369.28 which is in effect on the first day of July of each year will be added to the standards of
369.29 assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as
369.30 in need of housing assistance and are:

(i) relocating from an institution, a setting authorized to receive housing support under chapter 256I, or an adult mental health residential treatment program under section ~~256B.0622~~ 256B.0632;

(ii) eligible for personal care assistance under section 256B.0659; or

(iii) home and community-based waiver recipients living in their own home or rented or leased apartment.

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Housing assistance" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered in need of housing assistance for purposes of this paragraph.

ARTICLE 13

BACKGROUND STUDIES

Section 1. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

Subd. 2. **Activities pending completion of background study.** The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual

371.1 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,
371.2 the individual may not work in the facility or setting regardless of whether or not the
371.3 individual is supervised;

371.4 (2) a notice that a disqualification has been set aside under section 245C.23; or

371.5 (3) a notice that a variance has been granted related to the individual under section
371.6 245C.30.

371.7 (b) For a background study affiliated with a licensed child care center or certified
371.8 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
371.9 must not be issued until the commissioner receives a qualifying result for the individual for
371.10 the fingerprint-based national criminal history record check or the fingerprint-based criminal
371.11 history information from the Bureau of Criminal Apprehension. The notice must require
371.12 the individual to be under continuous direct supervision prior to completion of the remainder
371.13 of the background study except as permitted in subdivision 3.

371.14 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

371.15 (1) being issued a license;

371.16 (2) living in the household where the licensed program will be provided;

371.17 (3) providing direct contact services to persons served by a program unless the subject
371.18 is under continuous direct supervision;

371.19 (4) having access to persons receiving services if the background study was completed
371.20 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
371.21 (5), or (6), unless the subject is under continuous direct supervision;

371.22 (5) for licensed child care centers and certified license-exempt child care centers,
371.23 providing direct contact services to persons served by the program;

371.24 (6) for children's residential facilities or foster residence settings, working in the facility
371.25 or setting; or

371.26 (7) for background studies affiliated with a personal care provider organization, except
371.27 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides
371.28 services, the personal care assistance provider agency must initiate a background study of
371.29 the personal care assistant under this chapter and the personal care assistance provider
371.30 agency must have received a notice from the commissioner that the personal care assistant
371.31 is:

371.32 (i) not disqualified under section 245C.14; or

(ii) disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22.

EFFECTIVE DATE. This section is effective January 15, 2026.

Sec. 2. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 4c. Two-year disqualification. An individual is disqualified under section 245C.14, subdivision 6, if less than two years has passed since a determination that the individual violated section 142A.12, 245.095, or 256B.064.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision to read:

Subd. 6. Disqualification from owning, operating, or billing. The commissioner shall disqualify an individual who is the subject of a background study from any position involving ownership, management, or control of a program or billing activities if a background study completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 14

DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

Subd. 3. Investigative data. (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense;

(4) to an agent ~~of the welfare system~~ or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services or commissioner of children, youth, and families determines that disclosure may compromise a Department of Human Services or Department of Children, Youth, and Families ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

374.1 (3) the provider is operating after a Minnesota state or federal agency orders the
374.2 suspension, revocation, or decertification of the provider's license;

374.3 (4) the provider, vendor, associated individual, or associated entity, including those
374.4 receiving funds under any contract or registered program, has a background study
374.5 disqualification under chapter 245C that has not been set aside and for which no variance
374.6 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and
374.7 245C.15, subdivision 4c; or

374.8 (5) by a preponderance of the evidence that the provider, vendor, individual, associated
374.9 individual, or associated entity intentionally provided materially false information on the
374.10 provider's billing forms.

374.11 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
374.12 that has been verified by the commissioner from any source, including but not limited to:

374.13 (1) fraud hotline complaints;

374.14 (2) claims data mining;

374.15 (3) patterns identified through provider audits, civil false claims cases, and law
374.16 enforcement investigations; and

374.17 (4) court filings and other legal documents, including but not limited to police reports,
374.18 complaints, indictments, informations, affidavits, declarations, and search warrants.

374.19 (c) The commissioner must send notice of the withholding of payments within five days
374.20 of taking such action. The notice must:

374.21 (1) state that payments are being withheld according to this subdivision;

374.22 (2) set forth the general allegations related to the withholding action, except the notice
374.23 need not disclose specific information concerning an ongoing investigation;

374.24 (3) state that the withholding is for a temporary period and cite the circumstances under
374.25 which the withholding will be terminated; and

374.26 (4) inform the provider, vendor, individual, associated individual, or associated entity
374.27 of the right to submit written evidence to contest the withholding action for consideration
374.28 by the commissioner.

374.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
374.30 individual, associated individual, or associated entity has a right to request administrative
374.31 reconsideration. A request for administrative reconsideration must be made in writing, state
374.32 with specificity the reasons the payment withholding decision is in error, and include

375.1 documents to support the request. Within 60 days from receipt of the request, the
375.2 commissioner shall judiciously review allegations, facts, evidence available to the
375.3 commissioner, and information submitted by the provider, vendor, individual, associated
375.4 individual, or associated entity to determine whether the payment withholding should remain
375.5 in place.

375.6 (e) The commissioner shall stop withholding payments if the commissioner determines
375.7 there is insufficient evidence of fraud by the provider, vendor, individual, associated
375.8 individual, or associated entity or when legal proceedings relating to the alleged fraud are
375.9 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
375.10 vendor, individual, associated individual, or associated entity.

375.11 (f) The withholding of payments is a temporary action and is not subject to appeal under
375.12 section 256.045 or chapter 14.

375.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

375.14 Sec. 3. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to
375.15 read:

375.16 **Subd. 6. Data practices.** The commissioner may exchange information, including claims
375.17 data, with state or federal agencies, professional boards, departments, or programs for the
375.18 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related
375.19 to suspected fraud or exclusion from any program administered by a state or federal agency.

375.20 Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

375.21 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
375.22 entity that is subject to licensure under section 245A.03 must apply for a license. The
375.23 application must be made on the forms and in the manner prescribed by the commissioner.
375.24 The commissioner shall provide the applicant with instruction in completing the application
375.25 and provide information about the rules and requirements of other state agencies that affect
375.26 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
375.27 Minnesota must have a program office located within 30 miles of the Minnesota border.
375.28 An applicant who intends to buy or otherwise acquire a program or services licensed under
375.29 this chapter that is owned by another license holder must apply for a license under this
375.30 chapter and comply with the application procedures in this section and section 245A.043.

375.31 The commissioner shall act on the application within 90 working days after a complete
375.32 application and any required reports have been received from other state agencies or

departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

377.1 (d) An applicant and license holder must have a program grievance procedure that permits
377.2 persons served by the program and their authorized representatives to bring a grievance to
377.3 the highest level of authority in the program.

377.4 (e) The commissioner may limit communication during the application process to the
377.5 authorized agent or the controlling individuals identified on the license application and for
377.6 whom a background study was initiated under chapter 245C. Upon implementation of the
377.7 provider licensing and reporting hub, applicants and license holders must use the hub in the
377.8 manner prescribed by the commissioner. The commissioner may require the applicant,
377.9 except for child foster care, to demonstrate competence in the applicable licensing
377.10 requirements by successfully completing a written examination. The commissioner may
377.11 develop a prescribed written examination format.

377.12 (f) When an applicant is an individual, the applicant must provide:

377.13 (1) the applicant's taxpayer identification numbers including the Social Security number
377.14 or Minnesota tax identification number, and federal employer identification number if the
377.15 applicant has employees;

377.16 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
377.17 of state that includes the complete business name, if any;

377.18 (3) if doing business under a different name, the doing business as (DBA) name, as
377.19 registered with the secretary of state;

377.20 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
377.21 Minnesota Provider Identifier (UMPI) number; and

377.22 (5) at the request of the commissioner, the notarized signature of the applicant or
377.23 authorized agent.

377.24 (g) When an applicant is an organization, the applicant must provide:

377.25 (1) the applicant's taxpayer identification numbers including the Minnesota tax
377.26 identification number and federal employer identification number;

377.27 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
377.28 of state that includes the complete business name, and if doing business under a different
377.29 name, the doing business as (DBA) name, as registered with the secretary of state;

377.30 (3) the first, middle, and last name, and address for all individuals who will be controlling
377.31 individuals, including all officers, owners, and managerial officials as defined in section

378.1 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
378.2 for each controlling individual;

378.3 (4) if applicable, the applicant's NPI number and UMPI number;

378.4 (5) the documents that created the organization and that determine the organization's
378.5 internal governance and the relations among the persons that own the organization, have
378.6 an interest in the organization, or are members of the organization, in each case as provided
378.7 or authorized by the organization's governing statute, which may include a partnership
378.8 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
378.9 or comparable documents as provided in the organization's governing statute; and

378.10 (6) the notarized signature of the applicant or authorized agent.

378.11 (h) When the applicant is a government entity, the applicant must provide:

378.12 (1) the name of the government agency, political subdivision, or other unit of government
378.13 seeking the license and the name of the program or services that will be licensed;

378.14 (2) the applicant's taxpayer identification numbers including the Minnesota tax
378.15 identification number and federal employer identification number;

378.16 (3) a letter signed by the manager, administrator, or other executive of the government
378.17 entity authorizing the submission of the license application; and

378.18 (4) if applicable, the applicant's NPI number and UMPI number.

378.19 (i) At the time of application for licensure or renewal of a license under this chapter, the
378.20 applicant or license holder must acknowledge on the form provided by the commissioner
378.21 if the applicant or license holder elects to receive any public funding reimbursement from
378.22 the commissioner for services provided under the license that:

378.23 (1) the applicant's or license holder's compliance with the provider enrollment agreement
378.24 or registration requirements for receipt of public funding may be monitored by the
378.25 commissioner as part of a licensing investigation or licensing inspection; and

378.26 (2) noncompliance with the provider enrollment agreement or registration requirements
378.27 for receipt of public funding that is identified through a licensing investigation or licensing
378.28 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
378.29 reimbursement for a service, may result in:

378.30 (i) a correction order or a conditional license under section 245A.06, or sanctions under
378.31 section 245A.07;

379.1 (ii) nonpayment of claims submitted by the license holder for public program
379.2 reimbursement;

379.3 (iii) recovery of payments made for the service;

379.4 (iv) disenrollment in the public payment program; or

379.5 (v) other administrative, civil, or criminal penalties as provided by law.

379.6 Sec. 5. Minnesota Statutes 2024, section 245A.05, is amended to read:

379.7 **245A.05 DENIAL OF APPLICATION.**

379.8 (a) The commissioner may deny a license if an applicant or controlling individual:

379.9 (1) fails to submit a substantially complete application after receiving notice from the
379.10 commissioner under section 245A.04, subdivision 1;

379.11 (2) fails to comply with applicable laws or rules;

379.12 (3) knowingly withholds relevant information from or gives false or misleading
379.13 information to the commissioner in connection with an application for a license or during
379.14 an investigation;

379.15 (4) has a disqualification that has not been set aside under section 245C.22 and no
379.16 variance has been granted;

379.17 (5) has an individual living in the household who received a background study under
379.18 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
379.19 has not been set aside under section 245C.22, and no variance has been granted;

379.20 (6) is associated with an individual who received a background study under section
379.21 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
379.22 children or vulnerable adults, and who has a disqualification that has not been set aside
379.23 under section 245C.22, and no variance has been granted;

379.24 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

379.25 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
379.26 6;

379.27 (9) has a history of noncompliance as a license holder or controlling individual with
379.28 applicable laws or rules, including but not limited to this chapter and chapters 142E and
379.29 245C; ~~or~~

379.30 (10) is prohibited from holding a license according to section 245.095; or

(11) is the subject of a pending administrative, civil, or criminal investigation.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 6. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's or controlling individual's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule which may adversely affect the health or safety of persons served by the program; or

(3) the license holder or controlling individual is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by ~~the commissioner~~ a state or federal agency.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application

or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 7. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any provision of service during the remaining balance of the unit of time is not eligible for any other claims submission and would be considered a duplicative claim submission.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 8. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

382.1 (b) The commissioners will maintain program compliance if for any ~~three consecutive~~
382.2 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention
382.3 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
382.4 by the commissioners. This result is contingent on the commissioners providing written
382.5 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~
382.6 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required
382.7 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice
382.8 of noncompliance. Failure to submit a corrective action plan or, continued deviation from
382.9 standards of more than ten percent after submission of a corrective action plan, will result
382.10 in denial of funding for each subsequent month, or billing the county or Tribal agency for
382.11 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation
382.12 of program grant funds, or investigative resources, or both, to other counties or Tribal
382.13 agencies. The denial of funding shall apply to the general settlement received by the county
382.14 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to
382.15 the FPI project.

382.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

382.17 Sec. 9. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

382.18 Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct
382.19 screening activities as required by Code of Federal Regulations, title 42, section 455, subpart
382.20 E. A provider must enroll each provider-controlled location where direct services are
382.21 provided. The commissioner may deny a provider's incomplete application if a provider
382.22 fails to respond to the commissioner's request for additional information within 60 days of
382.23 the request. The commissioner must conduct a background study under chapter 245C,
382.24 including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses
382.25 (1) to (5), for a provider described in this paragraph. The background study requirement
382.26 may be satisfied if the commissioner conducted a fingerprint-based background study on
382.27 the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph
382.28 (a), clauses (1) to (5).

382.29 (b) The commissioner shall revalidate ~~each~~:

382.30 (1) each provider under this subdivision at least once every five years; ~~and~~

382.31 (2) each personal care assistance agency under this subdivision once every three years;
382.32 and

383.1 (3) at the commissioner's discretion, any other Medicaid-only provider type the
383.2 commissioner deems "high risk" under this subdivision.

383.3 (c) The commissioner shall conduct revalidation as follows:

383.4 (1) provide 30-day notice of the revalidation due date including instructions for
383.5 revalidation and a list of materials the provider must submit;

383.6 (2) if a provider fails to submit all required materials by the due date, notify the provider
383.7 of the deficiency within 30 days after the due date and allow the provider an additional 30
383.8 days from the notification date to comply; and

383.9 (3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day
383.10 notice of termination and immediately suspend the provider's ability to bill. The provider
383.11 does not have the right to appeal suspension of ability to bill.

383.12 (d) If a provider fails to comply with any individual provider requirement or condition
383.13 of participation, the commissioner may suspend the provider's ability to bill until the provider
383.14 comes into compliance. The commissioner's decision to suspend the provider is not subject
383.15 to an administrative appeal.

383.16 (e) Correspondence and notifications, including notifications of termination and other
383.17 actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph
383.18 does not apply to correspondences and notifications related to background studies.

383.19 (f) If the commissioner or the Centers for Medicare and Medicaid Services determines
383.20 that a provider is designated "high-risk," the commissioner may withhold payment from
383.21 providers within that category upon initial enrollment for a 90-day period. The withholding
383.22 for each provider must begin on the date of the first submission of a claim.

383.23 (g) An enrolled provider that is also licensed by the commissioner under chapter 245A,
383.24 is licensed as a home care provider by the Department of Health under chapter 144A, or is
383.25 licensed as an assisted living facility under chapter 144G and has a home and
383.26 community-based services designation on the home care license under section 144A.484,
383.27 must designate an individual as the entity's compliance officer. The compliance officer
383.28 must:

383.29 (1) develop policies and procedures to assure adherence to medical assistance laws and
383.30 regulations and to prevent inappropriate claims submissions;

383.31 (2) train the employees of the provider entity, and any agents or subcontractors of the
383.32 provider entity including billers, on the policies and procedures under clause (1);

384.1 (3) respond to allegations of improper conduct related to the provision or billing of
384.2 medical assistance services, and implement action to remediate any resulting problems;

384.3 (4) use evaluation techniques to monitor compliance with medical assistance laws and
384.4 regulations;

384.5 (5) promptly report to the commissioner any identified violations of medical assistance
384.6 laws or regulations; and

384.7 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
384.8 overpayment, report the overpayment to the commissioner and make arrangements with
384.9 the commissioner for the commissioner's recovery of the overpayment.

384.10 The commissioner may require, as a condition of enrollment in medical assistance, that a
384.11 provider within a particular industry sector or category establish a compliance program that
384.12 contains the core elements established by the Centers for Medicare and Medicaid Services.

384.13 (h) The commissioner may revoke the enrollment of an ordering or rendering provider
384.14 for a period of not more than one year, if the provider fails to maintain and, upon request
384.15 from the commissioner, provide access to documentation relating to written orders or requests
384.16 for payment for durable medical equipment, certifications for home health services, or
384.17 referrals for other items or services written or ordered by such provider, when the
384.18 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
384.19 to maintain documentation or provide access to documentation on more than one occasion.
384.20 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
384.21 under the provisions of section 256B.064.

384.22 (i) The commissioner shall terminate or deny the enrollment of any individual or entity
384.23 if the individual or entity has been terminated from participation in Medicare or under the
384.24 Medicaid program or Children's Health Insurance Program of any other state. The
384.25 commissioner may exempt a rehabilitation agency from termination or denial that would
384.26 otherwise be required under this paragraph, if the agency:

384.27 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing
384.28 to the Medicare program;

384.29 (2) meets all other applicable Medicare certification requirements based on an on-site
384.30 review completed by the commissioner of health; and

384.31 (3) serves primarily a pediatric population.

384.32 (j) As a condition of enrollment in medical assistance, the commissioner shall require
384.33 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and

385.1 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
385.2 Services, its agents, or its designated contractors and the state agency, its agents, or its
385.3 designated contractors to conduct unannounced on-site inspections of any provider location.
385.4 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a
385.5 list of provider types designated "limited," "moderate," or "high-risk," based on the criteria
385.6 and standards used to designate Medicare providers in Code of Federal Regulations, title
385.7 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14.
385.8 The commissioner's designations are not subject to administrative appeal.

385.9 (k) As a condition of enrollment in medical assistance, the commissioner shall require
385.10 that a high-risk provider, or a person with a direct or indirect ownership interest in the
385.11 provider of five percent or higher, consent to criminal background checks, including
385.12 fingerprinting, when required to do so under state law or by a determination by the
385.13 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated
385.14 high-risk for fraud, waste, or abuse.

385.15 (l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable
385.16 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers
385.17 meeting the durable medical equipment provider and supplier definition in clause (3),
385.18 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is
385.19 annually renewed and designates the Minnesota Department of Human Services as the
385.20 obligee, and must be submitted in a form approved by the commissioner. For purposes of
385.21 this clause, the following medical suppliers are not required to obtain a surety bond: a
385.22 federally qualified health center, a home health agency, the Indian Health Service, a
385.23 pharmacy, and a rural health clinic.

385.24 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers
385.25 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating
385.26 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,
385.27 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's
385.28 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must
385.29 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and
385.30 fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions
385.31 from a surety bond must occur within six years from the date the debt is affirmed by a final
385.32 agency decision. An agency decision is final when the right to appeal the debt has been
385.33 exhausted or the time to appeal has expired under section 256B.064.

385.34 (3) "Durable medical equipment provider or supplier" means a medical supplier that can
385.35 purchase medical equipment or supplies for sale or rental to the general public and is able

386.1 to perform or arrange for necessary repairs to and maintenance of equipment offered for
386.2 sale or rental.

386.3 (m) The Department of Human Services may require a provider to purchase a surety
386.4 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment
386.5 if: (1) the provider fails to demonstrate financial viability, (2) the department determines
386.6 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the
386.7 provider or category of providers is designated high-risk pursuant to paragraph (f) and as
386.8 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an
386.9 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the
386.10 immediately preceding 12 months, whichever is greater. The surety bond must name the
386.11 Department of Human Services as an obligee and must allow for recovery of costs and fees
386.12 in pursuing a claim on the bond. This paragraph does not apply if the provider currently
386.13 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

386.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

386.15 Sec. 10. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

386.16 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
386.17 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
386.18 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
386.19 a format determined by the commissioner, information and documentation that includes,
386.20 but is not limited to, the following:

386.21 (1) the personal care assistance provider agency's current contact information including
386.22 address, telephone number, and email address;

386.23 (2) proof of surety bond coverage for each business location providing services. Upon
386.24 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up
386.25 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If
386.26 the Medicaid revenue in the previous year is over \$300,000, the provider agency must
386.27 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
386.28 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
386.29 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
386.30 surety bond must occur within six years from the date the debt is affirmed by a final agency
386.31 decision. An agency decision is final when the right to appeal the debt has been exhausted
386.32 or the time to appeal has expired under section 256B.064;

387.1 (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location
387.2 providing service;

387.3 (4) proof of workers' compensation insurance coverage identifying the business location
387.4 where personal care assistance services are provided;

387.5 (5) proof of liability insurance coverage identifying the business location where personal
387.6 care assistance services are provided and naming the department as a certificate holder;

387.7 (6) a copy of the personal care assistance provider agency's written policies and
387.8 procedures including: hiring of employees; training requirements; service delivery; and
387.9 employee and consumer safety including process for notification and resolution of consumer
387.10 grievances, identification and prevention of communicable diseases, and employee
387.11 misconduct;

387.12 (7) copies of all other forms the personal care assistance provider agency uses in the
387.13 course of daily business including, but not limited to:

387.14 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
387.15 varies from the standard time sheet for personal care assistance services approved by the
387.16 commissioner, and a letter requesting approval of the personal care assistance provider
387.17 agency's nonstandard time sheet;

387.18 (ii) the personal care assistance provider agency's template for the personal care assistance
387.19 care plan; and

387.20 (iii) the personal care assistance provider agency's template for the written agreement
387.21 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

387.22 (8) a list of all training and classes that the personal care assistance provider agency
387.23 requires of its staff providing personal care assistance services;

387.24 (9) documentation that the personal care assistance provider agency and staff have
387.25 successfully completed all the training required by this section, including the requirements
387.26 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
387.27 provided and submitted for an enhanced rate under subdivision 17a;

387.28 (10) documentation of the agency's marketing practices;

387.29 (11) disclosure of ownership, leasing, or management of all residential properties that
387.30 is used or could be used for providing home care services;

387.31 (12) documentation that the agency will use the following percentages of revenue
387.32 generated from the medical assistance rate paid for personal care assistance services for

388.1 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
388.2 care assistance choice option and 72.5 percent of revenue from other personal care assistance
388.3 providers. The revenue generated by the qualified professional and the reasonable costs
388.4 associated with the qualified professional shall not be used in making this calculation; and

388.5 (13) effective May 15, 2010, documentation that the agency does not burden recipients'
388.6 free exercise of their right to choose service providers by requiring personal care assistants
388.7 to sign an agreement not to work with any particular personal care assistance recipient or
388.8 for another personal care assistance provider agency after leaving the agency and that the
388.9 agency is not taking action on any such agreements or requirements regardless of the date
388.10 signed.

388.11 (b) Personal care assistance provider agencies shall provide the information specified
388.12 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
388.13 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
388.14 the information specified in paragraph (a) from all personal care assistance providers
388.15 beginning July 1, 2009.

388.16 (c) All personal care assistance provider agencies shall require all employees in
388.17 management and supervisory positions and owners of the agency who are active in the
388.18 day-to-day management and operations of the agency to complete mandatory training as
388.19 determined by the commissioner before submitting an application for enrollment of the
388.20 agency as a provider. All personal care assistance provider agencies shall also require
388.21 qualified professionals to complete the training required by subdivision 13 before submitting
388.22 an application for enrollment of the agency as a provider. Employees in management and
388.23 supervisory positions and owners who are active in the day-to-day operations of an agency
388.24 who have completed the required training as an employee with a personal care assistance
388.25 provider agency do not need to repeat the required training if they are hired by another
388.26 agency, if they have completed the training within the past three years. By September 1,
388.27 2010, the required training must be available with meaningful access according to title VI
388.28 of the Civil Rights Act and federal regulations adopted under that law or any guidance from
388.29 the United States Health and Human Services Department. The required training must be
388.30 available online or by electronic remote connection. The required training must provide for
388.31 competency testing. Personal care assistance provider agency billing staff shall complete
388.32 training about personal care assistance program financial management. This training is
388.33 effective July 1, 2009. Any personal care assistance provider agency enrolled before that
388.34 date shall, if it has not already, complete the provider training within 18 months of July 1,
388.35 2009. Any new owners or employees in management and supervisory positions involved

in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

(d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability insurance required by this subdivision must be maintained continuously. After initial enrollment, a provider must submit proof of bonds and required coverages at any time at the request of the commissioner. Services provided while there are lapses in coverage are not eligible for payment. Lapses in coverage may result in sanctions, including termination. The commissioner shall send instructions and a due date to submit the requested information to the personal care assistance provider agency.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 11. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

Subd. 12. Requirements for enrollment of CFSS agency-providers. (a) All CFSS agency-providers must provide, at the time of enrollment, reenrollment, and revalidation as a CFSS agency-provider in a format determined by the commissioner, information and documentation that includes but is not limited to the following:

(1) the CFSS agency-provider's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid revenue in the previous calendar year is greater than \$300,000, the agency-provider must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

390.1 (6) a copy of the CFSS agency-provider's organizational chart identifying the names
390.2 and roles of all owners, managing employees, staff, board of directors, and additional
390.3 documentation reporting any affiliations of the directors and owners to other service
390.4 providers;

390.5 (7) proof that the CFSS agency-provider has written policies and procedures including:
390.6 hiring of employees; training requirements; service delivery; and employee and consumer
390.7 safety, including the process for notification and resolution of participant grievances, incident
390.8 response, identification and prevention of communicable diseases, and employee misconduct;

390.9 (8) proof that the CFSS agency-provider has all of the following forms and documents:

390.10 (i) a copy of the CFSS agency-provider's time sheet; and

390.11 (ii) a copy of the participant's individual CFSS service delivery plan;

390.12 (9) a list of all training and classes that the CFSS agency-provider requires of its staff
390.13 providing CFSS services;

390.14 (10) documentation that the CFSS agency-provider and staff have successfully completed
390.15 all the training required by this section;

390.16 (11) documentation of the agency-provider's marketing practices;

390.17 (12) disclosure of ownership, leasing, or management of all residential properties that
390.18 are used or could be used for providing home care services;

390.19 (13) documentation that the agency-provider will use at least the following percentages
390.20 of revenue generated from the medical assistance rate paid for CFSS services for CFSS
390.21 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except
390.22 100 percent of the revenue generated by a medical assistance rate increase due to a collective
390.23 bargaining agreement under section 179A.54 must be used for support worker wages and
390.24 benefits. The revenue generated by the worker training and development services and the
390.25 reasonable costs associated with the worker training and development services shall not be
390.26 used in making this calculation; and

390.27 (14) documentation that the agency-provider does not burden participants' free exercise
390.28 of their right to choose service providers by requiring CFSS support workers to sign an
390.29 agreement not to work with any particular CFSS participant or for another CFSS
390.30 agency-provider after leaving the agency and that the agency is not taking action on any
390.31 such agreements or requirements regardless of the date signed.

391.1 (b) CFSS agency-providers shall provide to the commissioner the information specified
391.2 in paragraph (a).

391.3 (c) All CFSS agency-providers shall require all employees in management and
391.4 supervisory positions and owners of the agency who are active in the day-to-day management
391.5 and operations of the agency to complete mandatory training as determined by the
391.6 commissioner. Employees in management and supervisory positions and owners who are
391.7 active in the day-to-day operations of an agency who have completed the required training
391.8 as an employee with a CFSS agency-provider do not need to repeat the required training if
391.9 they are hired by another agency and they have completed the training within the past three
391.10 years. CFSS agency-provider billing staff shall complete training about CFSS program
391.11 financial management. Any new owners or employees in management and supervisory
391.12 positions involved in the day-to-day operations are required to complete mandatory training
391.13 as a requisite of working for the agency.

391.14 (d) Agency-providers shall submit all required documentation in this section within 30
391.15 days of notification from the commissioner. If an agency-provider fails to submit all the
391.16 required documentation, the commissioner may take action under subdivision 23a.

391.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

391.18 **ARTICLE 15**
391.19 **DEPARTMENT OF HUMAN SERVICES OFFICE OF THE INSPECTOR GENERAL**
391.20 **POLICY**

391.21 Section 1. Minnesota Statutes 2024, section 142E.51, subdivision 5, is amended to read:

391.22 Subd. 5. **Administrative disqualification of child care providers caring for children**
391.23 **receiving child care assistance.** (a) The department shall pursue an administrative
391.24 disqualification, if the child care provider is accused of committing an intentional program
391.25 violation, in lieu of a criminal action when it has not been pursued. Intentional program
391.26 violations include intentionally making false or misleading statements; receiving or providing
391.27 a kickback, as defined in subdivision 6, paragraph (b); intentionally misrepresenting,
391.28 concealing, or withholding facts; and repeatedly and intentionally violating program
391.29 regulations under this chapter. Intent may be proven by demonstrating a pattern of conduct
391.30 that violates program rules under this chapter.

391.31 (b) To initiate an administrative disqualification, the commissioner must send written
391.32 notice using a signature-verified confirmed delivery method to the provider against whom
391.33 the action is being taken. Unless otherwise specified under this chapter or Minnesota Rules,
391.34 chapter 3400, the commissioner must send the written notice at least 15 calendar days before

392.1 the adverse action's effective date. The notice shall state (1) the factual basis for the agency's
392.2 determination, (2) the action the agency intends to take, (3) the dollar amount of the monetary
392.3 recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed
392.4 action.

392.5 (c) The provider may appeal an administrative disqualification by submitting a written
392.6 request to the state agency. A provider's request must be received by the state agency no
392.7 later than 30 days after the date the commissioner mails the notice.

392.8 (d) The provider's appeal request must contain the following:

392.9 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the
392.10 dollar amount involved for each disputed item;

392.11 (2) the computation the provider believes to be correct, if applicable;

392.12 (3) the statute or rule relied on for each disputed item; and

392.13 (4) the name, address, and telephone number of the person at the provider's place of
392.14 business with whom contact may be made regarding the appeal.

392.15 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a
392.16 preponderance of the evidence that the provider committed an intentional program violation.

392.17 (f) The hearing is subject to the requirements of section 142A.20. The human services
392.18 judge may combine a fair hearing and administrative disqualification hearing into a single
392.19 hearing if the factual issues arise out of the same or related circumstances and the provider
392.20 receives prior notice that the hearings will be combined.

392.21 (g) A provider found to have committed an intentional program violation and is
392.22 administratively disqualified must be disqualified, for a period of three years for the first
392.23 offense and permanently for any subsequent offense, from receiving any payments from
392.24 any child care program under this chapter.

392.25 (h) Unless a timely and proper appeal made under this section is received by the
392.26 department, the administrative determination of the department is final and binding.

392.27 Sec. 2. Minnesota Statutes 2024, section 142E.51, subdivision 6, is amended to read:

392.28 Subd. 6. **Prohibited hiring ~~practice~~ practices.** (a) It is prohibited to hire a child care
392.29 center employee when, as a condition of employment, the employee is required to have one
392.30 or more children who are eligible for or receive child care assistance, if:

(1) the individual hiring the employee is, or is acting at the direction of or in cooperation with, a child care center provider, center owner, director, manager, license holder, or other controlling individual; and

(2) the individual hiring the employee knows or has reason to know the purpose in hiring the employee is to obtain child care assistance program funds.

(b) Program applicants, participants, and providers are prohibited from receiving or providing a kickback or payment in exchange for obtaining or attempting to obtain child care assistance benefits for their own financial gain. This paragraph does not apply to:

(1) marketing or promotional offerings that directly benefit an applicant or recipient's child or dependent for whom the child care provider is providing child care services; or

(2) child care provider discounts, scholarships, or other financial assistance allowed under section 142E.17, subdivision 7.

(c) An attempt to buy or sell access to a family's child care subsidy benefits to an unauthorized person by an applicant, a participant, or a provider is a kickback, an intentional program violation under subdivision 5, and wrongfully obtaining assistance under section 256.98.

Sec. 3. Minnesota Statutes 2024, section 144.651, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. For purposes of subdivisions 4 to 9, 12, 13, 15, 16, and 18 to 20, "patient" also means a person who receives health care services at an outpatient surgical center or at a birth center licensed under section 144.615. "Patient" also means a ~~minor person~~ person who is admitted to a residential program as defined in section 253C.01. "Patient" also means a person who is admitted to a residential substance use disorder treatment program licensed according to Minnesota Rules, parts 2960.0430 to 2960.0490. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment or substance use disorder treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board

394.1 and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, a boarding care
394.2 home under sections 144.50 to 144.56, or a supervised living facility under Minnesota Rules,
394.3 parts 4665.0100 to 4665.9900, and ~~which that~~ operates a ~~rehabilitation~~ withdrawal
394.4 management program licensed under chapter 245F, a residential substance use disorder
394.5 treatment program licensed under chapter 245G or, an intensive residential treatment services
394.6 or residential crisis stabilization program licensed under chapter 245I, or a detoxification
394.7 program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590.

394.8 Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

394.9 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
394.10 entity that is subject to licensure under section 245A.03 must apply for a license. The
394.11 application must be made on the forms and in the manner prescribed by the commissioner.
394.12 The commissioner shall provide the applicant with instruction in completing the application
394.13 and provide information about the rules and requirements of other state agencies that affect
394.14 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
394.15 Minnesota must have a program office located within 30 miles of the Minnesota border.
394.16 An applicant who intends to buy or otherwise acquire a program or services licensed under
394.17 this chapter that is owned by another license holder must apply for a license under this
394.18 chapter and comply with the application procedures in this section and section 245A.043.

394.19 The commissioner shall act on the application within 90 working days after a complete
394.20 application and any required reports have been received from other state agencies or
394.21 departments, counties, municipalities, or other political subdivisions. The commissioner
394.22 shall not consider an application to be complete until the commissioner receives all of the
394.23 required information.

394.24 When the commissioner receives an application for initial licensure that is incomplete
394.25 because the applicant failed to submit required documents or that is substantially deficient
394.26 because the documents submitted do not meet licensing requirements, the commissioner
394.27 shall provide the applicant written notice that the application is incomplete or substantially
394.28 deficient. In the written notice to the applicant the commissioner shall identify documents
394.29 that are missing or deficient and give the applicant 45 days to resubmit a second application
394.30 that is substantially complete. An applicant's failure to submit a substantially complete
394.31 application after receiving notice from the commissioner is a basis for license denial under
394.32 section 245A.043.

394.33 (b) An application for licensure must identify all controlling individuals as defined in
394.34 section 245A.02, subdivision 5a, and must designate one individual to be the authorized

395.1 agent. The application must be signed by the authorized agent and must include the authorized
395.2 agent's first, middle, and last name; mailing address; and email address. By submitting an
395.3 application for licensure, the authorized agent consents to electronic communication with
395.4 the commissioner throughout the application process. The authorized agent must be
395.5 authorized to accept service on behalf of all of the controlling individuals. A government
395.6 entity that holds multiple licenses under this chapter may designate one authorized agent
395.7 for all licenses issued under this chapter or may designate a different authorized agent for
395.8 each license. Service on the authorized agent is service on all of the controlling individuals.
395.9 It is not a defense to any action arising under this chapter that service was not made on each
395.10 controlling individual. The designation of a controlling individual as the authorized agent
395.11 under this paragraph does not affect the legal responsibility of any other controlling individual
395.12 under this chapter.

395.13 (c) An applicant or license holder must have a policy that prohibits license holders,
395.14 employees, subcontractors, and volunteers, when directly responsible for persons served
395.15 by the program, from abusing prescription medication or being in any manner under the
395.16 influence of a chemical that impairs the individual's ability to provide services or care. The
395.17 license holder must train employees, subcontractors, and volunteers about the program's
395.18 drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact,
395.19 as defined in section 245C.02, subdivision 11, with a person served by the program.

395.20 (d) An applicant and license holder must have a program grievance procedure that permits
395.21 persons served by the program and their authorized representatives to bring a grievance to
395.22 the highest level of authority in the program.

395.23 (e) The commissioner may limit communication during the application process to the
395.24 authorized agent or the controlling individuals identified on the license application and for
395.25 whom a background study was initiated under chapter 245C. Upon implementation of the
395.26 provider licensing and reporting hub, applicants and license holders must use the hub in the
395.27 manner prescribed by the commissioner. The commissioner may require the applicant,
395.28 except for child foster care, to demonstrate competence in the applicable licensing
395.29 requirements by successfully completing a written examination. The commissioner may
395.30 develop a prescribed written examination format.

395.31 (f) When an applicant is an individual, the applicant must provide:

395.32 (1) the applicant's taxpayer identification numbers including the Social Security number
395.33 or Minnesota tax identification number, and federal employer identification number if the
395.34 applicant has employees;

396.1 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
396.2 of state that includes the complete business name, if any;

396.3 (3) if doing business under a different name, the doing business as (DBA) name, as
396.4 registered with the secretary of state;

396.5 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
396.6 Minnesota Provider Identifier (UMPI) number; and

396.7 (5) at the request of the commissioner, the notarized signature of the applicant or
396.8 authorized agent.

396.9 (g) When an applicant is an organization, the applicant must provide:

396.10 (1) the applicant's taxpayer identification numbers including the Minnesota tax
396.11 identification number and federal employer identification number;

396.12 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
396.13 of state that includes the complete business name, and if doing business under a different
396.14 name, the doing business as (DBA) name, as registered with the secretary of state;

396.15 (3) the first, middle, and last name, and address for all individuals who will be controlling
396.16 individuals, including all officers, owners, and managerial officials as defined in section
396.17 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
396.18 for each controlling individual;

396.19 (4) if applicable, the applicant's NPI number and UMPI number;

396.20 (5) the documents that created the organization and that determine the organization's
396.21 internal governance and the relations among the persons that own the organization, have
396.22 an interest in the organization, or are members of the organization, in each case as provided
396.23 or authorized by the organization's governing statute, which may include a partnership
396.24 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
396.25 or comparable documents as provided in the organization's governing statute; and

396.26 (6) the notarized signature of the applicant or authorized agent.

396.27 (h) When the applicant is a government entity, the applicant must provide:

396.28 (1) the name of the government agency, political subdivision, or other unit of government
396.29 seeking the license and the name of the program or services that will be licensed;

396.30 (2) the applicant's taxpayer identification numbers including the Minnesota tax
396.31 identification number and federal employer identification number;

397.1 (3) a letter signed by the manager, administrator, or other executive of the government
397.2 entity authorizing the submission of the license application; and

397.3 (4) if applicable, the applicant's NPI number and UMPI number.

397.4 (i) At the time of application for licensure or renewal of a license under this chapter, the
397.5 applicant or license holder must acknowledge on the form provided by the commissioner
397.6 if the applicant or license holder elects to receive any public funding reimbursement from
397.7 the commissioner for services provided under the license that:

397.8 (1) the applicant's or license holder's compliance with the provider enrollment agreement
397.9 or registration requirements for receipt of public funding may be monitored by the
397.10 commissioner as part of a licensing investigation or licensing inspection; and

397.11 (2) noncompliance with the provider enrollment agreement or registration requirements
397.12 for receipt of public funding that is identified through a licensing investigation or licensing
397.13 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
397.14 reimbursement for a service, may result in:

397.15 (i) a correction order or a conditional license under section 245A.06, or sanctions under
397.16 section 245A.07;

397.17 (ii) nonpayment of claims submitted by the license holder for public program
397.18 reimbursement;

397.19 (iii) recovery of payments made for the service;

397.20 (iv) disenrollment in the public payment program; or

397.21 (v) other administrative, civil, or criminal penalties as provided by law.

397.22 Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

397.23 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
397.24 the program complies with all applicable rules and laws, the commissioner shall issue a
397.25 license consistent with this section or, if applicable, a temporary change of ownership license
397.26 under section 245A.043. At minimum, the license shall state:

397.27 (1) the name of the license holder;

397.28 (2) the address of the program;

397.29 (3) the effective date and expiration date of the license;

397.30 (4) the type of license;

398.1 (5) the maximum number and ages of persons that may receive services from the program;
398.2 and

398.3 (6) any special conditions of licensure.

398.4 (b) The commissioner may issue a license for a period not to exceed two years if:

398.5 (1) the commissioner is unable to conduct the observation required by subdivision 4,
398.6 paragraph (a), clause (3), because the program is not yet operational;

398.7 (2) certain records and documents are not available because persons are not yet receiving
398.8 services from the program; and

398.9 (3) the applicant complies with applicable laws and rules in all other respects.

398.10 (c) A decision by the commissioner to issue a license does not guarantee that any person
398.11 or persons will be placed or cared for in the licensed program.

398.12 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
398.13 license if the applicant, license holder, or an affiliated controlling individual has:

398.14 (1) been disqualified and the disqualification was not set aside and no variance has been
398.15 granted;

398.16 (2) been denied a license under this chapter or chapter 142B within the past two years;

398.17 (3) had a license issued under this chapter or chapter 142B revoked within the past five
398.18 years; or

398.19 (4) failed to submit the information required of an applicant under subdivision 1,
398.20 paragraph (f), (g), or (h), after being requested by the commissioner.

398.21 When a license issued under this chapter or chapter 142B is revoked, the license holder
398.22 and each affiliated controlling individual with a revoked license may not hold any license
398.23 under chapter 245A for five years following the revocation, and other licenses held by the
398.24 applicant or license holder or licenses affiliated with each controlling individual shall also
398.25 be revoked.

398.26 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
398.27 affiliated with a license holder or controlling individual that had a license revoked within
398.28 the past five years if the commissioner determines that (1) the license holder or controlling
398.29 individual is operating the program in substantial compliance with applicable laws and rules
398.30 and (2) the program's continued operation is in the best interests of the community being
398.31 served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

(h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(k) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted comply with the requirements in section 245A.10 and be reissued

a new license to operate the program or the program must not be operated after the expiration date. Adult foster care, family adult day services, child foster residence setting, and community residential services license holders must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(l) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a Tribal licensing authority has established jurisdiction to license the program or service.

(m) The commissioner of human services may coordinate and share data with the commissioner of children, youth, and families to enforce this section.

Sec. 6. Minnesota Statutes 2024, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies that have been designated by the commissioner to perform licensing functions and activities under section 245A.04; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of child foster residence setting and community residential setting;

(2) until the responsibility for family child foster care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family child foster care and family adult foster care;

(3) until the responsibility for family child care transfers to the commissioner of children, youth, and families under Laws 2023, chapter 70, article 12, section 30, dual licensure of family adult foster care and family child care;

(4) adult foster care or community residential setting maximum capacity;

(5) adult foster care or community residential setting minimum age requirement;

(6) child foster care maximum age requirement;

(7) variances regarding disqualified individuals;

401.1 (8) the required presence of a caregiver in the adult foster care residence during normal
401.2 sleeping hours;

401.3 (9) variances to requirements relating to chemical use problems of a license holder or a
401.4 household member of a license holder; and

401.5 (10) variances to section 142B.46 for the use of a cradleboard for a cultural
401.6 accommodation.

401.7 (b) Once the respective responsibilities transfer from the commissioner of human services
401.8 to the commissioner of children, youth, and families, under Laws 2023, chapter 70, article
401.9 12, section 30, the commissioners of human services and children, youth, and families must
401.10 both approve a variance for dual licensure of family child foster care and family adult foster
401.11 care or family adult foster care and family child care. Variances under this paragraph are
401.12 excluded from the delegation of variance authority and may be issued only by both
401.13 commissioners.

401.14 ~~(e) For family adult day services programs, the commissioner may authorize licensing~~
401.15 ~~reviews every two years after a licensee has had at least one annual review.~~

401.16 ~~(d)~~ (c) An adult foster care, family adult day services, child foster residence setting,
401.17 or community residential services license issued under this section may be issued for up to
401.18 two years until implementation of the provider licensing and reporting hub. Upon
401.19 implementation of the provider licensing and reporting hub, licenses may be issued each
401.20 calendar year.

401.21 ~~(e)~~ (d) During implementation of chapter 245D, the commissioner shall consider:

401.22 (1) the role of counties in quality assurance;

401.23 (2) the duties of county licensing staff; and

401.24 (3) the possible use of joint powers agreements, according to section 471.59, with counties
401.25 through which some licensing duties under chapter 245D may be delegated by the
401.26 commissioner to the counties.

401.27 Any consideration related to this paragraph must meet all of the requirements of the corrective
401.28 action plan ordered by the federal Centers for Medicare and Medicaid Services.

401.29 ~~(f)~~ (e) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
401.30 successor provisions; and section 245D.061 or successor provisions, for family child foster
401.31 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
401.32 1, paragraph (b), clause (1), is excluded from the delegation of authority to county agencies.

Sec. 7. Minnesota Statutes 2024, section 245A.242, subdivision 2, is amended to read:

Subd. 2. **Emergency overdose treatment.** (a) A license holder must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of opiate antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both, before the staff has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the program.

(b) Notwithstanding any requirements to the contrary in Minnesota Rules, chapters 2960 and 9530, and Minnesota Statutes, chapters 245F, 245G, and 245I:

(1) emergency opiate antagonist medications are not required to be stored in a locked area and staff and adult clients may carry this medication on them and store it in an unlocked location;

(2) staff persons who only administer emergency opiate antagonist medications only require the training required by paragraph (a), which any knowledgeable trainer may provide. The trainer is not required to be a registered nurse or part of an accredited educational institution; and

(3) nonresidential substance use disorder treatment programs that do not administer client medications beyond emergency opiate antagonist medications are not required to have the policies and procedures required in section 245G.08, subdivisions 5 and 6, and must instead describe the program's procedures for administering opiate antagonist medications in the license holder's description of health care services under section 245G.08, subdivision 1.

Sec. 8. Minnesota Statutes 2024, section 245C.05, is amended by adding a subdivision to read:

Subd. 9. **Electronic signature.** For documentation requiring a signature under this chapter, use of an electronic signature as defined under section 325L.02, paragraph (h), is allowed.

403.1 Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 3, is amended to read:

403.2 Subd. 3. **Arrest and investigative information.** (a) For any background study completed
403.3 under this section, if the commissioner has reasonable cause to believe the information is
403.4 pertinent to the disqualification of an individual, the commissioner also may review arrest
403.5 and investigative information from:

403.6 (1) the Bureau of Criminal Apprehension;

403.7 (2) the commissioners of children, youth, and families; health; and human services;

403.8 (3) a ~~county attorney~~ prosecutor;

403.9 ~~(4) a county sheriff;~~

403.10 ~~(5) (4)~~ a county agency;

403.11 ~~(6) (5)~~ a ~~local chief of police~~ law enforcement agency;

403.12 ~~(7) (6)~~ other states;

403.13 ~~(8) (7)~~ the courts;

403.14 ~~(9) (8)~~ the Federal Bureau of Investigation;

403.15 ~~(10) (9)~~ the National Criminal Records Repository; and

403.16 ~~(11) (10)~~ criminal records from other states.

403.17 (b) Except when specifically required by law, the commissioner is not required to conduct
403.18 more than one review of a subject's records from the Federal Bureau of Investigation if a
403.19 review of the subject's criminal history with the Federal Bureau of Investigation has already
403.20 been completed by the commissioner and there has been no break in the subject's affiliation
403.21 with the entity that initiated the background study.

403.22 (c) If the commissioner conducts a national criminal history record check when required
403.23 by law and uses the information from the national criminal history record check to make a
403.24 disqualification determination, the data obtained is private data and cannot be shared with
403.25 private agencies or prospective employers of the background study subject.

403.26 (d) If the commissioner conducts a national criminal history record check when required
403.27 by law and uses the information from the national criminal history record check to make a
403.28 disqualification determination, the license holder or entity that submitted the study is not
403.29 required to obtain a copy of the background study subject's disqualification letter under
403.30 section 245C.17, subdivision 3.

Sec. 10. Minnesota Statutes 2024, section 245C.22, subdivision 5, is amended to read:

Subd. 5. Scope of set-aside. (a) If the commissioner sets aside a disqualification under this section, the disqualified individual remains disqualified, but may hold a license and have direct contact with or access to persons receiving services. Except as provided in paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the licensed program, applicant, or agency specified in the set aside notice under section 245C.23. For personal care provider organizations, financial management services organizations, community first services and supports organizations, unlicensed home and community-based organizations, and consumer-directed community supports organizations, the commissioner's set-aside may further be limited to a specific individual who is receiving services. For new background studies required under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(b) If the commissioner has previously set aside an individual's disqualification for one or more programs or agencies, and the individual is the subject of a subsequent background study for a different program or agency, the commissioner shall determine whether the disqualification is set aside for the program or agency that initiated the subsequent background study. A notice of a set-aside under paragraph (c) shall be issued within 15 working days if all of the following criteria are met:

(1) the subsequent background study was initiated in connection with a program licensed or regulated under the same provisions of law and rule for at least one program for which the individual's disqualification was previously set aside by the commissioner;

(2) the individual is not disqualified for an offense specified in section 245C.15, subdivision 1 or 2;

(3) the commissioner has received no new information to indicate that the individual may pose a risk of harm to any person served by the program; and

(4) the previous set-aside was not limited to a specific person receiving services.

(c) Notwithstanding paragraph (b), clause (2), for an individual who is employed in the substance use disorder field, if the commissioner has previously set aside an individual's disqualification for one or more programs or agencies in the substance use disorder treatment field, and the individual is the subject of a subsequent background study for a different program or agency in the substance use disorder treatment field, the commissioner shall set

aside the disqualification for the program or agency in the substance use disorder treatment field that initiated the subsequent background study when the criteria under paragraph (b), clauses (1), (3), and (4), are met and the individual is not disqualified for an offense specified in section 245C.15, subdivision 1. A notice of a set-aside under paragraph (d) shall be issued within 15 working days.

(d) When a disqualification is set aside under paragraph (b), the notice of background study results issued under section 245C.17, in addition to the requirements under section 245C.17, shall state that the disqualification is set aside for the program or agency that initiated the subsequent background study. The notice must inform the individual that the individual may request reconsideration of the disqualification under section 245C.21 on the basis that the information used to disqualify the individual is incorrect.

Sec. 11. Minnesota Statutes 2024, section 245D.02, subdivision 4a, is amended to read:

Subd. 4a. **Community residential setting.** "Community residential setting" means a residential program ~~as identified in section 245A.11, subdivision 8,~~ where residential supports and services identified in section 245D.03, subdivision 1, paragraph (c), clause (3), items (i) and (ii), are provided to adults, as defined in section 245A.02, subdivision 2, and the license holder is the owner, lessor, or tenant of the facility licensed according to this chapter, and the license holder does not reside in the facility.

EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 12. Minnesota Statutes 2024, section 256.98, subdivision 1, is amended to read:

Subdivision 1. **Wrongfully obtaining assistance.** (a) A person who commits any of the following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897, the MFIP program formerly codified in sections 256.031 to 256.0361, the AFDC program formerly codified in sections 256.72 to 256.871, chapter 142G, 256B, 256D, 256I, 256K, or 256L, child care assistance programs, and emergency assistance programs under section 256D.06, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses (1) to (5):

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of any material fact, or by impersonation or other fraudulent device, assistance or the continued receipt of assistance, to include child care assistance or food benefits produced according to sections 145.891 to 145.897 and MinnesotaCare services according to sections 256.9365, 256.94,

406.1 and 256L.01 to 256L.15, to which the person is not entitled or assistance greater than that
406.2 to which the person is entitled;

406.3 (2) knowingly aids or abets in buying or in any way disposing of the property of a
406.4 recipient or applicant of assistance without the consent of the county agency; or

406.5 (3) obtains or attempts to obtain, alone or in collusion with others, the receipt of payments
406.6 to which the individual is not entitled as a provider of subsidized child care, ~~or by furnishing~~
406.7 ~~or concurring in~~ receiving or providing any prohibited payment, as defined in section
406.8 609.542, subdivision 2, including a kickback, or by submitting or aiding or abetting the
406.9 submission of a willfully false claim for child care assistance.

406.10 (b) The continued receipt of assistance to which the person is not entitled or greater than
406.11 that to which the person is entitled as a result of any of the acts, failure to act, or concealment
406.12 described in this subdivision shall be deemed to be continuing offenses from the date that
406.13 the first act or failure to act occurred.

406.14 Sec. 13. Minnesota Statutes 2024, section 256B.064, subdivision 1a, is amended to read:

406.15 Subd. 1a. **Grounds for sanctions.** (a) The commissioner may impose sanctions against
406.16 any individual or entity that receives payments from medical assistance or provides goods
406.17 or services for which payment is made from medical assistance for any of the following:

406.18 (1) fraud, theft, or abuse in connection with the provision of goods and services to recipients
406.19 of public assistance for which payment is made from medical assistance; (2) a pattern of
406.20 presentment of false or duplicate claims or claims for services not medically necessary; (3)
406.21 a pattern of making false statements of material facts for the purpose of obtaining greater
406.22 compensation than that to which the individual or entity is legally entitled; (4) suspension
406.23 or termination as a Medicare vendor; (5) refusal to grant the state agency access during
406.24 regular business hours to examine all records necessary to disclose the extent of services
406.25 provided to program recipients and appropriateness of claims for payment; (6) failure to
406.26 repay an overpayment or a fine finally established under this section; (7) failure to correct
406.27 errors in the maintenance of health service or financial records for which a fine was imposed
406.28 or after issuance of a warning by the commissioner; (8) soliciting or receiving any
406.29 remuneration as defined in section 609.542, subdivision 3, or United States Code, title 42,
406.30 section 1320a-7b(b)(1), and a criminal conviction is not required; (9) paying or offering to
406.31 pay any remuneration as defined in section 609.542, subdivision 2, or United States Code,
406.32 title 42, section 1320a-7b(b)(2), and a criminal conviction is not required; and (8) (10) any
406.33 reason for which an individual or entity could be excluded from participation in the Medicare
406.34 program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the

purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Sec. 14. Minnesota Statutes 2024, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the local agency in all matters pertaining hereto. To prosecute under this chapter or sections 609.466 and, 609.52, subdivision 2, and 609.542 or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Sec. 15. **[609.542] HUMAN SERVICES PROGRAMS CRIMES.**

Subdivision 1. **Definition.** For purposes of this section, "federal health care program" has the meaning given in United States Code, title 42, section 1320a-7b(f).

Subd. 2. **Prohibited payments made relating to human services programs.** A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally offers or pays any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, to another person:

(1) to induce that person to apply for, receive, or induce another person to apply for or receive an item or service for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part, or which is administered in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 3. Receipt of prohibited payments relating to human services programs. A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally solicits or receives any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind:

(1) in return for applying for or receiving a human services benefit, service, or grant for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 4. Exemptions. (a) This section does not apply to remuneration exempted under the Anti-Kickback Statute, United States Code, title 42, section 1320a-7b(b)(3), or payment made under a federal health care program which is exempt from liability by United States Code, title 42, section 1001.952.

(b) This section does not apply to:

(1) any amount paid by an employer to a bona fide employee for providing covered items or services under chapter 142E while acting in the course and scope of employment; or

(2) child care provider discounts, scholarships, or other financial assistance to families allowed under section 142E.17, subdivision 7.

Subd. 5. Sentence. (a) A person convicted under subdivision 2 or 3 may be sentenced pursuant to section 609.52, subdivision 3.

(b) For purposes of sentencing a violation of subdivision 2, "value" means the fair market value of the good, facility, service, or item that was obtained as a direct or indirect result of the prohibited payment.

(c) For purposes of sentencing a violation of subdivision 3, "value" means the amount of the prohibited payment solicited or received.

(d) As a matter of law, a claim for any good, facility, service, or item rendered or claimed to have been rendered in violation of this section is noncompensable and unenforceable at the time the claim is made.

Subd. 6. **Aggregation.** In a prosecution under this section, the value of the money, property, or benefit received or solicited by the defendant within a six-month period may be aggregated and the defendant charged accordingly in applying the provisions of subdivision 5.

Subd. 7. **False claims.** In addition to the penalties provided for in this section, a claim, as defined in section 15C.01, subdivision 2, that includes items or services resulting from a violation of this section constitutes a false or fraudulent claim for purposes of section 15C.02.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 16. Laws 2023, chapter 70, article 7, section 34, the effective date, is amended to read:

~~**EFFECTIVE DATE.** This section is effective for background studies requested on or after August 1, 2024~~ the day following final enactment.

Sec. 17. **MODIFICATION OF DEFINITIONS.**

For the purposes of implementing the provider licensing and reporting hub, the commissioner of human services may modify definitions in Minnesota Statutes, chapters 142B, 245A, 245D, 245F, 245G, and 245I, and Minnesota Rules, chapters 2960, 9502, 9520, 9530, 9543, 9555, and 9570. Definitions changed pursuant to this section do not affect the rights, responsibilities, or duties of the commissioner; the Department of Human Services; programs administered, licensed, certified, or funded by the commissioner; or the programs' employees or clients. This section expires August 31, 2028.

Sec. 18. **REPEALER.**

Minnesota Statutes 2024, section 245A.11, subdivision 8, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2025.

ARTICLE 16

ECONOMIC SUPPORTS

Section 1. Minnesota Statutes 2024, section 142A.03, is amended by adding a subdivision to read:

Subd. 35. **Electronic benefits transfer; contracting and procurement.** Notwithstanding chapter 16C, the commissioner is exempt from the contract term limits for the issuance of public benefits through an electronic benefit transfer system and related services. These contracts may have up to an initial five-year term, with extensions not to exceed a ten-year total contract duration.

Sec. 2. **[142F.141] PREPARED MEALS FOOD RELIEF GRANTS.**

Subdivision 1. **Establishment** The commissioner of children, youth, and families must establish a prepared meals grant program to provide hunger relief to Minnesotans experiencing food insecurity and who have difficulty preparing meals due to limited mobility, disability, or limited resources.

Subd. 2. **Eligible grantees.** (a) Eligible grantees are nonprofit organizations and federally recognized American Indian Tribes or Bands located in Minnesota, as defined in section 10.65, with a demonstrated history of providing and distributing prepared meals customized for the population that they serve, including tailoring meals to the cultural, religious, and dietary needs of the population served. Eligible grantees must prepare meals in a licensed commercial kitchen and distribute meals according to ServSafe guidelines.

(b) An individual or nonprofit organization affiliated with Feeding Our Future is prohibited from receiving grant funds under this section.

Subd. 3. **Application.** Applicants for grant money under this section must apply to the commissioner on the forms and in the time and manner established by the commissioner.

Subd. 4. **Allowable uses of grant funds.** Eligible grantees must use grant money awarded under this section to fund a prepared meals program that primarily targets individuals 18 years of age or older and under 61 years of age, and their dependents experiencing food insecurity. Grantees must not receive funding from other state and federal meal programs for activities funded under this section.

Subd. 5. **Duties of the commissioner.** (a) The commissioner must develop a process for determining eligible grantees under this section.

(b) In granting money, the commissioner must prioritize applicants that:

(1) have demonstrated the ability to provide prepared meals to racially, ethnically, and geographically diverse populations at greater risk for food insecurity;

(2) work with external community partners to distribute meals targeting nontraditional meal sites reaching those most in need; and

(3) have a demonstrated history of sourcing at least 50 percent of the prepared meal ingredients from:

(i) Minnesota food producers and processors; or

(ii) food that is donated or would otherwise be waste.

(c) The commissioner must consider geographic distribution to ensure statewide coverage when awarding grants and minimize the number of grantees to simplify administrative burdens and costs.

Subd. 6. **Reporting.** (a) Grantees receiving money under this section must retain records documenting expenditure of the money and comply with any additional documentation requirements imposed by the commissioner.

(b) Grantees must report on the use of money received under this section to the commissioner. The commissioner must determine the timing and form required for the reports.

(c) If the commissioner determines that ineligible expenditures are made by grantees receiving money under this section, the ineligible amount must be repaid to the commissioner and deposited in the general fund.

Sec. 3. **[142F.16] REGIONAL FOOD BANK GRANTS.**

Subdivision 1. **Establishment.** The commissioner of children, youth, and families must establish regional food bank grants to increase the availability of food to individuals and families in need.

Subd. 2. **Distribution of appropriation.** The commissioner must distribute funds appropriated under this section to regional food banks and federally recognized American Indian Tribes or Bands in Minnesota, as defined in section 10.65. The commissioner must distribute the funds under this section in accordance with the federal The Emergency Food Assistance Program (TEFAP) formula and guidelines of the United States Department of Agriculture. The commissioner may increase or decrease a qualifying recipient's proportionate amount if the commissioner determines the increase or decrease is necessary to meet community needs or demands for food in Minnesota. Food banks and American Indian

412.1 Tribes or Bands must be in compliance with TEFAP regulations from the United States
412.2 Department of Agriculture in order to receive funding under this section, as applicable.

412.3 Subd. 3. **Allowable uses of funds.** (a) Grant funds distributed to regional food banks
412.4 under this section must be used to purchase, transport, and coordinate the distribution of
412.5 food to TEFAP providers.

412.6 (b) Grant funds distributed to American Indian Tribes or Bands under this section must
412.7 be used to purchase, transport, and coordinate the distribution of food to individuals and
412.8 families in need.

412.9 (c) Grant funds distributed under this section may also be used to purchase personal
412.10 hygiene products, including but not limited to diapers and toilet paper.

412.11 Subd. 4. **Reporting.** (a) Food banks and American Indian Tribes or Bands receiving
412.12 grant funds under this section must retain records documenting expenditure of the grant
412.13 funds and comply with any additional documentation requirements imposed by the
412.14 commissioner.

412.15 (b) Food banks and American Indian Tribes or Bands must report on the use of grant
412.16 funds received under this section to the commissioner. The commissioner must determine
412.17 the timing and form required for the reports.

412.18 (c) If the commissioner determines that ineligible expenditures are made by food banks
412.19 or American Indian Tribes or Bands receiving grant funds under this section, the ineligible
412.20 amount must be repaid to the commissioner and deposited in the general fund.

412.21 Sec. 4. **FAMILY SUPPORTIVE HOUSING GRANT PROGRAM.**

412.22 Subdivision 1. **Establishment; purpose.** The commissioner of human services must
412.23 establish a family supportive housing grant program to award competitive grants to eligible
412.24 applicants operating supportive housing for families.

412.25 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

412.26 (b) "Family" means a nontemporary household unit that includes at least one child and
412.27 one parent or legal guardian.

412.28 (c) "Family permanent supportive housing" means housing that:

412.29 (1) is not time limited;

412.30 (2) is affordable for those at or below 30 percent of the area median income;

413.1 (3) offers specialized support services to residents tailored to the needs of children and
413.2 families; and

413.3 (4) is available to families with multiple barriers to obtaining and maintaining housing,
413.4 including but not limited to those who are homeless or at risk of homelessness; those with
413.5 mental illness, substance use disorders, and other disabilities; and those referred by child
413.6 protection services.

413.7 (d) "Resident" means a resident of family permanent supportive housing.

413.8 Subd. 3. **Eligibility.** To be eligible for a grant under this section, an applicant must be
413.9 currently operating family supportive housing and be a nonprofit organization or Tribal
413.10 government.

413.11 Subd. 4. **Application and administration.** (a) When applying to the commissioner for
413.12 a grant under this section, each applicant must include the number of families they estimate
413.13 to serve.

413.14 (b) Within available appropriations, the commissioner must award grant money to eligible
413.15 grantees based on the estimated number of families served. The commissioner must use
413.16 best efforts to ensure that 60 percent of the families served are within the seven-county
413.17 metropolitan area and 40 percent of the families served are outside the seven-county
413.18 metropolitan area. The commissioner must use best efforts to ensure that ten percent of the
413.19 overall families served are members of Minnesota's Tribal Nations.

413.20 (c) By June 30, 2026, each grantee must provide a report to the commissioner on how
413.21 many families the grantee served and what services the grantee provided.

413.22 Subd. 5. **Eligible uses of grant money.** An eligible applicant that receives grant money
413.23 under this section must use the money for the services described in subdivision 6.

413.24 Subd. 6. **Specialized family support services.** Specialized family support services are
413.25 nonmandatory, trauma-informed, and culturally appropriate services designed to help family
413.26 residents maintain secure, dignified housing and provide a safe, stable environment for
413.27 children. Services provided may include but are not limited to:

413.28 (1) age-appropriate child-centric services for education and enrichment;

413.29 (2) stabilization services such as:

413.30 (i) educational assessment and referrals to educational programs;

413.31 (ii) career planning, work skills training, job placement, and employment retention;

413.32 (iii) budgeting and money management;

414.1 (iv) referral for counseling regarding violence and sexual exploitation;

414.2 (v) referral for medical or psychiatric services or substance use disorder treatment;

414.3 (vi) parenting skills training;

414.4 (vii) self-sufficiency support services or life skills training, including tenant education

414.5 and support to sustain housing; and

414.6 (viii) aftercare and follow-up services; and

414.7 (3) 24-hour-a-day, seven-day-a-week on-site staffing, including but not limited to front

414.8 desk and security.

414.9 ARTICLE 17

414.10 CHILD PROTECTION AND WELFARE

414.11 Section 1. Minnesota Statutes 2024, section 142A.03, subdivision 2, is amended to read:

414.12 Subd. 2. **Duties of the commissioner.** (a) The commissioner may apply for and accept

414.13 on behalf of the state any grants, bequests, gifts, or contributions for the purpose of carrying

414.14 out the duties and responsibilities of the commissioner. Any money received under this

414.15 paragraph is appropriated and dedicated for the purpose for which the money is granted.

414.16 The commissioner must biennially report to the chairs and ranking minority members of

414.17 relevant legislative committees and divisions by January 15 of each even-numbered year a

414.18 list of all grants and gifts received under this subdivision.

414.19 (b) Pursuant to law, the commissioner may apply for and receive money made available

414.20 from federal sources for the purpose of carrying out the duties and responsibilities of the

414.21 commissioner.

414.22 (c) The commissioner may make contracts with and grants to Tribal Nations, public and

414.23 private agencies, for-profit and nonprofit organizations, and individuals using appropriated

414.24 money.

414.25 (d) The commissioner must develop program objectives and performance measures for

414.26 evaluating progress toward achieving the objectives. The commissioner must identify the

414.27 objectives, performance measures, and current status of achieving the measures in a biennial

414.28 report to the chairs and ranking minority members of relevant legislative committees and

414.29 divisions. The report is due no later than January 15 each even-numbered year. The report

414.30 must include, when possible, the following objectives:

- 415.1 (1) centering and including the lived experiences of children and youth, including those
415.2 with disabilities and mental illness and their families, in all aspects of the department's work;
- 415.3 (2) increasing the effectiveness of the department's programs in addressing the needs of
415.4 children and youth facing racial, economic, or geographic inequities;
- 415.5 (3) increasing coordination and reducing inefficiencies among the department's programs
415.6 and the funding sources that support the programs;
- 415.7 (4) increasing the alignment and coordination of family access to child care and early
415.8 learning programs and improving systems of support for early childhood and learning
415.9 providers and services;
- 415.10 (5) improving the connection between the department's programs and the kindergarten
415.11 through grade 12 and higher education systems; and
- 415.12 (6) minimizing and streamlining the effort required of youth and families to receive
415.13 services to which the youth and families are entitled.
- 415.14 (e) The commissioner shall administer and supervise the forms of public assistance and
415.15 other activities or services that are vested in the commissioner. Administration and
415.16 supervision of activities or services includes but is not limited to assuring timely and accurate
415.17 distribution of benefits, completeness of service, and quality program management. In
415.18 addition to administering and supervising activities vested by law in the department, the
415.19 commissioner has the authority to:
- 415.20 (1) require county agency participation in training and technical assistance programs to
415.21 promote compliance with statutes, rules, federal laws, regulations, and policies governing
415.22 the programs and activities administered by the commissioner;
- 415.23 (2) monitor, on an ongoing basis, the performance of county agencies in the operation
415.24 and administration of activities and programs; enforce compliance with statutes, rules,
415.25 federal laws, regulations, and policies governing welfare services; and promote excellence
415.26 of administration and program operation;
- 415.27 (3) develop a quality control program or other monitoring program to review county
415.28 performance and accuracy of benefit determinations;
- 415.29 (4) require county agencies to make an adjustment to the public assistance benefits issued
415.30 to any individual consistent with federal law and regulation and state law and rule and to
415.31 issue or recover benefits as appropriate;

416.1 (5) delay or deny payment of all or part of the state and federal share of benefits and
416.2 administrative reimbursement according to the procedures set forth in section 142A.10;

416.3 (6) make contracts with and grants to public and private agencies and organizations,
416.4 both for-profit and nonprofit, and individuals, using appropriated funds; and

416.5 (7) enter into contractual agreements with federally recognized Indian Tribes with a
416.6 reservation in Minnesota to the extent necessary for the Tribe to operate a federally approved
416.7 family assistance program or any other program under the supervision of the commissioner.
416.8 The commissioner shall consult with the affected county or counties in the contractual
416.9 agreement negotiations, if the county or counties wish to be included, in order to avoid the
416.10 duplication of county and Tribal assistance program services. The commissioner may
416.11 establish necessary accounts for the purposes of receiving and disbursing funds as necessary
416.12 for the operation of the programs.

416.13 The commissioner shall work in conjunction with the commissioner of human services to
416.14 carry out the duties of this paragraph when necessary and feasible.

416.15 (f) The commissioner shall inform county agencies, on a timely basis, of changes in
416.16 statute, rule, federal law, regulation, and policy necessary to county agency administration
416.17 of the programs and activities administered by the commissioner.

416.18 (g) The commissioner shall administer and supervise child welfare activities, including
416.19 promoting the enforcement of laws preventing child maltreatment and protecting children
416.20 with a disability and children who are in need of protection or services, licensing and
416.21 supervising child care and child-placing agencies, and supervising the care of children in
416.22 foster care. The commissioner shall coordinate with the commissioner of human services
416.23 on activities impacting children overseen by the Department of Human Services, such as
416.24 disability services, behavioral health, and substance use disorder treatment.

416.25 (h) The commissioner shall assist and cooperate with local, state, and federal departments,
416.26 agencies, and institutions.

416.27 (i) The commissioner shall establish and maintain any administrative units reasonably
416.28 necessary for the performance of administrative functions common to all divisions of the
416.29 department.

416.30 (j) The commissioner shall act as designated guardian of children pursuant to chapter
416.31 260C. For children under the guardianship of the commissioner or a Tribe in Minnesota
416.32 recognized by the Secretary of the Interior whose interests would be best served by adoptive
416.33 placement, the commissioner may contract with a licensed child-placing agency or a

417.1 Minnesota Tribal social services agency to provide adoption services. For children in
417.2 out-of-home care whose interests would be best served by a transfer of permanent legal and
417.3 physical custody to a relative under section 260C.515, subdivision 4, or equivalent in Tribal
417.4 code, the commissioner may contract with a licensed child-placing agency or a Minnesota
417.5 Tribal social services agency to provide permanency services. A contract with a licensed
417.6 child-placing agency must be designed to supplement existing county efforts and may not
417.7 replace existing county programs or Tribal social services, unless the replacement is agreed
417.8 to by the county board and the appropriate exclusive bargaining representative, Tribal
417.9 governing body, or the commissioner has evidence that child placements of the county
417.10 continue to be substantially below that of other counties. Funds encumbered and obligated
417.11 under an agreement for a specific child shall remain available until the terms of the agreement
417.12 are fulfilled or the agreement is terminated.

417.13 (k) The commissioner has the authority to conduct and administer experimental projects
417.14 to test methods and procedures of administering assistance and services to recipients or
417.15 potential recipients of public benefits. To carry out the experimental projects, the
417.16 commissioner may waive the enforcement of existing specific statutory program
417.17 requirements, rules, and standards in one or more counties. The order establishing the waiver
417.18 must provide alternative methods and procedures of administration and must not conflict
417.19 with the basic purposes, coverage, or benefits provided by law. No project under this
417.20 paragraph shall exceed four years. No order establishing an experimental project as authorized
417.21 by this paragraph is effective until the following conditions have been met:

417.22 (1) the United States Secretary of Health and Human Services has agreed, for the same
417.23 project, to waive state plan requirements relative to statewide uniformity; and

417.24 (2) a comprehensive plan, including estimated project costs, has been approved by the
417.25 Legislative Advisory Commission and filed with the commissioner of administration.

417.26 (l) The commissioner shall, according to federal requirements and in coordination with
417.27 the commissioner of human services, establish procedures to be followed by local welfare
417.28 boards in creating citizen advisory committees, including procedures for selection of
417.29 committee members.

417.30 (m) The commissioner shall allocate federal fiscal disallowances or sanctions that are
417.31 based on quality control error rates for the aid to families with dependent children (AFDC)
417.32 program formerly codified in sections 256.72 to 256.87 or the Supplemental Nutrition
417.33 Assistance Program (SNAP) in the following manner:

(1) one-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For AFDC, disallowances shall be shared by each county board in the same proportion as that county's expenditures to the total of all counties' expenditures for AFDC. For SNAP, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for SNAP benefits are to the total of all SNAP administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of SNAP benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due under this paragraph, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due; and

(2) notwithstanding the provisions of clause (1), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in clause (1), an amount equal to the portion of the total disallowance that resulted from the noncompliance and may distribute the balance of the disallowance according to clause (1).

(n) The commissioner shall develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$1,000,000. When the balance in the account exceeds \$1,000,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(o) The commissioner has the authority to establish and enforce the following county reporting requirements:

(1) the commissioner shall establish fiscal and statistical reporting requirements necessary to account for the expenditure of funds allocated to counties for programs administered by the commissioner. When establishing financial and statistical reporting requirements, the commissioner shall evaluate all reports, in consultation with the counties, to determine if the reports can be simplified or the number of reports can be reduced;

419.1 (2) the county board shall submit monthly or quarterly reports to the department as
419.2 required by the commissioner. Monthly reports are due no later than 15 working days after
419.3 the end of the month. Quarterly reports are due no later than 30 calendar days after the end
419.4 of the quarter, unless the commissioner determines that the deadline must be shortened to
419.5 20 calendar days to avoid jeopardizing compliance with federal deadlines or risking a loss
419.6 of federal funding. Only reports that are complete, legible, and in the required format shall
419.7 be accepted by the commissioner;

419.8 (3) if the required reports are not received by the deadlines established in clause (2), the
419.9 commissioner may delay payments and withhold funds from the county board until the next
419.10 reporting period. When the report is needed to account for the use of federal funds and the
419.11 late report results in a reduction in federal funding, the commissioner shall withhold from
419.12 the county boards with late reports an amount equal to the reduction in federal funding until
419.13 full federal funding is received;

419.14 (4) a county board that submits reports that are late, illegible, incomplete, or not in the
419.15 required format for two out of three consecutive reporting periods is considered
419.16 noncompliant. When a county board is found to be noncompliant, the commissioner shall
419.17 notify the county board of the reason the county board is considered noncompliant and
419.18 request that the county board develop a corrective action plan stating how the county board
419.19 plans to correct the problem. The corrective action plan must be submitted to the
419.20 commissioner within 45 days after the date the county board received notice of
419.21 noncompliance;

419.22 (5) the final deadline for fiscal reports or amendments to fiscal reports is one year after
419.23 the date the report was originally due. If the commissioner does not receive a report by the
419.24 final deadline, the county board forfeits the funding associated with the report for that
419.25 reporting period and the county board must repay any funds associated with the report
419.26 received for that reporting period;

419.27 (6) the commissioner may not delay payments, withhold funds, or require repayment
419.28 under clause (3) or (5) if the county demonstrates that the commissioner failed to provide
419.29 appropriate forms, guidelines, and technical assistance to enable the county to comply with
419.30 the requirements. If the county board disagrees with an action taken by the commissioner
419.31 under clause (3) or (5), the county board may appeal the action according to sections 14.57
419.32 to 14.69; and

(7) counties subject to withholding of funds under clause (3) or forfeiture or repayment of funds under clause (5) shall not reduce or withhold benefits or services to clients to cover costs incurred due to actions taken by the commissioner under clause (3) or (5).

(p) The commissioner shall allocate federal fiscal disallowances or sanctions for audit exceptions when federal fiscal disallowances or sanctions are based on a statewide random sample in direct proportion to each county's claim for that period.

(q) The commissioner is responsible for ensuring the detection, prevention, investigation, and resolution of fraudulent activities or behavior by applicants, recipients, and other participants in the programs administered by the department. The commissioner shall cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 142E.

(r) The commissioner shall require county agencies to identify overpayments, establish claims, and utilize all available and cost-beneficial methodologies to collect and recover these overpayments in the programs administered by the department.

(s) The commissioner shall develop recommended standards for child foster care homes that address the components of specialized therapeutic services to be provided by child foster care homes with those services.

(t) The commissioner shall authorize the method of payment to or from the department as part of the programs administered by the department. This authorization includes the receipt or disbursement of funds held by the department in a fiduciary capacity as part of the programs administered by the department.

(u) In coordination with the commissioner of human services, the commissioner shall create and provide county and Tribal agencies with blank applications, affidavits, and other forms as necessary for public assistance programs.

(v) The commissioner shall cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with Title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including making reports that contain information required by the federal Social Security Advisory Board and complying with any provisions the board may find necessary to assure the correctness and verification of the reports.

(w) On or before January 15 in each even-numbered year, the commissioner shall make a biennial report to the governor concerning the activities of the agency.

421.1 (x) The commissioner shall enter into agreements with other departments of the state as
421.2 necessary to meet all requirements of the federal government.

421.3 (y) The commissioner may cooperate with other state agencies in establishing reciprocal
421.4 agreements in instances where a child receiving Minnesota family investment program
421.5 (MFIP) assistance or its out-of-state equivalent moves or contemplates moving into or out
421.6 of the state, in order that the child may continue to receive MFIP or equivalent aid from the
421.7 state moved from until the child has resided for one year in the state moved to.

421.8 (z) The commissioner shall provide appropriate technical assistance to county agencies
421.9 to develop methods to have county financial workers remind and encourage recipients of
421.10 aid to families with dependent children, the Minnesota family investment program, the
421.11 Minnesota family investment plan, family general assistance, or SNAP benefits whose
421.12 assistance unit includes at least one child under the age of five to have each young child
421.13 immunized against childhood diseases. The commissioner must examine the feasibility of
421.14 utilizing the capacity of a statewide computer system to assist county agency financial
421.15 workers in performing this function at appropriate intervals.

421.16 (aa) The commissioner shall have the power and authority to accept on behalf of the
421.17 state contributions and gifts for the use and benefit of children under the guardianship or
421.18 custody of the commissioner. The commissioner may also receive and accept on behalf of
421.19 such children money due and payable to them as old age and survivors insurance benefits,
421.20 veterans benefits, pensions, or other such monetary benefits. Gifts, contributions, pensions,
421.21 and benefits under this paragraph must be deposited in and disbursed from the social welfare
421.22 fund provided for in sections 256.88 to 256.92.

421.23 (bb) The specific enumeration of powers and duties in this section must not be construed
421.24 to be a limitation upon the general powers granted to the commissioner.

421.25 Sec. 2. Minnesota Statutes 2024, section 260.810, subdivision 1, is amended to read:

421.26 Subdivision 1. **Payments.** The commissioner shall make grant payments to each approved
421.27 program in four quarterly installments a year. The commissioner may certify an advance
421.28 payment for the first quarter of the state fiscal year. Later payments must be made ~~upon~~
421.29 ~~receipt by the state of a quarterly report on finances and program activities~~ quarterly.

421.30 Sec. 3. Minnesota Statutes 2024, section 260.810, subdivision 2, is amended to read:

421.31 Subd. 2. ~~Quarterly report~~ **Reporting.** The commissioner shall ~~specify~~ engage Tribal
421.32 and urban Indian organizations to establish requirements for reports and reporting timelines,

422.1 including ~~quarterly~~ fiscal reports submitted to the commissioner at least annually, according
422.2 to section 142A.03, subdivision 2, paragraph (o). Each ~~quarter~~ reporting period as agreed
422.3 upon by the commissioner and grantee, an approved program receiving an Indian child
422.4 welfare grant shall submit a report to the commissioner that includes:

422.5 (1) a detailed accounting of grant money expended during the preceding ~~quarter~~ reporting
422.6 period, specifying expenditures by line item and year to date; and

422.7 (2) a description of Indian child welfare activities conducted during the preceding ~~quarter~~
422.8 reporting period, including the number of clients served and the type of services provided.

422.9 ~~The quarterly~~ Reports must be submitted no later than 30 days after the ~~end of each~~
422.10 ~~quarter~~ agreed upon reporting timelines of the state fiscal year.

422.11 Sec. 4. Minnesota Statutes 2024, section 260.821, subdivision 2, is amended to read:

422.12 Subd. 2. **Special focus grants.** The amount available for grants established under section
422.13 260.785, subdivision 2, for child-placing agencies, Tribes, Indian organizations, and other
422.14 social services organizations is one-fifth of the total annual appropriation for Indian child
422.15 welfare grants. ~~The maximum award under this subdivision is \$100,000 a year for programs~~
422.16 ~~approved by the commissioner.~~

422.17 Sec. 5. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND**
422.18 **FAMILIES; CHILD WELFARE FISCAL ANALYSIS.**

422.19 Subdivision 1. **Child welfare fiscal analysis.** The commissioner of children, youth, and
422.20 families must contract with a third-party consultant selected according to subdivision 2, to
422.21 conduct a fiscal analysis to identify and make recommendations on how to best utilize all
422.22 available child welfare funding streams and federal resources for supporting children,
422.23 families, and county and Tribal child welfare service providers across Minnesota.

422.24 Subd. 2. **Fiscal analysis consultant selection.** The commissioner, with input from the
422.25 Association of Minnesota Counties, the Minnesota Indian Affairs Council, community
422.26 nonprofits, community providers, and other child welfare system stakeholders, must select
422.27 an independent third-party consultant to conduct the fiscal analysis required under this
422.28 section. The consultant must have expertise in and experience with child welfare systems
422.29 and conducting fiscal analyses.

422.30 Subd. 3. **Child welfare fiscal analysis requirements.** When conducting the child welfare
422.31 fiscal analysis under this section, the third-party consultant must evaluate:

(1) financial systems in Minnesota's child welfare system and funding sources available to the child welfare system; and

(2) state, county, and Tribal access to and use of funding or reimbursements for expenses related to child welfare, including but not limited to legal representation, training, and prevention services, under federal Title IV-E and Title IV-B, the federal Child Abuse Prevention and Treatment Act, TANF, Medicaid, the federal Social Services Block Grant Program, and other federal funds.

Subd. 4. **Stakeholder engagement.** The third-party consultant conducting the fiscal analysis under this section must engage with community child welfare service providers; state, county, and Tribal social services agencies; and other individuals or organizations with expertise in child welfare services, as the consultant determines to be appropriate.

Subd. 5. **Report on fiscal analysis.** By June 30, 2027, the third-party consultant conducting the child welfare fiscal analysis under this section must submit a report to the commissioner of children, youth, and families and the chairs and ranking minority members of the legislative committees with jurisdiction over the child welfare system. The report must include the findings from the fiscal analysis required in this section and recommendations on:

(1) how to maximize the state's receipt and use of child welfare funding streams and federal resources; and

(2) legislative proposals for any statutory or funding changes necessary to maximize the state's receipt and use of child welfare funding streams and federal resources.

Subd. 6. **Tribal participation.** Each of Minnesota's 11 federally recognized Tribal Nations may participate in the fiscal analysis required under this section. Tribal Nations that choose to participate have sovereignty over data they choose to share with the consultant, or other individuals or entities, and may request that their data not be included in any public documents.

Sec. 6. SCAN OF AND REPORT ON OUT-OF-SCHOOL AND YOUTH PROGRAMMING.

(a) The commissioner of children, youth, and families must conduct a scan of out-of-school and youth programming for youth under 21 years of age. The scan may include a review of existing reports, targeted interviews, surveys, and other methodologies, as determined by the commissioner.

424.1 (b) When conducting the scan, the commissioner must collaborate with community
424.2 organizations and programming providers who provide out-of-school and youth
424.3 programming; parents, youth, and families who participate or have participated in
424.4 out-of-school and youth programming; and other individuals with expertise in out-of-school
424.5 and youth programming in order to:

424.6 (1) identify different avenues for gathering information; and

424.7 (2) collaborate in the outreach and facilitation of focused community engagement.

424.8 (c) By July 1, 2026, the commissioner must prepare and submit a final report to the
424.9 chairs and ranking minority members of the legislative committees with jurisdiction over
424.10 children, youth, and families. The commissioner may contract with consultants to help with
424.11 the development of the report. The report must include:

424.12 (1) information on current federal, state, Tribal, county, and city out-of-school and youth
424.13 programs;

424.14 (2) school districts that offer enrichment activities;

424.15 (3) information on availability and amount of funding sources, the costs to provide the
424.16 out-of-school and youth programs, and the costs of the programs for families;

424.17 (4) any barriers and gaps for families to participate in the out-of-school and youth
424.18 programming, as identified by findings from the scan under paragraph (a) and in discussions
424.19 with community members and program providers;

424.20 (5) information on the populations participating in out-of-school and youth programming;

424.21 (6) differences in programming needs, opportunities, and accessibility between different
424.22 demographics and different regions of Minnesota; and

424.23 (7) recommendations on policy and funding needs, including recommending potential
424.24 partners for program delivery to expand access to quality out-of-school and youth
424.25 programming.

424.26 (d) By July 1, 2026, the commissioner must present the final report to the chairs and
424.27 ranking minority members of the legislative committees with jurisdiction over children,
424.28 youth, and families.

ARTICLE 18**CHILD PROTECTION AND WELFARE POLICY**

Section 1. Minnesota Statutes 2024, section 142B.01, subdivision 15, is amended to read:

Subd. 15. **Individual who is related.** "Individual who is related" means a spouse, a parent, a birth or adopted child or stepchild, a stepparent, a stepbrother, a stepsister, a niece, a nephew, an adoptive parent, a grandparent, a sibling, an aunt, an uncle, or a legal guardian. For purposes of family child foster care, individual who is related also includes an individual who, prior to the child's placement in the individual's home for foster care or adoption, is an important individual of the child or of the child's parent or custodian. Important individual means an individual with whom the child has resided or had significant contact or who has a significant relationship to the child or the child's parent or custodian.

Sec. 2. Minnesota Statutes 2024, section 142B.05, subdivision 3, is amended to read:

Subd. 3. **Foster care by an individual who is related to a child; license required.** (a) Notwithstanding subdivision 2, paragraph (a), clause (1), in order to provide foster care for a child, an individual who is related to the child, other than a parent, or legal guardian, must be licensed by the commissioner except as provided by section 142B.06.

(b) An individual who is related to the child may seek foster care licensure through the county agency or a private agency in the community designated or licensed by the commissioner. The county agency, depending on funding available, must provide information to all potential relative foster care providers about this choice, including information about available private agencies for foster care licensure.

(c) If an individual who is related to a child is seeking licensure to provide foster care for the child and the individual has a domestic partner but is not married to the domestic partner, only the individual related to the child must be licensed to provide foster care. The commissioner must conduct background studies on household members according to section 245C.03, subdivision 1.

Sec. 3. Minnesota Statutes 2024, section 142B.47, is amended to read:

142B.47 TRAINING ON RISK OF SUDDEN UNEXPECTED INFANT DEATH AND ABUSIVE HEAD TRAUMA FOR CHILD FOSTER CARE PROVIDERS.

(a) Licensed child foster care providers, except individuals related to the child who only care for a relative child, that care for infants or children through five years of age must document that before caregivers assist in the care of infants or children through five years

of age, ~~they~~ the caregivers are instructed on the standards in section 142B.46 and receive training on reducing the risk of sudden unexpected infant death and abusive head trauma from shaking infants and young children. Licensed child foster care providers who are related to the child and who only care for a relative child must document completion of the training required under this section within 30 days after licensure. This section does not apply to emergency relative placement under section 142B.06. The training on reducing the risk of sudden unexpected infant death and abusive head trauma may be provided as:

(1) orientation training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 1; or

(2) in-service training to child foster care providers who care for infants or children through five years of age under Minnesota Rules, part 2960.3070, subpart 2.

(b) Training required under this section must be at least one hour in length and must be completed at least once every five years. At a minimum, the training must address the risk factors related to sudden unexpected infant death and abusive head trauma, means of reducing the risk of sudden unexpected infant death and abusive head trauma, and license holder communication with parents regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

(c) Training for child foster care providers must be approved by the county or private licensing agency that is responsible for monitoring the child foster care provider under section 142B.30. The approved training fulfills, in part, training required under Minnesota Rules, part 2960.3070.

Sec. 4. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs licensed by the Department of Human Services under chapter 245A or the Department of Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that serve a child or children under eight years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, or caregiver transports a child or children under age eight in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

(c) Training required under this section must be completed at orientation or initial training and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Office of Traffic Safety within the Department of Public Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(e) Notwithstanding paragraph (a), for an emergency relative placement under section 142B.06, the commissioner may grant a variance to the training required by this subdivision for a relative who completes a child seat safety check up. The child seat safety check up trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and must provide one-on-one instruction on placing a child of a specific age in the exact child passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.

(f) Notwithstanding paragraph (b), a child foster care license holder who is an individual related to the child, and who only serves a relative child, must document completion of the training required under this section within 30 days after licensure.

Sec. 5. Minnesota Statutes 2024, section 142B.80, is amended to read:

142B.80 CHILD FOSTER CARE TRAINING REQUIREMENT; MENTAL HEALTH TRAINING; FETAL ALCOHOL SPECTRUM DISORDERS TRAINING.

Prior to a nonemergency placement of a child in a foster care home, the child foster care license holder and caregivers in foster family and treatment foster care settings must complete two hours of training that addresses the causes, symptoms, and key warning signs of mental health disorders; cultural considerations; and effective approaches for dealing with a child's behaviors. At least one hour of the annual training requirement for the foster family license holder and caregivers must be on children's mental health issues and treatment. Except for

providers and services under chapter 245D and child foster care license holders who are individuals related to the child who only serve a relative child who does not have fetal alcohol spectrum disorder, the annual training must also include at least one hour of training on fetal alcohol spectrum disorders, which must be counted toward the 12 hours of required in-service training per year. Short-term substitute caregivers are exempt from these requirements. Training curriculum shall be approved by the commissioner of children, youth, and families.

Sec. 6. **[142B.81] CHILD FOSTER CARE TRAINING; RELATIVE CAREGIVERS.**

Notwithstanding the required hours under Minnesota Rules, part 2960.3070, subpart 2, a child foster care license holder who is an individual related to the child must complete a minimum of six hours of in-service training per year in one or more of the areas in Minnesota Rules, part 2960.3070, subpart 2, or in other areas as agreed upon by the licensing agency and the foster parent. The relative child foster care license holder must consult with the licensing agency and complete training in areas that are most applicable to caring for the relative children in foster care in the home. This section does not apply to a child foster care license holder who is licensed to care for both a relative child and a nonrelative child.

Sec. 7. Minnesota Statutes 2024, section 245C.02, is amended by adding a subdivision to read:

Subd. 16b. **Relative.** "Relative" has the meaning given in section 260C.007, subdivision 27. For purposes of background studies affiliated with child foster care licensure, a person is a relative if the person was known to the child or the child's parent before the child is placed in foster care.

Sec. 8. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting, regardless of how much time has passed, an individual is disqualified under section 245C.14 if the individual committed an act that resulted in a felony-level conviction for sections: 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.2112 (criminal vehicular homicide); ~~609.221 (assault in the first degree);~~ 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse); 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or

429.1 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
429.2 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
429.3 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
429.4 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
429.5 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
429.6 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
429.7 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
429.8 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child
429.9 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
429.10 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
429.11 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
429.12 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
429.13 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
429.14 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
429.15 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
429.16 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
429.17 conduct); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of
429.18 a child); 609.561 (arson in the first degree); 609.582, subdivision 1 (burglary in the first
429.19 degree); 609.746 (interference with privacy); 617.23 (indecent exposure); 617.246 (use of
429.20 minors in sexual performance prohibited); or 617.247 (possession of pictorial representations
429.21 of minors).

429.22 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated
429.23 with a licensed family foster setting, an individual is disqualified under section 245C.14,
429.24 regardless of how much time has passed, if the individual:

429.25 (1) committed an action under paragraph (e) that resulted in death or involved sexual
429.26 abuse, as defined in section 260E.03, subdivision 20;

429.27 (2) committed an act that resulted in a gross misdemeanor-level conviction for section
429.28 609.3451 (criminal sexual conduct in the fifth degree);

429.29 (3) committed an act against or involving a minor that resulted in a felony-level conviction
429.30 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the
429.31 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);
429.32 or

429.33 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level
429.34 conviction for section 617.293 (dissemination and display of harmful materials to minors).

430.1 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
430.2 family foster setting;

430.3 (1) an individual is disqualified under section 245C.14 if fewer than 20 years have passed
430.4 since the termination of the individual's parental rights under section 260C.301, subdivision
430.5 1, paragraph (b), or if the individual consented to a termination of parental rights under
430.6 section 260C.301, subdivision 1, paragraph (a), to settle a petition to involuntarily terminate
430.7 parental rights. An individual is disqualified under section 245C.14 if fewer than 20 years
430.8 have passed since the termination of the individual's parental rights in any other state or
430.9 country, where the conditions for the individual's termination of parental rights are
430.10 substantially similar to the conditions in section 260C.301, subdivision 1, paragraph (b); or

430.11 (2) when an individual is a relative of the child in foster care, an individual is disqualified
430.12 under section 245C.14 if fewer than seven years have passed since the termination of the
430.13 individual's parental rights under section 260C.301, subdivision 1, paragraph (b), or if the
430.14 individual consented to a termination of parental rights under section 260C.301, subdivision
430.15 1, paragraph (a), to settle a petition to involuntarily terminate parental rights. An individual
430.16 is disqualified under section 245C.14 if fewer than seven years have passed since the
430.17 termination of the individual's parental rights in any other state or country, where the
430.18 conditions for the individual's termination of parental rights are substantially similar to the
430.19 conditions in section 260C.301, subdivision 1, paragraph (b).

430.20 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
430.21 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
430.22 years have passed since a felony-level violation for sections: 152.021 (controlled substance
430.23 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
430.24 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
430.25 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
430.26 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
430.27 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision
430.28 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
430.29 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
430.30 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related
430.31 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
430.32 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
430.33 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
430.34 child); 609.221 (assault in the first degree); 609.228 (great bodily harm caused by distribution
430.35 of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a

431.1 vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate
431.2 a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree);
431.3 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex
431.4 trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the
431.5 first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562
431.6 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2
431.7 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration);
431.8 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or
431.9 stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or
431.10 624.713 (certain people not to possess firearms).

431.11 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
431.12 background study affiliated with a licensed family child foster care license, an individual
431.13 is disqualified under section 245C.14 if fewer than five years have passed since:

431.14 (1) a felony-level violation for an act not against or involving a minor that constitutes:
431.15 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
431.16 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
431.17 fifth degree);

431.18 (2) a violation of an order for protection under section 518B.01, subdivision 14;

431.19 (3) a determination or disposition of the individual's failure to make required reports
431.20 under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition
431.21 under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment
431.22 was recurring or serious;

431.23 (4) a determination or disposition of the individual's substantiated serious or recurring
431.24 maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or
431.25 serious or recurring maltreatment in any other state, the elements of which are substantially
431.26 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet
431.27 the definition of serious maltreatment or recurring maltreatment;

431.28 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in
431.29 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);
431.30 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);
431.31 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

431.32 (6) committing an act against or involving a minor that resulted in a misdemeanor-level
431.33 violation of section 609.224, subdivision 1 (assault in the fifth degree).

(f) For purposes of this subdivision, the disqualification begins from:

(1) the date of the alleged violation, if the individual was not convicted;

(2) the date of conviction, if the individual was convicted of the violation but not committed to the custody of the commissioner of corrections; or

(3) the date of release from prison, if the individual was convicted of the violation and committed to the custody of the commissioner of corrections.

Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation of the individual's supervised release, the disqualification begins from the date of release from the subsequent incarceration.

(g) Notwithstanding paragraph (f), for purposes of paragraph (d), the disqualification begins from the date of the alleged violation when the individual is a relative of the child in foster care.

(h) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since the individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs (d) and (e).

~~(h)~~ (i) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraphs (a) and (b), permanently disqualifies the individual under section 245C.14. An individual is disqualified under section 245C.14 if fewer than five years have passed since an offense in any other state or country, the elements of which are substantially similar to the elements of any offense listed in paragraphs (d) and (e).

Sec. 9. Minnesota Statutes 2024, section 260.65, is amended to read:

260.65 NONCUSTODIAL PARENTS; RELATIVE PLACEMENT.

(a) Prior to the removal of an African American or a disproportionately represented child from the child's home, the responsible social services agency must make active efforts to identify and locate the child's noncustodial or nonadjudicated parent and the child's relatives to notify the child's parent and relatives that the child is or will be placed in foster care; and provide the child's parent and relatives with a list of legal resources. The notice to the child's noncustodial or nonadjudicated parent and relatives must also include the information

433.1 required under section 260C.221, subdivision 2, paragraph (b). The responsible social
433.2 services agency must maintain detailed records of the agency's efforts to notify parents and
433.3 relatives under this section.

433.4 (b) Notwithstanding the provisions of section 260C.219, the responsible social services
433.5 agency must assess an African American or a disproportionately represented child's
433.6 noncustodial or nonadjudicated parent's ability to care for the child before placing the child
433.7 in foster care. If a child's noncustodial or nonadjudicated parent is willing and able to provide
433.8 daily care for the African American or disproportionately represented child temporarily or
433.9 permanently, the court shall order ~~that the child be placed in~~ into the home of the noncustodial
433.10 or nonadjudicated parent pursuant to section 260C.178 or 260C.201, subdivision 1. The
433.11 responsible social services agency must make active efforts to assist a noncustodial or
433.12 nonadjudicated parent with remedying any issues that may prevent the child from being
433.13 ~~placed with the~~ ordered into the home of a noncustodial or nonadjudicated parent.

433.14 (c) The relative search, notice, engagement, and placement consideration requirements
433.15 under section 260C.221 apply under this act.

433.16 Sec. 10. Minnesota Statutes 2024, section 260.66, subdivision 1, is amended to read:

433.17 Subdivision 1. **Emergency removal or placement permitted.** Nothing in this section
433.18 shall be construed to prevent the emergency removal of an African American or a
433.19 disproportionately represented ~~child's parent or custodian~~ child or the emergency placement
433.20 of the child in a foster setting in order to prevent imminent physical damage or harm to the
433.21 child.

433.22 Sec. 11. Minnesota Statutes 2024, section 260.691, subdivision 1, is amended to read:

433.23 Subdivision 1. **Establishment and duties.** (a) The African American Child and Family
433.24 Well-Being Advisory Council is established for the Department of Children, Youth, and
433.25 Families.

433.26 (b) The council shall consist of 31 members appointed by the commissioner and must
433.27 include representatives with lived personal or professional experience within African
433.28 American communities. Members may include but are not limited to youth who have exited
433.29 the child welfare system; parents; legal custodians; relative and kinship caregivers or foster
433.30 care providers; community service providers, advocates, and members; county and private
433.31 social services agency case managers; representatives from faith-based institutions; academic
433.32 professionals; a representative from the Council for Minnesotans of African Heritage; the
433.33 Ombudsperson for African American Families; and other individuals with experience and

434.1 knowledge of African American communities. Council members must be selected through
434.2 an open appointments process under section 15.0597. The terms, compensation, and removal
434.3 of council members are governed by section 15.059.

434.4 (c) The African American Child Well-Being Advisory council must:

434.5 (1) review annual reports related to African American children involved in the child
434.6 welfare system. These reports may include but are not limited to the maltreatment,
434.7 out-of-home placement, and permanency of African American children;

434.8 (2) assist with and make recommendations to the commissioner for developing strategies
434.9 to reduce maltreatment determinations, prevent unnecessary out-of-home placement, promote
434.10 culturally appropriate foster care and shelter or facility placement decisions and settings for
434.11 African American children in need of out-of-home placement, ensure timely achievement
434.12 of permanency, and improve child welfare outcomes for African American children and
434.13 their families;

434.14 (3) review summary reports on targeted case reviews prepared by the commissioner to
434.15 ensure that responsible social services agencies meet the needs of African American children
434.16 and their families. Based on data collected from those reviews, the council shall assist the
434.17 commissioner with developing strategies needed to improve any identified child welfare
434.18 outcomes, including but not limited to maltreatment, out-of-home placement, and permanency
434.19 for African American children;

434.20 (4) ~~assist the Cultural and Ethnic Communities Leadership Council with making~~ make
434.21 recommendations to the commissioner and the legislature for public policy and statutory
434.22 changes that specifically consider the needs of African American children and their families
434.23 involved in the child welfare system;

434.24 (5) advise the commissioner on stakeholder engagement strategies and actions that the
434.25 commissioner and responsible social services agencies may take to improve child welfare
434.26 outcomes for African American children and their families;

434.27 (6) assist the commissioner with developing strategies for public messaging and
434.28 communication related to racial disproportionality and disparities in child welfare outcomes
434.29 for African American children and their families;

434.30 (7) assist the commissioner with identifying and developing internal and external
434.31 partnerships to support adequate access to services and resources for African American
434.32 children and their families, including but not limited to housing assistance, employment

435.1 assistance, food and nutrition support, health care, child care assistance, and educational
435.2 support and training; and

435.3 (8) assist the commissioner with developing strategies to promote the development of
435.4 a culturally diverse and representative child welfare workforce in Minnesota that includes
435.5 professionals who are reflective of the community served and who have been directly
435.6 impacted by lived experiences within the child welfare system. The council must also assist
435.7 the commissioner with exploring strategies and partnerships to address education and training
435.8 needs, hiring, recruitment, retention, and professional advancement practices.

435.9 Sec. 12. Minnesota Statutes 2024, section 260.692, is amended to read:

435.10 **260.692 AFRICAN AMERICAN CHILD AND FAMILY WELL-BEING UNIT.**

435.11 Subdivision 1. **Duties.** The African American Child and Family Well-Being Unit,
435.12 currently established by the commissioner, must:

435.13 (1) assist with the development of African American cultural competency training and
435.14 review child welfare curriculum in the Minnesota Child Welfare Training Academy to
435.15 ensure that responsible social services agency staff and other child welfare professionals
435.16 are appropriately prepared to engage with African American children and their families and
435.17 to support family preservation and reunification;

435.18 (2) provide technical assistance, including on-site technical assistance, and case
435.19 consultation to responsible social services agencies to assist agencies with implementing
435.20 and complying with the Minnesota African American Family Preservation and Child Welfare
435.21 Disproportionality Act;

435.22 (3) monitor individual county and statewide disaggregated and nondisaggregated data
435.23 to identify trends and patterns in child welfare outcomes, including but not limited to
435.24 reporting, maltreatment, out-of-home placement, and permanency of African American
435.25 children and develop strategies to address disproportionality and disparities in the child
435.26 welfare system;

435.27 (4) develop and implement a system for conducting case reviews when the commissioner
435.28 receives reports of noncompliance with the Minnesota African American Family Preservation
435.29 and Child Welfare Disproportionality Act or when requested by the parent or custodian of
435.30 an African American child. Case reviews may include but are not limited to a review of
435.31 placement prevention efforts, safety planning, case planning and service provision by the
435.32 responsible social services agency, relative placement consideration, and permanency
435.33 planning;

(5) establish and administer a request for proposals process for African American and disproportionately represented family preservation grants under section 260.693, monitor grant activities, and provide technical assistance to grantees;

(6) in coordination with the African American Child and Family Well-Being Advisory Council, coordinate services and create internal and external partnerships to support adequate access to services and resources for African American children and their families, including but not limited to housing assistance, employment assistance, food and nutrition support, health care, child care assistance, and educational support and training; and

(7) develop public messaging and communication to inform the public about racial disparities in child welfare outcomes, current efforts and strategies to reduce racial disparities, and resources available to African American children and their families involved in the child welfare system.

Subd. 2. Case reviews. (a) The African American Child and Family Well-Being Unit must conduct systemic case reviews to monitor targeted child welfare outcomes, including but not limited to maltreatment, out-of-home placement, and permanency of African American children.

(b) The reviews under this subdivision must be conducted using a random sampling of representative child welfare cases stratified for certain case related factors, including but not limited to case type, maltreatment type, if the case involves out-of-home placement, and other demographic variables. In conducting the reviews, unit staff may use court records and documents, information from the social services information system, and other available case file information to complete the case reviews.

(c) The frequency of the reviews and the number of cases, child welfare outcomes, and selected counties reviewed shall be determined by the unit in consultation with the African American Child and Family Well-Being Advisory Council, with consideration given to the availability of unit resources needed to conduct the reviews.

(d) The unit must monitor all case reviews and use the collective case review information and data to generate summary case review reports, ensure compliance with the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, and identify trends or patterns in child welfare outcomes for African American children.

(e) The unit must review information from members of the public received through the compliance and feedback portal, including policy and practice concerns related to individual child welfare cases. After assessing a case concern, the unit may determine if further necessary action should be taken, which may include coordinating case remediation with

437.1 other relevant child welfare agencies in accordance with data privacy laws, including the
437.2 African American Child and Family Well-Being Advisory Council, and offering case
437.3 consultation and technical assistance to the responsible local social services agency as
437.4 needed or requested by the agency.

437.5 Subd. 3. **Reports.** (a) The African American Child and Family Well-Being Unit must
437.6 provide regular updates on unit activities, including summary reports of case reviews, to
437.7 the African American Child and Family Well-Being Advisory Council, and must publish
437.8 an annual census of African American children in out-of-home placements statewide. The
437.9 annual census must include data on the types of placements, age and sex of the children,
437.10 how long the children have been in out-of-home placements, and other relevant demographic
437.11 information.

437.12 (b) The African American Child and Family Well-Being Unit shall gather summary data
437.13 about the practice and policy inquiries and individual case concerns received through the
437.14 compliance and feedback portal under subdivision 2, paragraph (e). The unit shall provide
437.15 regular reports of the nonidentifying compliance and feedback portal summary data to the
437.16 African American Child and Family Well-Being Advisory Council to identify child welfare
437.17 trends and patterns to assist with developing policy and practice recommendations to support
437.18 eliminating disparity and disproportionality for African American children.

437.19 Sec. 13. Minnesota Statutes 2024, section 260C.001, subdivision 2, is amended to read:

437.20 Subd. 2. **Juvenile protection proceedings.** (a) The paramount consideration in all
437.21 juvenile protection proceedings is the health, safety, and best interests of the child. In
437.22 proceedings involving an American Indian child, as defined in section 260.755, subdivision
437.23 8, the best interests of the child must be determined consistent with sections 260.751 to
437.24 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to
437.25 1923.

437.26 (b) The purpose of the laws relating to juvenile protection proceedings is:

437.27 (1) to secure for each child under the jurisdiction of the court, the care and guidance,
437.28 preferably in the child's own home, as will best serve the spiritual, emotional, mental, and
437.29 physical welfare of the child;

437.30 (2) to provide judicial procedures that protect the welfare of the child;

437.31 (3) to preserve and strengthen the child's family ties whenever possible and in the child's
437.32 best interests, removing the child from the custody of parents only when the child's welfare
437.33 or safety cannot be adequately safeguarded without removal;

438.1 (4) to ensure that when removal from the child's own family is necessary and in the
438.2 child's best interests, the responsible social services agency has legal responsibility for the
438.3 child removal either:

438.4 (i) pursuant to a voluntary placement agreement between the child's parent or guardian
438.5 or the child, when the child is over age 18, and the responsible social services agency; or

438.6 (ii) by court order pursuant to section 260C.151, subdivision 6; 260C.178; 260C.201;
438.7 260C.325; or 260C.515;

438.8 (5) to ensure that, when placement is pursuant to court order, the court order removing
438.9 the child or continuing the child in foster care contains an individualized determination that
438.10 placement is in the best interests of the child that coincides with the actual removal of the
438.11 child;

438.12 (6) to ensure that when the child is removed, the child's care and discipline is, as nearly
438.13 as possible, equivalent to that which should have been given by the parents and is either in:

438.14 (i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201,
438.15 subdivision 1, paragraph (a), clause (1);

438.16 (ii) the home of a relative pursuant to emergency placement by the responsible social
438.17 services agency under chapter 245A; or

438.18 (iii) foster care licensed under chapter 245A; and

438.19 (7) to ensure appropriate permanency planning for children in foster care including:

438.20 (i) unless reunification is not required under section 260.012, developing a permanency
438.21 plan for the child that includes a primary plan for reunification with the child's parent or
438.22 guardian and a secondary plan for an alternative, legally permanent home for the child in
438.23 the event reunification cannot be achieved in a timely manner;

438.24 (ii) identifying, locating, and assessing both parents of the child as soon as possible and
438.25 offering reunification services to both parents of the child as required under sections 260.012
438.26 and 260C.219;

438.27 (iii) inquiring about the child's heritage, including the child's Tribal lineage pursuant to
438.28 section 260.761, and their race, culture, and ethnicity pursuant to section 260.63, subdivision
438.29 10;

438.30 ~~(iii)~~ (iv) identifying, locating, and notifying relatives of both parents of the child according
438.31 to section 260C.221;

~~(iv)~~ (v) making a placement with a family that will commit to being the legally permanent home for the child in the event reunification cannot occur at the earliest possible time while at the same time actively supporting the reunification plan; and

~~(v)~~ (vi) returning the child home with supports and services, as soon as return is safe for the child, or when safe return cannot be timely achieved, moving to finalize another legally permanent home for the child.

Sec. 14. Minnesota Statutes 2024, section 260C.007, subdivision 19, is amended to read:

Subd. 19. **Habitual truant.** (a) "Habitual truant" means a child under the age of 17 years who is absent from attendance at school without lawful excuse for seven school days per school year if the child is in elementary school or for one or more class periods on seven school days per school year if the child is in middle school, junior high school, or high school or a child who is 17 years of age who is absent from attendance at school without lawful excuse for one or more class periods on seven school days per school year and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.

(b) For the purposes of educational neglect under section 260C.163, subdivision 11, "habitual truant" includes a child under 12 years of age who has been absent from school for seven school days without lawful excuse where the presumption of educational neglect is rebutted based on a showing by clear and convincing evidence that the child's absence is not due to the failure of the child's parent, guardian, or custodian to comply with compulsory instruction laws.

Sec. 15. Minnesota Statutes 2024, section 260C.150, subdivision 3, is amended to read:

Subd. 3. **Identifying parents of child; diligent efforts; data.** (a) The responsible social services agency shall make diligent efforts to inquire about the child's heritage, including the child's Tribal lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, and to identify and locate both parents of any child who is the subject of proceedings under this chapter. Diligent efforts include:

(1) asking the custodial or known parent to identify any nonresident parent of the child and provide information that can be used to verify the nonresident parent's identity including the dates and locations of marriages and divorces; dates and locations of any legal proceedings regarding paternity; date and place of the child's birth; nonresident parent's full legal name; nonresident parent's date of birth, or if the nonresident parent's date of birth is unknown, an approximate age; the nonresident parent's Social Security number; the nonresident parent's whereabouts including last known whereabouts; and the whereabouts

440.1 of relatives of the nonresident parent. For purposes of this subdivision, "nonresident parent"
440.2 means a parent who does not reside in the same household as the child or did not reside in
440.3 the same household as the child at the time the child was removed when the child is in foster
440.4 care;

440.5 (2) obtaining information that will identify and locate the nonresident parent from the
440.6 county and state of Minnesota child support enforcement information system;

440.7 (3) requesting a search of the Minnesota Fathers' Adoption Registry 30 days after the
440.8 child's birth; and

440.9 (4) using any other reasonable means to identify and locate the nonresident parent.

440.10 (b) The agency may disclose data which is otherwise private under section 13.46 or
440.11 chapter 260E in order to carry out its duties under this subdivision.

440.12 (c) Upon the filing of a petition alleging the child to be in need of protection or services,
440.13 the responsible social services agency may contact a putative father who registered with
440.14 the Minnesota Fathers' Adoption Registry more than 30 days after the child's birth. The
440.15 social service agency may consider a putative father for the day-to-day care of the child
440.16 under section 260C.219 if the putative father cooperates with genetic testing and there is a
440.17 positive test result under section 257.62, subdivision 5. Nothing in this paragraph:

440.18 (1) relieves a putative father who registered with the Minnesota Fathers' Adoption
440.19 Registry more than 30 days after the child's birth of the duty to cooperate with paternity
440.20 establishment proceedings under section 260C.219;

440.21 (2) gives a putative father who registered with the Minnesota Fathers' Adoption Registry
440.22 more than 30 days after the child's birth the right to notice under section 260C.151 unless
440.23 the putative father is entitled to notice under sections 259.24 and 259.49, subdivision 1,
440.24 paragraph (a) or (b), clauses (1) to (7); or

440.25 (3) establishes a right to assert an interest in the child in a termination of parental rights
440.26 proceeding contrary to section 259.52, subdivision 6, unless the putative father is entitled
440.27 to notice under sections 259.24 and 259.49, subdivision 1, paragraph (a) or (b), clauses (1)
440.28 to (7).

440.29 Sec. 16. Minnesota Statutes 2024, section 260C.202, subdivision 2, is amended to read:

440.30 Subd. 2. **Court review for a child placed in foster care.** (a) If the court orders a child
440.31 placed in foster care, the court shall review the out-of-home placement plan and the child's
440.32 placement at least every 90 days as required in juvenile court rules to determine whether

441.1 continued out-of-home placement is necessary and appropriate or whether the child should
441.2 be returned home.

441.3 (b) This review is not required if the court has returned the child home, ordered the child
441.4 permanently placed away from the parent under sections 260C.503 to 260C.521, or
441.5 terminated rights under section 260C.301. Court review for a child permanently placed
441.6 away from a parent, including where the child is under guardianship of the commissioner,
441.7 is governed by section 260C.607.

441.8 (c) When a child is placed in a qualified residential treatment program setting as defined
441.9 in section 260C.007, subdivision 26d, the responsible social services agency must submit
441.10 evidence to the court as specified in section 260C.712.

441.11 (d) No later than three months after the child's placement in foster care, the court shall
441.12 review agency efforts to search for and notify relatives pursuant to section 260C.221, and
441.13 order that the agency's efforts begin immediately, or continue, if the agency has failed to
441.14 perform, or has not adequately performed, the duties under that section. The court must
441.15 order the agency to continue to appropriately engage relatives who responded to the notice
441.16 under section 260C.221 in placement and case planning decisions and to consider relatives
441.17 for foster care placement consistent with section 260C.221. Notwithstanding a court's finding
441.18 that the agency has made reasonable efforts to search for and notify relatives under section
441.19 260C.221, the court may order the agency to continue making reasonable efforts to search
441.20 for, notify, engage, and consider relatives who came to the agency's attention after sending
441.21 the initial notice under section 260C.221.

441.22 (e) The court shall review the out-of-home placement plan and may modify the plan as
441.23 provided under section 260C.201, subdivisions 6 and 7.

441.24 (f) When the court transfers the custody of a child to a responsible social services agency
441.25 resulting in foster care or protective supervision with a noncustodial parent under subdivision
441.26 1, the court shall notify the parents of the provisions of sections 260C.204 and 260C.503
441.27 to 260C.521, as required under juvenile court rules.

441.28 ~~(g) When a child remains in or returns to foster care pursuant to section 260C.451 and~~
441.29 ~~the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the~~
441.30 ~~court shall at least annually conduct the review required under section 260C.203.~~

442.1 Sec. 17. Minnesota Statutes 2024, section 260C.204, is amended to read:

442.2 **260C.204 PERMANENCY PROGRESS REVIEW FOR CHILDREN IN FOSTER**
442.3 **CARE FOR SIX MONTHS.**

442.4 (a) When a child continues in placement out of the home of the parent or guardian from
442.5 whom the child was removed, no later than six months after the child's placement the court
442.6 shall conduct a permanency progress hearing to review:

442.7 (1) the progress of the case, the parent's progress on the case plan or out-of-home
442.8 placement plan, whichever is applicable;

442.9 (2) the agency's reasonable, or in the case of an Indian child, active efforts for
442.10 reunification and its provision of services;

442.11 (3) the agency's reasonable efforts to finalize the permanent plan for the child under
442.12 section 260.012, paragraph (e), and to make a placement as required under section 260C.212,
442.13 subdivision 2, in a home that will commit to being the legally permanent family for the
442.14 child in the event the child cannot return home according to the timelines in this section;
442.15 and

442.16 (4) in the case of an Indian child, active efforts to prevent the breakup of the Indian
442.17 family and to make a placement according to the placement preferences under United States
442.18 Code, title 25, chapter 21, section 1915.

442.19 (b) When a child is placed in a qualified residential treatment program setting as defined
442.20 in section 260C.007, subdivision 26d, the responsible social services agency must submit
442.21 evidence to the court as specified in section 260C.712.

442.22 (c) The court shall ensure that notice of the hearing is sent to any relative who:

442.23 (1) responded to the agency's notice provided under section 260C.221, indicating an
442.24 interest in participating in planning for the child or being a permanency resource for the
442.25 child and who has kept the court apprised of the relative's address; or

442.26 (2) asked to be notified of court proceedings regarding the child as is permitted in section
442.27 260C.152, subdivision 5.

442.28 (d)(1) If the parent or guardian has maintained contact with the child and is complying
442.29 with the court-ordered out-of-home placement plan, and if the child would benefit from
442.30 reunification with the parent, the court may either:

442.31 (i) return the child home, if the conditions that led to the out-of-home placement have
442.32 been sufficiently mitigated that it is safe and in the child's best interests to return home; or

(ii) continue the matter up to a total of six additional months. If the child has not returned home by the end of the additional six months, the court must conduct a hearing according to sections 260C.503 to 260C.521.

(2) If the court determines that the parent or guardian is not complying, is not making progress with or engaging with services in the out-of-home placement plan, or is not maintaining regular contact with the child as outlined in the visitation plan required as part of the out-of-home placement plan under section 260C.212, the court may order the responsible social services agency:

(i) to develop a plan for legally permanent placement of the child away from the parent;

(ii) to consider, identify, recruit, and support one or more permanency resources from the child's relatives and foster parent, consistent with clause (3) and section 260C.212, subdivision 2, paragraph (a), to be the legally permanent home in the event the child cannot be returned to the parent. Any relative or the child's foster parent may ask the court to order the agency to consider them for permanent placement of the child in the event the child cannot be returned to the parent. A relative or foster parent who wants to be considered under this item shall cooperate with the background study required under section 245C.08, if the individual has not already done so, and with the home study process required under chapter 142B for providing child foster care and for adoption under section 259.41. The home study referred to in this item shall be a single-home study in the form required by the commissioner of children, youth, and families or similar study required by the individual's state of residence when the subject of the study is not a resident of Minnesota. The court may order the responsible social services agency to make a referral under the Interstate Compact on the Placement of Children when necessary to obtain a home study for an individual who wants to be considered for transfer of permanent legal and physical custody or adoption of the child; and

(iii) to file a petition to support an order for the legally permanent placement plan.

(3) Consistent with section 260C.223, subdivision 2, paragraph (b), the responsible social services agency must not define a foster family as the permanent home for a child until:

(i) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2, are satisfied;

(ii) inquiry about the child's heritage, including their race, culture, and ethnicity pursuant to section 260.63, subdivision 10, has been completed; and

(iii) the court has determined that reasonable or active efforts toward completing the relative search requirements in section 260C.221 have been made.

(e) Following the review under this section:

(1) if the court has either returned the child home or continued the matter up to a total of six additional months, the agency shall continue to provide services to support the child's return home or to make reasonable efforts to achieve reunification of the child and the parent as ordered by the court under an approved case plan;

(2) if the court orders the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative, a petition supporting the plan shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the pleadings; or

(3) if the court orders the agency to file a termination of parental rights, unless the county attorney can show cause why a termination of parental rights petition should not be filed, a petition for termination of parental rights shall be filed in juvenile court within 30 days of the hearing required under this section and a trial on the petition held within 60 days of the filing of the petition.

Sec. 18. Minnesota Statutes 2024, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** ~~(a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.~~

~~(b)~~ (a) An out-of-home placement plan means a written document individualized to the needs of the child and the child's parents or guardians that is prepared by the responsible social services agency using a form developed by the commissioner. The plan must be completed jointly with the child's parents or guardians and in consultation with the child's guardian ad litem; the child's tribe, if the child is an Indian child; the child's foster parent or representative of the foster care facility; and, when appropriate, the child. When a child is age 14 or older, the child may include two other individuals on the team preparing the child's out-of-home placement plan. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the reasonable and prudent parenting standards. The responsible social services agency may reject an individual selected by the child if the agency has good cause to believe that the individual would not act in the best interest of the child. For a child in voluntary foster

445.1 care for treatment under chapter 260D, preparation of the out-of-home placement plan shall
445.2 additionally include the child's mental health treatment provider. For a child 18 years of
445.3 age or older, the responsible social services agency shall involve the child and the child's
445.4 parents as appropriate. As appropriate, the plan shall be:

445.5 (1) submitted to the court for approval under section 260C.178, subdivision 7;

445.6 (2) ordered by the court, either as presented or modified after hearing, under section
445.7 260C.178, subdivision 7, or 260C.201, subdivision 6; and

445.8 (3) signed by the parent or parents or guardian of the child, the child's guardian ad litem,
445.9 a representative of the child's tribe, the responsible social services agency, and, if possible,
445.10 the child.

445.11 (b) Before an out-of-home placement plan is signed by the parent or parents or guardian
445.12 of the child, the responsible social services agency must provide the parent or parents or
445.13 guardian with a one- to two-page summary of the plan using a form developed by the
445.14 commissioner. The out-of-home placement plan summary must clearly summarize the plan's
445.15 contents under paragraph (d) and list the requirements and responsibilities for the parent or
445.16 parents or guardian using plain language. The summary must be updated and provided to
445.17 the parent or parents or guardian when the out-of-home placement plan is updated under
445.18 subdivision 1a.

445.19 (c) An out-of-home placement plan summary shall be prepared within 30 days after any
445.20 child is placed in foster care by court order or voluntary placement agreement between the
445.21 responsible social services agency and the child's parent pursuant to section 260C.227 or
445.22 chapter 260D. An out-of-home placement plan shall be prepared within 60 days after any
445.23 child is placed in foster care by court order or a voluntary placement agreement between
445.24 the responsible social services agency and the child's parent pursuant to section 260C.227
445.25 or chapter 260D.

445.26 ~~(e)~~ (d) The out-of-home placement plan shall be explained by the responsible social
445.27 services agency to all persons involved in the plan's implementation, including the child
445.28 who has signed the plan, and shall set forth:

445.29 (1) a description of the foster care home or facility selected, including how the
445.30 out-of-home placement plan is designed to achieve a safe placement for the child in the
445.31 least restrictive, most family-like setting available that is in close proximity to the home of
445.32 the child's parents or guardians when the case plan goal is reunification; and how the
445.33 placement is consistent with the best interests and special needs of the child according to
445.34 the factors under subdivision 2, paragraph (b);

446.1 (2) a description of the services offered and provided to prevent removal of the child
446.2 from the home;

446.3 ~~(2)~~ (3) the specific reasons for the placement of the child in foster care, and when
446.4 reunification is the plan, a description of the problems or conditions in the home of the
446.5 parent or parents that necessitated removal of the child from home and the services offered
446.6 and provided to support the changes the parent or parents must make for the child to safely
446.7 return home;

446.8 ~~(3) a description of the services offered and provided to prevent removal of the child~~
446.9 ~~from the home~~ and to reunify the family including:

446.10 (i) the specific actions to be taken by the parent or parents of the child to eliminate or
446.11 correct the problems or conditions identified in clause (2), and the time period during which
446.12 the actions are to be taken; and

446.13 (ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to
446.14 achieve a safe and stable home for the child including social and other supportive services
446.15 to be provided or offered to the parent or parents or guardian of the child, the child, and the
446.16 residential facility during the period the child is in the residential facility;

446.17 (4) a description of any services or resources that were requested by the child or the
446.18 child's parent, guardian, foster parent, or custodian since the date of the child's placement
446.19 in the residential facility, and whether those services or resources were provided and if not,
446.20 the basis for the denial of the services or resources;

446.21 (5) the visitation plan for the parent or parents or guardian, other relatives as defined in
446.22 section 260C.007, subdivision 26b or 27, and siblings of the child if the siblings are not
446.23 placed together in foster care, and whether visitation is consistent with the best interest of
446.24 the child, during the period the child is in foster care;

446.25 (6) when a child cannot return to or be in the care of either parent, documentation of
446.26 steps to finalize permanency through either:

446.27 (i) adoption as the permanency plan for the child through reasonable efforts to place the
446.28 child for adoption pursuant to section 260C.605. At a minimum, the documentation must
446.29 include consideration of whether adoption is in the best interests of the child and
446.30 child-specific recruitment efforts such as a relative search, consideration of relatives for
446.31 adoptive placement, and the use of state, regional, and national adoption exchanges to
446.32 facilitate orderly and timely placements in and outside of the state. A copy of this

447.1 documentation shall be provided to the court in the review required under section 260C.317,
447.2 subdivision 3, paragraph (b); or

447.3 ~~(7) when a child cannot return to or be in the care of either parent, documentation of~~
447.4 ~~steps to finalize~~ (ii) the transfer of permanent legal and physical custody to a relative as the
447.5 permanency plan for the child. This documentation must support the requirements of the
447.6 kinship placement agreement under section 142A.605 and must include the reasonable
447.7 efforts used to determine that it is not appropriate for the child to return home or be adopted,
447.8 and reasons why permanent placement with a relative through a Northstar kinship assistance
447.9 arrangement is in the child's best interest; how the child meets the eligibility requirements
447.10 for Northstar kinship assistance payments; agency efforts to discuss adoption with the child's
447.11 relative foster parent and reasons why the relative foster parent chose not to pursue adoption,
447.12 if applicable; and agency efforts to discuss with the child's parent or parents the permanent
447.13 transfer of permanent legal and physical custody or the reasons why these efforts were not
447.14 made;

447.15 ~~(8)~~ (7) efforts to ensure the child's educational stability while in foster care for a child
447.16 who attained the minimum age for compulsory school attendance under state law and is
447.17 enrolled full time in elementary or secondary school, or instructed in elementary or secondary
447.18 education at home, or instructed in an independent study elementary or secondary program,
447.19 or incapable of attending school on a full-time basis due to a medical condition that is
447.20 documented and supported by regularly updated information in the child's case plan.
447.21 Educational stability efforts include:

447.22 (i) efforts to ensure that the child remains in the same school in which the child was
447.23 enrolled prior to placement or upon the child's move from one placement to another, including
447.24 efforts to work with the local education authorities to ensure the child's educational stability
447.25 and attendance; or

447.26 (ii) if it is not in the child's best interest to remain in the same school that the child was
447.27 enrolled in prior to placement or move from one placement to another, efforts to ensure
447.28 immediate and appropriate enrollment for the child in a new school;

447.29 ~~(9)~~ (8) the educational records of the child including the most recent information available
447.30 regarding:

447.31 (i) the names and addresses of the child's educational providers;

447.32 (ii) the child's grade level performance;

447.33 (iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

~~(10)~~ (9) the efforts by the responsible social services agency to ~~ensure~~ support the child's well-being by ensuring the oversight and continuity of health care services for the foster child and documenting their health record, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, shall be monitored and treated while the child is in foster care;

(iii) how the child's medical information shall be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals shall be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; ~~and~~

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance; and

~~(11) the health records of the child including~~ (viii) information available regarding:

~~(i)~~ (A) the names and addresses of the child's health care and dental care providers;

~~(ii)~~ (B) a record of the child's immunizations;

~~(iii)~~ (C) the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

~~(iv)~~ (D) the child's medications; and

~~(v)~~ (E) any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

~~(12)~~ (10) an independent living plan for a child 14 years of age or older, developed in consultation with the child. The child may select one member of the case planning team to be designated as the child's advisor and to advocate with respect to the application of the

449.1 reasonable and prudent parenting standards in subdivision 14. The plan should include, but
449.2 not be limited to, the following objectives:

449.3 (i) educational, vocational, or employment planning;

449.4 (ii) health care planning and medical coverage;

449.5 (iii) transportation including, where appropriate, assisting the child in obtaining a driver's
449.6 license;

449.7 (iv) money management, including the responsibility of the responsible social services
449.8 agency to ensure that the child annually receives, at no cost to the child, a consumer report
449.9 as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies
449.10 in the report;

449.11 (v) planning for housing;

449.12 (vi) social and recreational skills;

449.13 (vii) establishing and maintaining connections with the child's family and community;
449.14 and

449.15 (viii) regular opportunities to engage in age-appropriate or developmentally appropriate
449.16 activities typical for the child's age group, taking into consideration the capacities of the
449.17 individual child;

449.18 ~~(13)~~ (11) for a child in voluntary foster care for treatment under chapter 260D, diagnostic
449.19 and assessment information, specific services relating to meeting the mental health care
449.20 needs of the child, and treatment outcomes;

449.21 ~~(14)~~ (12) for a child 14 years of age or older, a signed acknowledgment that describes
449.22 the child's rights regarding education, health care, visitation, safety and protection from
449.23 exploitation, and court participation; receipt of the documents identified in section 260C.452;
449.24 and receipt of an annual credit report. The acknowledgment shall state that the rights were
449.25 explained in an age-appropriate manner to the child; and

449.26 ~~(15)~~ (13) for a child placed in a qualified residential treatment program, the plan must
449.27 include the requirements in section 260C.708.

449.28 ~~(d)~~ (e) The parent or parents or guardian and the child each shall have the right to legal
449.29 counsel in the preparation of the case plan and shall be informed of the right at the time of
449.30 placement of the child. The child shall also have the right to a guardian ad litem. If unable
449.31 to employ counsel from their own resources, the court shall appoint counsel upon the request
449.32 of the parent or parents or the child or the child's legal guardian. The parent or parents may

450.1 also receive assistance from any person or social services agency in preparation of the case
450.2 plan.

450.3 ~~(e) Before an out-of-home placement plan is signed by the parent or parents or guardian~~
450.4 ~~of the child, the responsible social services agency must provide the parent or parents or~~
450.5 ~~guardian with a one- to two- page summary of the plan using a form developed by the~~
450.6 ~~commissioner. The out-of-home placement plan summary must clearly summarize the plan's~~
450.7 ~~contents under paragraph (c) and list the requirements and responsibilities for the parent or~~
450.8 ~~parents or guardian using plain language. The summary must be updated and provided to~~
450.9 ~~the parent or parents or guardian when the out-of-home placement plan is updated under~~
450.10 ~~subdivision 1a.~~

450.11 (f) After the plan has been agreed upon by the parties involved or approved or ordered
450.12 by the court, the foster parents shall be fully informed of the provisions of the case plan and
450.13 shall be provided a copy of the plan.

450.14 (g) Upon the child's discharge from foster care, the responsible social services agency
450.15 must provide the child's parent, adoptive parent, or permanent legal and physical custodian,
450.16 and the child, if the child is 14 years of age or older, with a current copy of the child's health
450.17 and education record. If a child meets the conditions in subdivision 15, paragraph (b), the
450.18 agency must also provide the child with the child's social and medical history. The responsible
450.19 social services agency may give a copy of the child's health and education record and social
450.20 and medical history to a child who is younger than 14 years of age, if it is appropriate and
450.21 if subdivision 15, paragraph (b), applies.

450.22 Sec. 19. Minnesota Statutes 2024, section 260C.212, subdivision 1a, is amended to read:

450.23 Subd. 1a. **Out-of-home placement plan update.** (a) Within 30 days of placing the child
450.24 in foster care, the agency must complete the child's out-of-home placement plan summary
450.25 and file it with the court. Within 60 days of placing the child in foster care, the agency must
450.26 file the child's initial out-of-home placement plan with the court. After filing the child's
450.27 ~~initial~~ out-of-home placement plan, the agency shall update and file the child's out-of-home
450.28 placement plan with the court as follows:

450.29 (1) when the agency moves a child to a different foster care setting, the agency shall
450.30 inform the court within 30 days of the child's placement change or court-ordered trial home
450.31 visit. The agency must file the child's updated out-of-home placement plan summary and
450.32 out-of-home placement plan with the court at the next required review hearing;

(2) when the agency places a child in a qualified residential treatment program as defined in section 260C.007, subdivision 26d, or moves a child from one qualified residential treatment program to a different qualified residential treatment program, the agency must update the child's out-of-home placement plan within 60 days. To meet the requirements of section 260C.708, the agency must file the child's out-of-home placement plan along with the agency's report seeking the court's approval of the child's placement at a qualified residential treatment program under section 260C.71. After the court issues an order, the agency must update the child's out-of-home placement plan to document the court's approval or disapproval of the child's placement in a qualified residential treatment program;

(3) when the agency places a child with the child's parent in a licensed residential family-based substance use disorder treatment program under section 260C.190, the agency must identify the treatment program where the child will be placed in the child's out-of-home placement plan prior to the child's placement. The agency must file the child's out-of-home placement plan summary and out-of-home placement plan with the court at the next required review hearing; and

(4) under sections 260C.227 and 260C.521, the agency must update the child's out-of-home placement plan summary and out-of-home placement plan and file the child's out-of-home placement plan with the court.

(b) When none of the items in paragraph (a) apply, the agency must update the child's out-of-home placement plan summary and out-of-home placement plan no later than 180 days after the child's initial placement and every six months thereafter, consistent with section 260C.203, paragraph (a).

Sec. 20. Minnesota Statutes 2024, section 260C.221, subdivision 2, is amended to read:

Subd. 2. **Relative notice requirements.** (a) The agency may provide oral or written notice to a child's relatives. In the child's case record, the agency must document providing the required notice to each of the child's relatives. The responsible social services agency must notify relatives:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, the order of placement that the agency will consider under section 260C.212, subdivision 2, paragraph (a), and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent

452.1 placement is sought for the child and to receive notice of the permanency progress review
452.2 hearing under section 260C.204. A relative who fails to provide a current address to the
452.3 responsible social services agency and the court forfeits the right to receive notice of the
452.4 possibility of permanent placement and of the permanency progress review hearing under
452.5 section 260C.204, until the relative provides a current address to the responsible social
452.6 services agency and the court. A decision by a relative not to be identified as a potential
452.7 permanent placement resource or participate in planning for the child shall not affect whether
452.8 the relative is considered for placement of, or as a permanency resource for, the child with
452.9 that relative at any time in the case, and shall not be the sole basis for the court to rule out
452.10 the relative as the child's placement or permanency resource;

452.11 (3) that the relative may participate in the care and planning for the child, as specified
452.12 in subdivision 3, including that the opportunity for such participation may be lost by failing
452.13 to respond to the notice sent under this subdivision;

452.14 (4) of the family foster care licensing and adoption home study requirements, including:

452.15 (i) how to complete an application and;

452.16 (ii) how to request a variance from licensing standards that do not present a safety or
452.17 health risk to the child in the home under section 142B.10 and;

452.18 (iii) supports that are available for relatives and children who reside in a family foster
452.19 home, including how to access respite care, strategies for leveraging natural supports for
452.20 the child and family, and ways to include resource or substitute caregivers in the child's
452.21 case plan; and

452.22 (iv) the relative's choice between county or private agency and services provided by that
452.23 agency under section 142B.30, depending on funding available;

452.24 (5) of the relatives' right to ask to be notified of any court proceedings regarding the
452.25 child, to attend the hearings, and of a relative's right to be heard by the court as required
452.26 under section 260C.152, subdivision 5;

452.27 (6) that regardless of the relative's response to the notice sent under this subdivision, the
452.28 agency is required to establish permanency for a child, including planning for alternative
452.29 permanency options if the agency's reunification efforts fail or are not required; ~~and~~

452.30 (7) that by responding to the notice, a relative may receive information about participating
452.31 in a child's family and permanency team if the child is placed in a qualified residential
452.32 treatment program as defined in section 260C.007, subdivision 26d; and

452.33 (8) information advising a relative on access to legal services and support.

(b) The responsible social services agency shall send the notice required under paragraph (a) to relatives who become known to the responsible social services agency, except for relatives that the agency does not contact due to safety reasons under subdivision 5, paragraph (b). The responsible social services agency shall continue to send notice to relatives notwithstanding a court's finding that the agency has made reasonable efforts to conduct a relative search.

(c) The responsible social services agency is not required to send the notice under paragraph (a) to a relative who becomes known to the agency after an adoption placement agreement has been fully executed under section 260C.613, subdivision 1. If the relative wishes to be considered for adoptive placement of the child, the agency shall inform the relative of the relative's ability to file a motion for an order for adoptive placement under section 260C.607, subdivision 6.

Sec. 21. Minnesota Statutes 2024, section 260C.223, subdivision 1, is amended to read:

Subdivision 1. Program; goals. (a) The commissioner of children, youth, and families shall establish a program for concurrent permanency planning for child protection services.

(b) Concurrent permanency planning involves a planning process for children who are placed out of the home of their parents pursuant to a court order, or who have been voluntarily placed out of the home by the parents for 60 days or more and who are not developmentally disabled or emotionally disabled under section 260C.212, subdivision 9. The responsible social services agency shall develop an alternative permanency plan while making reasonable efforts for reunification of the child with the family, if required by section 260.012. The goals of concurrent permanency planning are to:

(1) achieve early permanency for children;

(2) decrease children's length of stay in foster care and reduce the number of moves children experience in foster care; and

(3) ~~develop a group of families~~ establish a foster parent for a child who will work towards reunification and also serve as a permanent families family for children.

Sec. 22. Minnesota Statutes 2024, section 260C.223, subdivision 2, is amended to read:

Subd. 2. Development of guidelines and protocols. (a) The commissioner shall establish guidelines and protocols for social services agencies involved in concurrent permanency planning, including criteria for conducting concurrent permanency planning based on relevant factors such as:

454.1 (1) age of the child and duration of out-of-home placement;

454.2 (2) prognosis for successful reunification with parents;

454.3 (3) availability of relatives and other concerned individuals to provide support or a
454.4 permanent placement for the child; and

454.5 (4) special needs of the child and other factors affecting the child's best interests.

454.6 (b) In developing the guidelines and protocols, the commissioner shall consult with
454.7 interest groups within the child protection system, including child protection workers, child
454.8 protection advocates, county attorneys, law enforcement, community service organizations,
454.9 the councils of color, and the ombudsperson for families.

454.10 (c) The responsible social services agency must not make a foster family the permanent
454.11 home for a child until:

454.12 (1) inquiry and Tribal notice requirements under section 260.761, subdivisions 1 and 2,
454.13 are satisfied;

454.14 (2) inquiry about the child's heritage, including their race, culture, and ethnicity pursuant
454.15 to section 260.63, subdivision 10, has been completed; and

454.16 (3) the court has determined that reasonable or active efforts toward completing the
454.17 relative search requirements in section 260C.221 have been made.

454.18 Sec. 23. Minnesota Statutes 2024, section 260C.329, subdivision 8, is amended to read:

454.19 Subd. 8. **Hearing.** The court may grant the petition ordering the reestablishment of the
454.20 legal parent and child relationship only if it finds by clear and convincing evidence that:

454.21 (1) reestablishment of the legal parent and child relationship is in the child's best interests;

454.22 (2) the child ~~has~~ is not ~~been~~ currently adopted;

454.23 (3) the child is not the subject of a written adoption placement agreement between the
454.24 responsible social services agency and the prospective adoptive parent, as required under
454.25 Minnesota Rules, part 9560.0060, subpart 2;

454.26 (4) at least 24 months have elapsed following a final order terminating parental rights
454.27 and the child remains in foster care;

454.28 (5) the child desires to reside with the parent;

454.29 (6) the parent has corrected the conditions that led to an order terminating parental rights;
454.30 and

455.1 (7) the parent is willing and has the capability to provide day-to-day care and maintain
455.2 the health, safety, and welfare of the child.

455.3 Sec. 24. Minnesota Statutes 2024, section 260C.452, subdivision 4, is amended to read:

455.4 Subd. 4. **Administrative or court review of placements.** (a) When the youth is 14 years
455.5 of age or older, the court, in consultation with the youth, shall review the youth's independent
455.6 living plan according to section 260C.203, paragraph (d).

455.7 (b) The responsible social services agency shall file a copy of the notification of foster
455.8 care benefits for a youth who is 18 years of age or older according to section 260C.451,
455.9 subdivision 1, with the court. If the responsible social services agency does not file the
455.10 notice by the time the youth is 17-1/2 years of age, the court shall require the responsible
455.11 social services agency to file the notice.

455.12 (c) When a youth is 18 years of age or older, the court shall ensure that the responsible
455.13 social services agency assists the youth in obtaining the following documents before the
455.14 youth leaves foster care: a Social Security card; an official or certified copy of the youth's
455.15 birth certificate; a state identification card or driver's license, Tribal enrollment identification
455.16 card, ~~green~~ permanent resident card, or school visa; health insurance information; the youth's
455.17 school, medical, and dental records; a contact list of the youth's medical, dental, and mental
455.18 health providers; and contact information for the youth's siblings, if the siblings are in foster
455.19 care.

455.20 (d) For a youth who will be discharged from foster care at 18 years of age or older
455.21 because the youth is not eligible for extended foster care benefits or chooses to leave foster
455.22 care, the responsible social services agency must develop a personalized transition plan as
455.23 directed by the youth during the 180-day period immediately prior to the expected date of
455.24 discharge. The transition plan must be as detailed as the youth elects and include specific
455.25 options, including but not limited to:

455.26 (1) affordable housing with necessary supports that does not include a homeless shelter;

455.27 (2) health insurance, including eligibility for medical assistance as defined in section
455.28 256B.055, subdivision 17;

455.29 (3) education, including application to the Education and Training Voucher Program;

455.30 (4) local opportunities for mentors and continuing support services;

455.31 (5) workforce supports and employment services;

(6) a copy of the youth's consumer credit report as defined in section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report, at no cost to the youth;

(7) information on executing a health care directive under chapter 145C and on the importance of designating another individual to make health care decisions on behalf of the youth if the youth becomes unable to participate in decisions;

(8) appropriate contact information through 21 years of age if the youth needs information or help dealing with a crisis situation; and

(9) official documentation that the youth was previously in foster care.

Sec. 25. Minnesota Statutes 2024, section 260E.03, subdivision 15, is amended to read:

Subd. 15. **Neglect.** (a) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (8), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(6) medical neglect, as defined in section 260C.007, subdivision 6, clause (5);

(7) chronic and severe use of alcohol or a controlled substance by a person responsible for the child's care that adversely affects the child's basic needs and safety; or

(8) emotional harm from a pattern of behavior that contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(b) Nothing in this chapter shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care.

(c) This chapter does not impose upon persons not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care a duty to provide that care.

(d) Nothing in this chapter shall be construed to mean that a child who has a mental, physical, or emotional condition is neglected solely because the child remains in an emergency department or hospital setting because services, including residential treatment, that are deemed necessary by the child's medical or mental health care professional or county case manager are not available to the child's parent, guardian, or other person responsible for the child's care, and the child cannot be safely discharged to the child's family.

Sec. 26. Minnesota Statutes 2024, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph. The local

458.1 welfare agency or agency responsible for assessing or investigating the report shall ask the
458.2 reporter if the reporter is aware of the child or family heritage, including the child's Tribal
458.3 lineage pursuant to section 260.761 and their race, culture, and ethnicity pursuant to section
458.4 260.63, subdivision 10.

458.5 (c) Notwithstanding paragraph (a), upon implementation of the provider licensing and
458.6 reporting hub, an individual who has an account with the provider licensing and reporting
458.7 hub and is required to report suspected maltreatment at a licensed program under section
458.8 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by
458.9 the commissioner and is not required to make an oral report. A report submitted through
458.10 the provider licensing and reporting hub must be made immediately.

458.11 Sec. 27. Minnesota Statutes 2024, section 260E.20, subdivision 1, is amended to read:

458.12 Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to
458.13 prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child,
458.14 and supporting and preserving family life whenever possible.

458.15 (b) If the report alleges a violation of a criminal statute involving maltreatment or child
458.16 endangerment under section 609.378, the local law enforcement agency and local welfare
458.17 agency shall coordinate the planning and execution of their respective investigation and
458.18 assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews.
458.19 Each agency shall prepare a separate report of the results of the agency's investigation or
458.20 assessment.

458.21 (c) In cases of alleged child maltreatment resulting in death, the local agency may rely
458.22 on the fact-finding efforts of a law enforcement investigation to make a determination of
458.23 whether or not maltreatment occurred.

458.24 (d) When necessary, the local welfare agency shall seek authority to remove the child
458.25 from the custody of a parent, guardian, or adult with whom the child is living.

458.26 (e) In performing any of these duties, the local welfare agency shall maintain an
458.27 appropriate record.

458.28 (f) In conducting a family assessment, noncaregiver human trafficking assessment, or
458.29 investigation, the local welfare agency shall gather information on the existence of substance
458.30 abuse and domestic violence.

458.31 (g) If the family assessment, noncaregiver human trafficking assessment, or investigation
458.32 indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or

person responsible for the child's care, the local welfare agency must coordinate a comprehensive assessment pursuant to section 245G.05.

(h) The agency may use either a family assessment or investigation to determine whether the child is safe when responding to a report resulting from birth match data under section 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(i) When conducting any assessment or investigation, the agency shall ask the child, if age appropriate; parents; extended family; and reporter about the child's family heritage, including the child's Tribal lineage pursuant to section 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision 10.

Sec. 28. Minnesota Statutes 2024, section 260E.24, subdivision 1, is amended to read:

Subdivision 1. **Timing.** The local welfare agency shall conclude the family assessment, the noncaregiver human trafficking assessment, or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

Sec. 29. Minnesota Statutes 2024, section 260E.24, subdivision 2, is amended to read:

Subd. 2. **Determination after family assessment or a noncaregiver human trafficking assessment.** After conducting a family assessment or a noncaregiver human trafficking assessment, the local welfare agency shall determine whether child protective services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment. The local welfare agency must document the information collected under section 260E.20, subdivision 3, related to the completed family assessment or noncaregiver human trafficking assessment in the child's or family's case notes.

Sec. 30. **[260E.291] REPORTING OF SCHOOL ATTENDANCE CONCERNS.**

Subdivision 1. **Reports required.** (a) A person mandated to report under this chapter must immediately report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be

enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(b) Any person may voluntarily report to the local welfare agency, Tribal social services agency, or designated partner if the person knows or has reason to believe that a child required to be enrolled in school under section 120A.22 has at least seven unexcused absences in the current school year and is at risk of educational neglect under section 260C.163, subdivision 11.

(c) An oral report must be made immediately by telephone or otherwise. An oral report made by a person required to report under paragraph (a) must be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the local welfare agency. A report must sufficiently identify the child and the child's parent or guardian, the actual or estimated number of the child's unexcused absences in the current school year, the efforts made by school officials to resolve attendance concerns with the family, and the name and address of the reporter. A voluntary reporter under paragraph (b) may refuse to provide their name or address if the report is otherwise sufficient, and such a report must be accepted by the local welfare agency.

Subd. 2. **Local welfare agency.** (a) The local welfare agency or partner designated to provide child welfare services must provide a child welfare response for a report that alleges a child enrolled in school has seven or more unexcused absences. When providing a child welfare response under this paragraph, the local welfare agency or designated partner must offer services to the child and the child's family to address school attendance concerns or may partner with a county attorney's office, a community-based organization, or other community partner to provide the services. The services must be culturally and linguistically appropriate and tailored to the needs of the child and the child's family. This section is subject to all requirements of the Minnesota Indian Family Preservation Act under sections 260.751 to 260.835, and the Minnesota African American Family Preservation and Child Welfare Disproportionality Act under sections 260.61 to 260.693.

(b) If the child's unexcused absences continue and the family has not engaged with services under paragraph (a) after the local welfare agency, Tribal social services agency, or partner designated to provide child welfare services has made multiple varied attempts to engage the child's family, a report of educational neglect must be made regardless of the number of unexcused absences the child has accrued. The local welfare agency must determine the response path assignment pursuant to section 260E.17 and may proceed with the process outlined in section 260C.141.

Sec. 31. **REVISOR INSTRUCTION.**

The revisor of statutes shall change paragraphs to subdivisions, clauses to paragraphs, and items to clauses in Minnesota Statutes, sections 260C.203 and 260C.204. The revisor shall make any necessary grammatical changes or changes to sentence structure necessary to preserve the meaning of the text as a result of the changes. The revisor of statutes must correct any statutory cross-references consistent with the changes in this section.

ARTICLE 19

EARLY CARE AND LEARNING

Section 1. Minnesota Statutes 2024, section 142A.76, subdivision 2, is amended to read:

Subd. 2. **Establishment.** The Office of Restorative Practices is established within the Department of ~~Public Safety~~ Children, Youth, and Families. The Office of Restorative Practices shall have the powers and duties described in this section.

Sec. 2. Minnesota Statutes 2024, section 142A.76, subdivision 3, is amended to read:

Subd. 3. **Director; other staff.** (a) The commissioner of ~~public safety~~ children, youth, and families shall appoint a director of the Office of Restorative Practices. The director should have qualifications that include or are similar to the following:

(1) experience in the many facets of restorative justice and practices such as peacemaking circles, sentencing circles, community conferencing, community panels, and family group decision making;

(2) experience in victim-centered and trauma-informed practices;

(3) knowledge of the range of social problems that bring children and families to points of crisis such as poverty, racism, unemployment, and unequal opportunity;

(4) knowledge of the many ways youth become involved in other systems such as truancy, juvenile delinquency, and child protection; and

(5) understanding of educational barriers.

(b) The director shall hire additional staff to perform the duties of the Office of Restorative Practices. The staff shall be in the classified service of the state and their compensation shall be established pursuant to chapter 43A.

Sec. 3. Minnesota Statutes 2024, section 142D.31, subdivision 2, is amended to read:

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships ~~up to \$10,000 per year~~ in amounts per year consistent with the national TEACH early childhood program requirements for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's degree or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of \$250 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed or certified early childhood or child care program and working directly with children, a licensed family child care provider, employed by a public prekindergarten program, employed by a Head Start program, or an employee in a school-age program exempt from licensing under section 142B.05, subdivision 2, paragraph (a), clause (8). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute at least ten percent of the total scholarship and must be sponsored by their employers, who must also contribute at least five percent of the total scholarship. Scholarship recipients who ~~are self-employed~~ work in licensed family child care under Minnesota Rules, chapter 9502, must contribute ~~20~~ at least ten percent of the total scholarship and are not required to receive employer sponsorship or employer match.

Sec. 4. Minnesota Statutes 2024, section 142E.03, subdivision 3, is amended to read:

Subd. 3. **Redeterminations.** (a) Notwithstanding Minnesota Rules, part 3400.0180, item A, the county shall conduct a redetermination according to paragraphs (b) and (c).

(b) The county shall use the redetermination form developed by the commissioner. The county must verify the factors listed in subdivision 1, paragraph (a), as part of the redetermination.

(c) An applicant's eligibility must be redetermined no more frequently than every 12 months. The following criteria apply:

(1) a family meets the eligibility redetermination requirements if a complete redetermination form and all required verifications are received within 30 days after the date the form was due;

(2) if the 30th day after the date the form was due falls on a Saturday, Sunday, or holiday, the 30-day time period is extended to include the next day that is not a Saturday, Sunday, or holiday. Assistance shall be payable retroactively from the redetermination due date;

(3) for a family where at least one parent is younger than 21 years of age, does not have a high school degree or commissioner of education-selected high school equivalency certification, and is a student in a school district or another similar program that provides or arranges for child care, parenting, social services, career and employment supports, and academic support to achieve high school graduation, the redetermination of eligibility may be deferred beyond 12 months, to the end of the student's school year; ~~and~~

(4) starting May 25, 2026, if a new eligible child is added to the family and has care authorized, the redetermination of eligibility must be extended 12 months from the eligible child's arrival date; and

~~(4)~~ (5) a family and the family's providers must be notified that the family's redetermination is due at least 45 days before the end of the family's 12-month eligibility period.

Sec. 5. Minnesota Statutes 2024, section 142E.11, subdivision 1, is amended to read:

Subdivision 1. **General authorization requirements.** (a) When authorizing the amount of child care, the county agency must consider the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in an authorized activity.

(b) Care must be authorized and scheduled with a provider based on the applicant's or participant's verified activity schedule when:

(1) the family requests care from more than one provider per child;

(2) the family requests care from a legal nonlicensed provider; or

(3) an applicant or participant is employed by any child care center that is licensed by the Department of Children, Youth, and Families or has been identified as a high-risk Medicaid-enrolled provider.

This paragraph expires March 2, 2026.

(c) If the family remains eligible at redetermination, a new authorization with fewer hours, the same hours, or increased hours may be determined.

Sec. 6. Minnesota Statutes 2024, section 142E.11, subdivision 2, is amended to read:

Subd. 2. **Maintain steady child care authorizations.** (a) Notwithstanding Minnesota Rules, chapter 3400, the amount of child care authorized under section 142E.12 for

464.1 employment, education, or an MFIP employment plan shall continue at the same number
464.2 of hours or more hours until redetermination, including:

464.3 (1) when the other parent moves in and is employed or has an education plan under
464.4 section 142E.12, subdivision 3, or has an MFIP employment plan; or

464.5 (2) when the participant's work hours are reduced or a participant temporarily stops
464.6 working or attending an approved education program. Temporary changes include, but are
464.7 not limited to, a medical leave, seasonal employment fluctuations, or a school break between
464.8 semesters.

464.9 (b) The county may increase the amount of child care authorized at any time if the
464.10 participant verifies the need for increased hours for authorized activities.

464.11 (c) The county may reduce the amount of child care authorized if a parent requests a
464.12 reduction or because of a change in:

464.13 (1) the child's school schedule;

464.14 (2) the custody schedule; or

464.15 (3) the provider's availability.

464.16 (d) The amount of child care authorized for a family subject to subdivision 1, paragraph
464.17 (b), must change when the participant's activity schedule changes. Paragraph (a) does not
464.18 apply to a family subject to subdivision 1, paragraph (b). This paragraph expires March 2,
464.19 2026.

464.20 (e) When a child reaches 13 years of age or a child with a disability reaches 15 years of
464.21 age, the amount of child care authorized shall continue at the same number of hours or more
464.22 hours until redetermination.

464.23 Sec. 7. Minnesota Statutes 2024, section 142E.13, subdivision 2, is amended to read:

464.24 Subd. 2. **Extended eligibility and redetermination.** (a) If the family received three
464.25 months of extended eligibility and redetermination is not due, to continue receiving child
464.26 care assistance the participant must be employed or have an education plan that meets the
464.27 requirements of section 142E.12, subdivision 3, or have an MFIP employment plan.

464.28 Notwithstanding Minnesota Rules, part 3400.0110, if child care assistance continues, the
464.29 amount of child care authorized shall continue at the same number or more hours until
464.30 redetermination, unless a condition in section 142E.11, subdivision 2, paragraph (c), applies.

464.31 ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care~~
464.32 ~~authorized based on a verified activity schedule.~~

(b) If the family's redetermination occurs before the end of the three-month extended eligibility period to continue receiving child care assistance, the participant must verify that the participant meets eligibility and activity requirements for child care assistance under this chapter. If child care assistance continues, the amount of child care authorized is based on section 142E.12. ~~A family subject to section 142E.11, subdivision 1, paragraph (b), shall have child care authorized based on a verified activity schedule.~~

EFFECTIVE DATE. This section is effective May 25, 2026.

Sec. 8. Minnesota Statutes 2024, section 142E.15, subdivision 1, is amended to read:

Subdivision 1. **Fee schedule.** All changes to parent fees must be implemented on the first Monday of the service period following the effective date of the change.

PARENT FEE SCHEDULE. The parent fee schedule is as follows, except as noted in subdivision 2:

Income Range (as a percent of the state median income, except at the start of the first tier)	Co-payment (as a percentage of adjusted gross income)
~~0-74.99%~~ <u>0-99.99%</u> of federal poverty guidelines	\$0/biweekly
~~75.00-99.99%~~ of federal poverty guidelines	~~\$2/biweekly~~
100.00% of federal poverty guidelines ~~27.72%~~ <u>27.99%</u>	~~2.61%~~ <u>2.6%</u>
~~27.73-29.04%~~	2.61%
~~29.05-30.36%~~	2.61%
~~30.37-31.68%~~	2.61%
~~31.69-33.00%~~	2.91%
~~33.01-34.32%~~	2.91%
~~34.33-35.65%~~	2.91%
~~35.66-36.96%~~	2.91%
~~36.97-38.29%~~	3.21%
~~38.30-39.61%~~	3.21%
~~39.62-40.93%~~	3.21%
~~40.94-42.25%~~	3.84%
~~42.26-43.57%~~	3.84%
~~43.58-44.89%~~	4.46%
~~44.90-46.21%~~	4.76%
~~46.22-47.53%~~	5.05%
~~47.54-48.85%~~	5.65%

466.1	~~48.86-50.17%~~	~~5.95%~~
466.2	~~50.18-51.49%~~	~~6.24%~~
466.3	~~51.50-52.81%~~	~~6.84%~~
466.4	~~52.82-54.13%~~	~~7.58%~~
466.5	~~54.14-55.45%~~	~~8.33%~~
466.6	~~55.46-56.77%~~	~~9.20%~~
466.7	~~56.78-58.09%~~	~~10.07%~~
466.8	~~58.10-59.41%~~	~~10.94%~~
466.9	~~59.42-60.73%~~	~~11.55%~~
466.10	~~60.74-62.06%~~	~~12.16%~~
466.11	~~62.07-63.38%~~	~~12.77%~~
466.12	~~63.39-64.70%~~	~~13.38%~~
466.13	~~64.71-67.00%~~	~~14.00%~~
466.14	<u>28.00-30.99%</u>	<u>2.6%</u>
466.15	<u>31.00-33.99%</u>	<u>2.6%</u>
466.16	<u>34.00-36.99%</u>	<u>2.9%</u>
466.17	<u>37.00-39.99%</u>	<u>3.2%</u>
466.18	<u>40.00-42.99%</u>	<u>3.8%</u>
466.19	<u>43.00-45.99%</u>	<u>4.4%</u>
466.20	<u>46.00-48.99%</u>	<u>5.0%</u>
466.21	<u>49.00-51.99%</u>	<u>5.6%</u>
466.22	<u>52.00-54.99%</u>	<u>6.2%</u>
466.23	<u>55.00-57.99%</u>	<u>6.8%</u>
466.24	<u>58.00-60.99%</u>	<u>6.9%</u>
466.25	<u>61.00-63.99%</u>	<u>6.9%</u>
466.26	<u>64.00-67.00%</u>	<u>6.9%</u>
466.27	Greater than 67.00%	ineligible

466.28 A family's biweekly co-payment fee is the fixed percentage established for the income
466.29 range multiplied by the ~~highest~~ lowest possible income within that income range.

466.30 **EFFECTIVE DATE.** This section is effective October 13, 2025.

466.31 Sec. 9. Minnesota Statutes 2024, section 142E.16, subdivision 3, is amended to read:

466.32 Subd. 3. **Training required.** (a) Prior to initial authorization as required in subdivision
466.33 1, a legal nonlicensed family child care provider must complete first aid and CPR training
466.34 and provide the verification of first aid and CPR training to the commissioner. The training
466.35 documentation must have valid effective dates as of the date the registration request is

467.1 submitted to the commissioner. The training must have been provided by an individual
467.2 approved to provide first aid and CPR instruction and have included CPR techniques for
467.3 infants and children.

467.4 (b) Upon each reauthorization after the authorization period when the initial first aid
467.5 and CPR training requirements are met, a legal nonlicensed family child care provider must
467.6 provide verification of at least eight hours of additional training listed in the Minnesota
467.7 Center for Professional Development Registry.

467.8 (c) Every 12 months, a legal nonlicensed family child care provider who is unrelated to
467.9 the child they care for must complete two hours of training in caring for children approved
467.10 by the commissioner.

467.11 ~~(e)~~ (d) This subdivision only applies to legal nonlicensed family child care providers.

467.12 **EFFECTIVE DATE.** This section is effective October 1, 2025.

467.13 Sec. 10. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

467.14 Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers
467.15 receiving child care assistance payments must:

467.16 (1) keep accurate and legible daily attendance records at the site where services are
467.17 delivered for children receiving child care assistance; ~~and~~

467.18 (2) make those records available immediately to the county or the commissioner upon
467.19 request. Any records not provided to a county or the commissioner at the date and time of
467.20 the request are deemed inadmissible if offered as evidence by the provider in any proceeding
467.21 to contest an overpayment or disqualification of the provider; and

467.22 (3) submit data on child enrollment and attendance in the form and manner specified by
467.23 the commissioner.

467.24 (b) As a condition of payment, attendance records must be completed daily and include
467.25 the date, the first and last name of each child in attendance, and the times when each child
467.26 is dropped off and picked up. To the extent possible, the times that the child was dropped
467.27 off to and picked up from the child care provider must be entered by the person dropping
467.28 off or picking up the child. The daily attendance records must be retained at the site where
467.29 services are delivered for six years after the date of service.

467.30 (c) When the county or the commissioner knows or has reason to believe that a current
467.31 or former provider has not complied with the record-keeping requirement in this subdivision:

467.32 (1) the commissioner may:

468.1 (i) deny or revoke a provider's authorization to receive child care assistance payments
468.2 under section 142E.17, subdivision 9, paragraph (d);

468.3 (ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and
468.4 256.98; or

468.5 (iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section
468.6 142E.51; or

468.7 (2) a county or the commissioner may establish an attendance record overpayment under
468.8 paragraph (d).

468.9 (d) To calculate an attendance record overpayment under this subdivision, the
468.10 commissioner or county agency shall subtract the maximum daily rate from the total amount
468.11 paid to a provider for each day that a child's attendance record is missing, unavailable,
468.12 incomplete, inaccurate, or otherwise inadequate.

468.13 (e) The commissioner shall develop criteria for a county to determine an attendance
468.14 record overpayment under this subdivision.

468.15 **EFFECTIVE DATE.** This section is effective June 22, 2026.

468.16 Sec. 11. **ELIMINATING SCHEDULE REPORTER DESIGNATION.**

468.17 Notwithstanding Minnesota Statutes, section 142E.04, subdivisions 6, 7, and 8, the
468.18 commissioner of children, youth, and families must allocate additional basic sliding fee
468.19 child care money for calendar years 2026 and 2027 to counties and Tribes to account for
468.20 eliminating the schedule reporter designation in the child care assistance program. In
468.21 allocating the additional money, the commissioner shall consider:

468.22 (1) the number of children who are in schedule reporter families; and

468.23 (2) the average basic sliding fee cost of care in the county or Tribe.

468.24 Sec. 12. **REVISOR INSTRUCTION.**

468.25 The revisor of statutes shall renumber Minnesota Statutes, section 245.0962, as Minnesota
468.26 Statutes, section 142A.47. The revisor shall also make necessary cross-reference changes
468.27 consistent with the renumbering.

468.28 **EFFECTIVE DATE.** This section is effective July 1, 2025.

469.1 Sec. 13. **REVISOR INSTRUCTION.**

469.2 The revisor of statutes shall renumber Minnesota Statutes, section 142D.12, subdivision
469.3 3, as Minnesota Statutes, section 120B.121. The revisor shall also make necessary
469.4 cross-reference changes consistent with the renumbering.

469.5 Sec. 14. **REVISOR INSTRUCTION.**

469.6 The revisor of statutes shall renumber Minnesota Statutes, section 124D.129, as
469.7 Minnesota Statutes, section 142A.48. The revisor shall also make necessary cross-reference
469.8 changes consistent with the renumbering.

469.9 **ARTICLE 20**

469.10 **CHILDREN AND FAMILIES LICENSING POLICY**

469.11 Section 1. Minnesota Statutes 2024, section 142B.10, subdivision 14, is amended to read:

469.12 Subd. 14. **Grant of license; license extension.** (a) If the commissioner determines that
469.13 the program complies with all applicable rules and laws, the commissioner shall issue a
469.14 license consistent with this section or, if applicable, a temporary change of ownership license
469.15 under section 142B.11. At minimum, the license shall state:

469.16 (1) the name of the license holder;

469.17 (2) the address of the program;

469.18 (3) the effective date and expiration date of the license;

469.19 (4) the type of license;

469.20 (5) the maximum number and ages of persons that may receive services from the program;

469.21 and

469.22 (6) any special conditions of licensure.

469.23 (b) The commissioner may issue a license for a period not to exceed two years if:

469.24 (1) the commissioner is unable to conduct the observation required by subdivision 11,
469.25 paragraph (a), clause (3), because the program is not yet operational;

469.26 (2) certain records and documents are not available because persons are not yet receiving
469.27 services from the program; and

469.28 (3) the applicant complies with applicable laws and rules in all other respects.

470.1 (c) A decision by the commissioner to issue a license does not guarantee that any person
470.2 or persons will be placed or cared for in the licensed program.

470.3 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
470.4 license if the applicant, license holder, or an affiliated controlling individual has:

470.5 (1) been disqualified and the disqualification was not set aside and no variance has been
470.6 granted;

470.7 (2) been denied a license under this chapter or chapter 245A within the past two years;

470.8 (3) had a license issued under this chapter or chapter 245A revoked within the past five
470.9 years; or

470.10 (4) failed to submit the information required of an applicant under subdivision 1,
470.11 paragraph (f), (g), or (h), after being requested by the commissioner.

470.12 When a license issued under this chapter or chapter 245A is revoked, the license holder
470.13 and each affiliated controlling individual with a revoked license may not hold any license
470.14 under chapter 142B for five years following the revocation, and other licenses held by the
470.15 applicant or license holder or licenses affiliated with each controlling individual shall also
470.16 be revoked.

470.17 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
470.18 affiliated with a license holder or controlling individual that had a license revoked within
470.19 the past five years if the commissioner determines that (1) the license holder or controlling
470.20 individual is operating the program in substantial compliance with applicable laws and rules
470.21 and (2) the program's continued operation is in the best interests of the community being
470.22 served.

470.23 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
470.24 to an application that is affiliated with an applicant, license holder, or controlling individual
470.25 that had an application denied within the past two years or a license revoked within the past
470.26 five years if the commissioner determines that (1) the applicant or controlling individual
470.27 has operated one or more programs in substantial compliance with applicable laws and rules
470.28 and (2) the program's operation would be in the best interests of the community to be served.

470.29 (g) In determining whether a program's operation would be in the best interests of the
470.30 community to be served, the commissioner shall consider factors such as the number of
470.31 persons served, the availability of alternative services available in the surrounding
470.32 community, the management structure of the program, whether the program provides
470.33 culturally specific services, and other relevant factors.

471.1 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
471.2 living in the household where the services will be provided as specified under section
471.3 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
471.4 and no variance has been granted.

471.5 (i) Pursuant to section 142B.18, subdivision 1, paragraph (b), when a license issued
471.6 under this chapter has been suspended or revoked and the suspension or revocation is under
471.7 appeal, the program may continue to operate pending a final order from the commissioner.
471.8 If the license under suspension or revocation will expire before a final order is issued, a
471.9 temporary provisional license may be issued provided any applicable license fee is paid
471.10 before the temporary provisional license is issued.

471.11 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
471.12 a controlling individual or license holder, and the controlling individual or license holder
471.13 is ordered under section 245C.17 to be immediately removed from direct contact with
471.14 persons receiving services or is ordered to be under continuous, direct supervision when
471.15 providing direct contact services, the program may continue to operate only if the program
471.16 complies with the order and submits documentation demonstrating compliance with the
471.17 order. If the disqualified individual fails to submit a timely request for reconsideration, or
471.18 if the disqualification is not set aside and no variance is granted, the order to immediately
471.19 remove the individual from direct contact or to be under continuous, direct supervision
471.20 remains in effect pending the outcome of a hearing and final order from the commissioner.

471.21 (k) For purposes of reimbursement for meals only, under the Child and Adult Care Food
471.22 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
471.23 relocation within the same county by a licensed family day care provider, shall be considered
471.24 an extension of the license for a period of no more than 30 calendar days or until the new
471.25 license is issued, whichever occurs first, provided the county agency has determined the
471.26 family day care provider meets licensure requirements at the new location.

471.27 (l) Unless otherwise specified by statute, all licenses issued under this chapter expire at
471.28 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
471.29 ~~apply for and be granted~~ comply with the requirements in section 142B.12 and be reissued
471.30 a new license to operate the program or the program must not be operated after the expiration
471.31 date. Child foster care license holders must apply for and be granted a new license to operate
471.32 the program or the program must not be operated after the expiration date. Upon
471.33 implementation of the provider licensing and reporting hub, licenses may be issued each
471.34 calendar year.

(m) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

(n) The commissioner of children, youth, and families shall coordinate and share data with the commissioner of human services to enforce this section.

Sec. 2. Minnesota Statutes 2024, section 142B.16, subdivision 2, is amended to read:

Subd. 2. Reconsideration of correction orders. (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Children, Youth, and Families to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, and:

(1) specify the parts of the correction order that are alleged to be in error;

(2) explain why they are in error; and

(3) include documentation to support the allegation of error.

(b) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

~~(b)~~ (c) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

(1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and

(2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

(d) The commissioner must not publicly post the correction order for licensed child care centers or licensed family child care providers on the department's website until:

(1) after the 20-calendar-day period for requesting reconsideration; or

(2) if the applicant or license holder requested reconsideration, after the commissioner's disposition of a request for reconsideration is provided to the applicant or license holder.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of children, youth, and families must notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2024, section 142B.171, subdivision 2, is amended to read:

Subd. 2. **Documented technical assistance.** (a) In lieu of a correction order under section 142B.16, the commissioner shall provide documented technical assistance to a family child care or child care center license holder if the commissioner finds that:

(1) the license holder has failed to comply with a requirement in this chapter or Minnesota Rules, chapter 9502 or 9503, that the commissioner determines to be low risk as determined by the child care weighted risk system;

(2) the noncompliance does not imminently endanger the health, safety, or rights of the persons served by the program; and

(3) the license holder did not receive documented technical assistance or a correction order for the same violation at the license holder's most recent annual licensing inspection.

(b) Documented technical assistance must include communication from the commissioner to the license holder that:

(1) states the conditions that constitute a violation of a law or rule;

(2) references the specific law or rule violated; and

(3) explains remedies for correcting the violation.

~~(c) The commissioner shall not publicly publish documented technical assistance on the department's website.~~

Sec. 4. **[142B.181] POSTING LICENSING ACTIONS ON DEPARTMENT WEBSITE.**

(a) The commissioner must post a summary document for each licensing action issued to a licensed child care center and family child care provider on the Licensing Information

474.1 Lookup public website maintained by the Department of Children, Youth, and Families.
474.2 The commissioner must not post any communication, including letters, from the
474.3 commissioner to the center or provider.

474.4 (b) The commissioner must remove a summary document from the Licensing Information
474.5 Lookup public website within ten days of the length of time that the document is required
474.6 to be posted under Code of Federal Regulations, title 45, section 98.33.

474.7 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
474.8 whichever is later. The commissioner of children, youth, and families must notify the revisor
474.9 of statutes when federal approval is obtained.

474.10 Sec. 5. Minnesota Statutes 2024, section 142B.30, subdivision 1, is amended to read:

474.11 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
474.12 agencies that have been designated or licensed by the commissioner to perform licensing
474.13 functions and activities under section 142B.10; to recommend denial of applicants under
474.14 section 142B.15; to issue correction orders, to issue variances, and to recommend a
474.15 conditional license under section 142B.16; or to recommend suspending or revoking a
474.16 license or issuing a fine under section 142B.18, shall comply with rules and directives of
474.17 the commissioner governing those functions and with this section. The following variances
474.18 are excluded from the delegation of variance authority and may be issued only by the
474.19 commissioner:

474.20 (1) dual licensure of family child care and family child foster care;

474.21 (2) child foster care maximum age requirement;

474.22 (3) variances regarding disqualified individuals;

474.23 (4) variances to requirements relating to chemical use problems of a license holder or a
474.24 household member of a license holder; and

474.25 (5) variances to section 142B.74 for a time-limited period. If the commissioner grants
474.26 a variance under this clause, the license holder must provide notice of the variance to all
474.27 parents and guardians of the children in care.

474.28 (b) The commissioners of human services and children, youth, and families must both
474.29 approve a variance for dual licensure of family child foster care and family adult foster care
474.30 or family adult foster care and family child care. Variances under this paragraph are excluded
474.31 from the delegation of variance authority and may be issued only by both commissioners.

(c) Except as provided in section 142B.41, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(d) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

(e) Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

(f) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

(g) A child foster care license issued under this section may be issued for up to two years until implementation of the provider licensing and reporting hub. Upon implementation of the provider licensing and reporting hub, licenses may be issued each calendar year.

(h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

Sec. 6. Minnesota Statutes 2024, section 142B.41, is amended by adding a subdivision to read:

Subd. 14. **Staff distribution.** Notwithstanding Minnesota Rules, part 9503.0040, subpart 2, item B, a child care aide in a licensed child care center may be substituted for a teacher during morning arrival and afternoon departure times if the total arrival and departure time

476.1 does not exceed 25 percent of the center's daily hours of operation. For a child care aide to
476.2 be substituted for a teacher under this subdivision, the child care aide must:

476.3 (1) be 18 years of age or older;

476.4 (2) have been employed by the child care center for a minimum of 30 days; and

476.5 (3) have completed the training required under section 142B.65, including orientation
476.6 training and the training required within the first 90 days of employment.

476.7 **EFFECTIVE DATE.** This section is effective July 1, 2025.

476.8 Sec. 7. Minnesota Statutes 2024, section 142B.51, subdivision 2, is amended to read:

476.9 Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs
476.10 licensed by the Department of Human Services under chapter 245A or the Department of
476.11 Children, Youth, and Families under this chapter and Minnesota Rules, chapter 2960, that
476.12 serve a child or children under ~~eight~~ nine years of age must document training that fulfills
476.13 the requirements in this subdivision.

476.14 (b) Before a license holder, staff person, or caregiver transports a child or children under
476.15 age ~~eight~~ nine in a motor vehicle, the person transporting the child must satisfactorily
476.16 complete training on the proper use and installation of child restraint systems in motor
476.17 vehicles. Training completed under this section may be used to meet initial or ongoing
476.18 training under Minnesota Rules, part 2960.3070, subparts 1 and 2.

476.19 (c) Training required under this section must be completed at orientation or initial training
476.20 and repeated at least once every five years. At a minimum, the training must address the
476.21 proper use of child restraint systems based on the child's size, weight, and age, and the
476.22 proper installation of a car seat or booster seat in the motor vehicle used by the license
476.23 holder to transport the child or children.

476.24 (d) Training under paragraph (c) must be provided by individuals who are certified and
476.25 approved by the Office of Traffic Safety within the Department of Public Safety. License
476.26 holders may obtain a list of certified and approved trainers through the Department of Public
476.27 Safety website or by contacting the agency.

476.28 ~~(e) Notwithstanding paragraph (a), for an emergency relative placement under section~~
476.29 ~~142B.06, the commissioner may grant a variance to the training required by this subdivision~~
476.30 ~~for a relative who completes a child seat safety check up. The child seat safety check up~~
476.31 ~~trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and~~
476.32 ~~must provide one-on-one instruction on placing a child of a specific age in the exact child~~

~~passenger restraint in the motor vehicle in which the child will be transported. Once granted a variance, and if all other licensing requirements are met, the relative applicant may receive a license and may transport a relative foster child younger than eight years of age. A child seat safety check-up must be completed each time a child requires a different size car seat according to car seat and vehicle manufacturer guidelines. A relative license holder must complete training that meets the other requirements of this subdivision prior to placement of another foster child younger than eight years of age in the home or prior to the renewal of the child foster care license.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 8. Minnesota Statutes 2024, section 142B.65, subdivision 8, is amended to read:

Subd. 8. Child passenger restraint systems; training requirement. (a) Before a license holder transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles.

(b) Training required under this subdivision must be repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(c) Training required under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(d) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 25, in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

(e) Training completed under this subdivision may be used to meet in-service training requirements under subdivision 9. Training completed within the previous five years is transferable upon a staff person's change in employment to another child care center.

EFFECTIVE DATE. This section is effective January 1, 2026.

478.1 Sec. 9. Minnesota Statutes 2024, section 142B.65, subdivision 9, is amended to read:

478.2 Subd. 9. **In-service training.** (a) A license holder must ensure that the center director,
478.3 staff persons, substitutes, and unsupervised volunteers complete in-service training each
478.4 calendar year.

478.5 (b) The center director and staff persons who work more than 20 hours per week must
478.6 complete 24 hours of in-service training each calendar year. Staff persons who work 20
478.7 hours or less per week must complete 12 hours of in-service training each calendar year.
478.8 Substitutes and unsupervised volunteers must complete at least two hours of training each
478.9 year, and the training must include the requirements of paragraphs (d) to (g) and do not
478.10 otherwise have a minimum number of hours of training to complete.

478.11 (c) The number of in-service training hours may be prorated for ~~individuals~~ center
478.12 directors and staff persons not employed for an entire year.

478.13 (d) Each year, in-service training must include:

478.14 (1) the center's procedures for maintaining health and safety according to section 142B.66
478.15 and Minnesota Rules, part 9503.0140, and handling emergencies and accidents according
478.16 to Minnesota Rules, part 9503.0110;

478.17 (2) the reporting responsibilities under chapter 260E and Minnesota Rules, part
478.18 9503.0130;

478.19 (3) at least one-half hour of training on the standards under section 142B.46 and on
478.20 reducing the risk of sudden unexpected infant death as required under subdivision 6, if
478.21 applicable; and

478.22 (4) at least one-half hour of training on the risk of abusive head trauma from shaking
478.23 infants and young children as required under subdivision 7, if applicable.

478.24 (e) Each year, or when a change is made, whichever is more frequent, in-service training
478.25 must be provided on: (1) the center's risk reduction plan under section 142B.54, subdivision
478.26 2; and (2) a child's individual child care program plan as required under Minnesota Rules,
478.27 part 9503.0065, subpart 3.

478.28 (f) At least once every two calendar years, the in-service training must include:

478.29 (1) child development and learning training under subdivision 3;

478.30 (2) pediatric first aid that meets the requirements of subdivision 4;

478.31 (3) pediatric cardiopulmonary resuscitation training that meets the requirements of
478.32 subdivision 5;

479.1 (4) cultural dynamics training to increase awareness of cultural differences; and

479.2 (5) disabilities training to increase awareness of differing abilities of children.

479.3 (g) At least once every five years, in-service training must include child passenger
479.4 restraint training that meets the requirements of subdivision 8, if applicable.

479.5 (h) The remaining hours of the in-service training requirement must be met by completing
479.6 training in the following content areas of the Minnesota Knowledge and Competency
479.7 Framework:

479.8 (1) Content area I: child development and learning;

479.9 (2) Content area II: developmentally appropriate learning experiences;

479.10 (3) Content area III: relationships with families;

479.11 (4) Content area IV: assessment, evaluation, and individualization;

479.12 (5) Content area V: historical and contemporary development of early childhood
479.13 education;

479.14 (6) Content area VI: professionalism;

479.15 (7) Content area VII: health, safety, and nutrition; and

479.16 (8) Content area VIII: application through clinical experiences.

479.17 (i) For purposes of this subdivision, the following terms have the meanings given them.

479.18 (1) "Child development and learning training" means training in understanding how
479.19 children develop physically, cognitively, emotionally, and socially and learn as part of the
479.20 children's family, culture, and community.

479.21 (2) "Developmentally appropriate learning experiences" means creating positive learning
479.22 experiences, promoting cognitive development, promoting social and emotional development,
479.23 promoting physical development, and promoting creative development.

479.24 (3) "Relationships with families" means training on building a positive, respectful
479.25 relationship with the child's family.

479.26 (4) "Assessment, evaluation, and individualization" means training in observing,
479.27 recording, and assessing development; assessing and using information to plan; and assessing
479.28 and using information to enhance and maintain program quality.

(5) "Historical and contemporary development of early childhood education" means training in past and current practices in early childhood education and how current events and issues affect children, families, and programs.

(6) "Professionalism" means training in knowledge, skills, and abilities that promote ongoing professional development.

(7) "Health, safety, and nutrition" means training in establishing health practices, ensuring safety, and providing healthy nutrition.

(8) "Application through clinical experiences" means clinical experiences in which a person applies effective teaching practices using a range of educational programming models.

(j) The license holder must ensure that documentation, as required in subdivision 10, includes the number of total training hours required to be completed, name of the training, the Minnesota Knowledge and Competency Framework content area, number of hours completed, and the director's approval of the training.

(k) In-service training completed by a staff person that is not specific to that child care center is transferable upon a staff person's change in employment to another child care program.

Sec. 10. Minnesota Statutes 2024, section 142B.66, subdivision 3, is amended to read:

Subd. 3. **Emergency preparedness.** (a) A licensed child care center must have a written emergency plan for emergencies that require evacuation, sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other threatening situation that may pose a health or safety hazard to a child. The plan must be written on a form developed by the commissioner and must include:

(1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

(2) a designated relocation site and evacuation route;

(3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation, shelter-in-place, or lockdown, including procedures for reunification with families;

(4) accommodations for a child with a disability or a chronic medical condition;

(5) procedures for storing a child's medically necessary medicine that facilitates easy removal during an evacuation or relocation;

(6) procedures for continuing operations in the period during and after a crisis;

(7) procedures for communicating with local emergency management officials, law enforcement officials, or other appropriate state or local authorities; and

(8) accommodations for infants and toddlers.

(b) The license holder must train staff persons on the emergency plan at orientation, when changes are made to the plan, and at least once each calendar year. Training must be documented in each staff person's personnel file.

(c) The license holder must conduct drills according to the requirements in Minnesota Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.

(d) The license holder must review and update the emergency plan ~~annually~~ each calendar year. Documentation of the ~~annual~~ yearly emergency plan review shall be maintained in the program's administrative records.

(e) The license holder must include the emergency plan in the program's policies and procedures as specified under section 142B.10, subdivision 21. The license holder must provide a physical or electronic copy of the emergency plan to the child's parent or legal guardian upon enrollment.

(f) The relocation site and evacuation route must be posted in a visible place as part of the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140, subpart 21.

Sec. 11. Minnesota Statutes 2024, section 142B.70, subdivision 7, is amended to read:

Subd. 7. Child passenger restraint systems; training requirement. (a) A license holder must comply with all seat belt and child passenger restraint system requirements under section 169.685.

(b) Family and group family child care programs licensed by the Department of Children, Youth, and Families that serve a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in this subdivision.

(1) Before a license holder, second adult caregiver, substitute, or helper transports a child or children under age ~~eight~~ nine in a motor vehicle, the person placing the child or children in a passenger restraint must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this subdivision may be used to meet initial training under subdivision 1 or ongoing training under subdivision 8.

(2) Training required under this subdivision must be at least one hour in length, completed at initial training, and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(3) Training under this subdivision must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety website or by contacting the agency.

(c) Child care providers that only transport school-age children as defined in section 142B.01, subdivision 13, paragraph (f), in child care buses as defined in section 169.448, subdivision 1, paragraph (e), are exempt from this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 12. Minnesota Statutes 2024, section 142B.70, subdivision 8, is amended to read:

Subd. 8. Training requirements for family and group family child care. (a) For purposes of family and group family child care, the license holder and each second adult caregiver must complete 16 hours of ongoing training each year. Repeat of topical training requirements in subdivisions 3 to 9 shall count toward the annual 16-hour training requirement. Additional ongoing training subjects to meet the annual 16-hour training requirement must be selected from the following areas:

(1) child development and learning training in understanding how a child develops physically, cognitively, emotionally, and socially, and how a child learns as part of the child's family, culture, and community;

(2) developmentally appropriate learning experiences, including training in creating positive learning experiences, promoting cognitive development, promoting social and emotional development, promoting physical development, promoting creative development; and behavior guidance;

(3) relationships with families, including training in building a positive, respectful relationship with the child's family;

(4) assessment, evaluation, and individualization, including training in observing, recording, and assessing development; assessing and using information to plan; and assessing and using information to enhance and maintain program quality;

(5) historical and contemporary development of early childhood education, including training in past and current practices in early childhood education and how current events and issues affect children, families, and programs;

(6) professionalism, including training in knowledge, skills, and abilities that promote ongoing professional development; and

(7) health, safety, and nutrition, including training in establishing healthy practices; ensuring safety; and providing healthy nutrition.

(b) A provider who is approved as a trainer through the Develop data system may count up to two hours of training instruction toward the annual 16-hour training requirement in paragraph (a). The provider may only count training instruction hours for the first instance in which they deliver a particular content-specific training during each licensing year. Hours counted as training instruction must be approved through the Develop data system with attendance verified on the trainer's individual learning record and must be in Knowledge and Competency Framework content area VII A (Establishing Healthy Practices) or B (Ensuring Safety).

(c) Substitutes and adult caregivers who provide care for 500 or fewer hours per year must complete a minimum of one hour of training each calendar year, and the training must include the requirements in subdivisions 3, 4, 5, 6, and 9.

Sec. 13. Minnesota Statutes 2024, section 142C.06, is amended by adding a subdivision to read:

Subd. 4. **Requirement to post conditional certification.** Upon receipt of any order of conditional certification issued by the commissioner under this section, and notwithstanding a pending request for reconsideration of the order of conditional certification by the certification holder, the certification holder shall post the order of conditional certification in a place that is conspicuous to the people receiving services and all visitors to the facility for the duration of the conditional certification. When the order of conditional certification is accompanied by a maltreatment investigation memorandum prepared under chapter 260E, the investigation memoranda must be posted with the order of conditional certification.

Sec. 14. Minnesota Statutes 2024, section 142C.11, subdivision 8, is amended to read:

Subd. 8. Required policies. A certified center must have written policies for health and safety items in subdivisions 1 to 6, 9, and 10.

Sec. 15. Minnesota Statutes 2024, section 142C.12, subdivision 1, is amended to read:

Subdivision 1. **First aid and cardiopulmonary resuscitation.** (a) Before having unsupervised direct contact with a child, but within 90 days after the first date of direct contact with a child, the director, all staff persons, substitutes, and unsupervised volunteers must successfully complete pediatric first aid and pediatric cardiopulmonary resuscitation (CPR) training, unless the training has been completed within the previous two calendar years. Staff must complete the pediatric first aid and pediatric CPR training at least every other calendar year and the center must document the training in the staff person's personnel record.

(b) Training completed under this subdivision may be used to meet the in-service training requirements under subdivision 6.

(c) Training must include CPR and techniques for providing immediate care to people experiencing life-threatening cardiac emergencies, choking, bleeding, fractures and sprains, head injuries, poisoning, and burns. Training developed by the American Heart Association, the American Red Cross, or another organization that uses nationally recognized, evidence-based guidelines meets these requirements.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 16. Minnesota Statutes 2024, section 142C.12, subdivision 6, is amended to read:

Subd. 6. **In-service training.** (a) The certified center must ensure that the director and all staff persons, including substitutes and unsupervised volunteers, are trained at least once each calendar year on health and safety requirements in this section and sections 142C.10, 142C.11, and 142C.13.

(b) The director and each staff person, not including substitutes, must complete at least six hours of training each calendar year. Substitutes must complete at least two hours of training each calendar year. Training required under paragraph (a) may be used toward the hourly training requirements of this subdivision.

Sec. 17. Minnesota Statutes 2024, section 245A.18, subdivision 1, is amended to read:

Subdivision 1. **Seat belt and child passenger restraint system use.** All license holders that transport children must comply with the requirements of section 142B.51, subdivision 1, and license holders that transport a child or children under ~~eight~~ nine years of age must document training that fulfills the requirements in section 142B.51, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2026.

485.1 Sec. 18. Laws 2021, First Special Session chapter 7, article 2, section 81, is amended to
485.2 read:

485.3 Sec. 81. **FAMILY CHILD CARE REGULATION MODERNIZATION.**

485.4 (a) The commissioner of ~~human services~~ shall children, youth, and families must contract
485.5 with an experienced and independent organization or individual consultant to conduct the
485.6 work outlined in this section. If practicable, the commissioner must contract with the National
485.7 Association for Regulatory Administration.

485.8 (b) The consultant must develop a proposal for updated family child care licensing
485.9 standards and solicit input from stakeholders as described in paragraph (d). The proposed
485.10 new standards must protect the health and safety of children in family child care programs
485.11 and be child centered, family friendly, and fair to providers.

485.12 (c) The consultant must work with stakeholders and the Department of Children, Youth,
485.13 and Families, as described in paragraph (d), to develop a proposal for a risk-based model
485.14 for monitoring compliance with family child care licensing standards, ~~grounded in national~~
485.15 ~~regulatory best practices.~~ Violations in the new model must be weighted to reflect the
485.16 potential risk they pose to children's health and safety, and licensing sanctions must be tied
485.17 to the potential risk. ~~The proposed new model must protect the health and safety of children~~
485.18 ~~in family child care programs and be child-centered, family friendly, and fair to providers.~~

485.19 (d) The consultant ~~shall~~ must develop and implement a stakeholder engagement process
485.20 that solicits input from parents, licensed family child care providers, county licensors, staff
485.21 of the Department of ~~Human Services~~ Children, Youth, and Families, and experts in child
485.22 development about licensing standards, tiers for violations of the standards based on the
485.23 potential risk of harm that each violation poses, and licensing sanctions for each tier. The
485.24 consultant and commissioner must engage with working groups of licensed family child
485.25 care providers at least five times throughout the stakeholder engagement process, and include
485.26 both daytime and evening engagement opportunities as needed.

485.27 (e) The consultant shall solicit input from parents, licensed family child care providers,
485.28 county licensors, and staff of the Department of ~~Human Services~~ Children, Youth, and
485.29 Families about which family child care providers should be eligible for abbreviated
485.30 inspections that predict compliance with other licensing standards for licensed family child
485.31 care providers using key indicators previously identified by an empirically based statistical
485.32 methodology developed by the National Association for Regulatory Administration and the
485.33 Research Institute for Key Indicators.

(f) No later than ~~February~~ December 1, 2024 2025, the commissioner ~~shall~~ must submit a report and proposed legislation required to implement the new licensing model and the new licensing standards to the chairs and ranking minority members of the legislative committees with jurisdiction over child care regulation. Throughout the drafting of the report and proposed legislation required under this paragraph, the commissioner must engage providers whose primary language is not English to have those providers review translated drafts of the report and written materials provided at engagement sessions to provide feedback on the draft standards. This engagement must occur within focus groups or meetings that are held at convenient times for the providers, including both daytime and evening sessions.

(g) The proposals developed under paragraphs (b) and (c); any presentations, summary documents, engagement invitations, surveys, and drafts of the report used in the stakeholder engagement process under paragraph (d) or when soliciting input under paragraph (e); and the report required under paragraph (f) must also be made available in Hmong, Somali, and Spanish.

(h) The updated family child care licensing standards proposed under paragraph (b) and the risk-based model for monitoring compliance with family child care licensing standards proposed under paragraph (c) must not be implemented any earlier than January 1, 2027.

ARTICLE 21

DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES RECODIFICATION CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 3.922, subdivision 1, is amended to read:

Subdivision 1. **Creation, membership.** The state Indian Affairs Council is created to consist of the following members:

(1) one member of each of the following federally recognized tribes, designated by the elected tribal president or chairperson of the governing bodies of:

the Fond du Lac Band;

the Grand Portage Band;

the Mille Lacs Band;

the White Earth Band;

the Bois Forte (Nett Lake) Band;

the Leech Lake Band;

the Red Lake Nation;

- 487.1 the Upper Sioux Community;
- 487.2 the Lower Sioux Community;
- 487.3 the Shakopee Mdewakanton Sioux Community;
- 487.4 the Prairie Island Mdewakanton Dakota Community;
- 487.5 (2) a member of the governor's official staff designated by the governor;
- 487.6 the commissioner of education;
- 487.7 the commissioner of human services;
- 487.8 the commissioner of natural resources;
- 487.9 the commissioner of human rights;
- 487.10 the commissioner of employment and economic development;
- 487.11 the commissioner of corrections;
- 487.12 the commissioner of the Minnesota Housing Finance Agency;
- 487.13 the commissioner of Iron Range resources and rehabilitation;
- 487.14 the commissioner of health;
- 487.15 the commissioner of transportation;
- 487.16 the commissioner of veterans affairs;
- 487.17 the commissioner of administration;
- 487.18 the commissioner of children, youth, and families;
- 487.19 Each of the commissioners listed in this clause may designate a staff member to serve
- 487.20 on the council instead of the commissioner;
- 487.21 (3) two members of the house of representatives, appointed by the speaker; and
- 487.22 (4) two members of the senate, appointed by its Subcommittee on Committees.
- 487.23 Members appointed to represent the house of representatives or the senate shall no longer
- 487.24 serve on the council when they are no longer members of the bodies which they represent
- 487.25 and their offices shall be vacant. A member who is a designee of a tribal president or
- 487.26 chairperson shall cease to be a member at the end of the term of the designating tribal
- 487.27 president or chairperson. Only members of the council designated under clause (1) shall
- 487.28 vote.

488.1 Sec. 2. Minnesota Statutes 2024, section 13.41, subdivision 1, is amended to read:

488.2 Subdivision 1. **Definition.** As used in this section "licensing agency" means any board,
488.3 department or agency of this state which is given the statutory authority to issue professional
488.4 or other types of licenses, except the various agencies primarily administered by the
488.5 commissioner of human services or the commissioner of children, youth, and families. Data
488.6 pertaining to persons or agencies licensed or registered under authority of the commissioner
488.7 of human services or the commissioner of children, youth, and families shall be administered
488.8 pursuant to section 13.46.

488.9 Sec. 3. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

488.10 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
488.11 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
488.12 system in an investigation, authorized by statute, and relating to the enforcement of rules
488.13 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
488.14 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
488.15 shall not be disclosed except:

488.16 (1) pursuant to section 13.05;

488.17 (2) pursuant to statute or valid court order;

488.18 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
488.19 preparation of defense;

488.20 (4) to an agent of the welfare system or an investigator acting on behalf of a county,
488.21 state, or federal government, including a law enforcement officer or attorney in the
488.22 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the
488.23 commissioner of human services or the commissioner of children, youth, and families
488.24 determines that disclosure may compromise a Department of Human Services or Department
488.25 of Children, Youth, and Families ongoing investigation; or

488.26 (5) to provide notices required or permitted by statute.

488.27 The data referred to in this subdivision shall be classified as public data upon submission
488.28 to an administrative law judge or court in an administrative or judicial proceeding. Inactive
488.29 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

488.30 (b) Notwithstanding any other provision in law, the commissioner of human services or
488.31 the commissioner of children, youth, and families shall provide all active and inactive
488.32 investigative data, including the name of the reporter of alleged maltreatment under section

489.1 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities
489.2 upon the request of the ombudsman.

489.3 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation
489.4 by the commissioner of human services or the commissioner of children, youth, and families
489.5 of possible overpayments of public funds to a service provider or recipient may be disclosed
489.6 if the commissioner determines that it will not compromise the investigation.

489.7 Sec. 4. Minnesota Statutes 2024, section 13.46, subdivision 4, is amended to read:

489.8 Subd. 4. **Licensing data.** (a) As used in this subdivision:

489.9 (1) "licensing data" are all data collected, maintained, used, or disseminated by the
489.10 welfare system pertaining to persons licensed or registered or who apply for licensure or
489.11 registration or who formerly were licensed or registered under the authority of the
489.12 commissioner of human services or the commissioner of children, youth, and families;

489.13 (2) "client" means a person who is receiving services from a licensee or from an applicant
489.14 for licensure; and

489.15 (3) "personal and personal financial data" are Social Security numbers, identity of and
489.16 letters of reference, insurance information, reports from the Bureau of Criminal
489.17 Apprehension, health examination reports, and social/home studies.

489.18 (b)(1)(i) Except as provided in paragraph (c), the following data on applicants, license
489.19 holders, certification holders, and former licensees are public: name, address, telephone
489.20 number of licensees, email addresses except for family child foster care, date of receipt of
489.21 a completed application, dates of licensure, licensed capacity, type of client preferred,
489.22 variances granted, record of training and education in child care and child development,
489.23 type of dwelling, name and relationship of other family members, previous license history,
489.24 class of license, the existence and status of complaints, and the number of serious injuries
489.25 to or deaths of individuals in the licensed program as reported to the commissioner of human
489.26 services; the commissioner of children, youth, and families; the local social services agency;
489.27 or any other county welfare agency. For purposes of this clause, a serious injury is one that
489.28 is treated by a physician.

489.29 (ii) Except as provided in item (v), when a correction order, an order to forfeit a fine,
489.30 an order of license suspension, an order of temporary immediate suspension, an order of
489.31 license revocation, an order of license denial, or an order of conditional license has been
489.32 issued, or a complaint is resolved, the following data on current and former licensees and
489.33 applicants are public: the general nature of the complaint or allegations leading to the

490.1 temporary immediate suspension; the substance and investigative findings of the licensing
490.2 or maltreatment complaint, licensing violation, or substantiated maltreatment; the existence
490.3 of settlement negotiations; the record of informal resolution of a licensing violation; orders
490.4 of hearing; findings of fact; conclusions of law; specifications of the final correction order,
490.5 fine, suspension, temporary immediate suspension, revocation, denial, or conditional license
490.6 contained in the record of licensing action; whether a fine has been paid; and the status of
490.7 any appeal of these actions.

490.8 (iii) When a license denial under section 142A.15 or 245A.05 or a sanction under section
490.9 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling
490.10 individual is responsible for maltreatment under section 626.557 or chapter 260E, the identity
490.11 of the applicant, license holder, or controlling individual as the individual responsible for
490.12 maltreatment is public data at the time of the issuance of the license denial or sanction.

490.13 (iv) When a license denial under section 142A.15 or 245A.05 or a sanction under section
490.14 142B.18 or 245A.07 is based on a determination that a license holder, applicant, or controlling
490.15 individual is disqualified under chapter 245C, the identity of the license holder, applicant,
490.16 or controlling individual as the disqualified individual is public data at the time of the
490.17 issuance of the licensing sanction or denial. If the applicant, license holder, or controlling
490.18 individual requests reconsideration of the disqualification and the disqualification is affirmed,
490.19 the reason for the disqualification and the reason to not set aside the disqualification are
490.20 private data.

490.21 (v) A correction order or fine issued to a child care provider for a licensing violation is
490.22 private data on individuals under section 13.02, subdivision 12, or nonpublic data under
490.23 section 13.02, subdivision 9, if the correction order or fine is seven years old or older.

490.24 (2) For applicants who withdraw their application prior to licensure or denial of a license,
490.25 the following data are public: the name of the applicant, the city and county in which the
490.26 applicant was seeking licensure, the dates of the commissioner's receipt of the initial
490.27 application and completed application, the type of license sought, and the date of withdrawal
490.28 of the application.

490.29 (3) For applicants who are denied a license, the following data are public: the name and
490.30 address of the applicant, the city and county in which the applicant was seeking licensure,
490.31 the dates of the commissioner's receipt of the initial application and completed application,
490.32 the type of license sought, the date of denial of the application, the nature of the basis for
490.33 the denial, the existence of settlement negotiations, the record of informal resolution of a

491.1 denial, orders of hearings, findings of fact, conclusions of law, specifications of the final
491.2 order of denial, and the status of any appeal of the denial.

491.3 (4) When maltreatment is substantiated under section 626.557 or chapter 260E and the
491.4 victim and the substantiated perpetrator are affiliated with a program licensed under chapter
491.5 142B or 245A; the commissioner of human services; commissioner of children, youth, and
491.6 families; local social services agency; or county welfare agency may inform the license
491.7 holder where the maltreatment occurred of the identity of the substantiated perpetrator and
491.8 the victim.

491.9 (5) Notwithstanding clause (1), for child foster care, only the name of the license holder
491.10 and the status of the license are public if the county attorney has requested that data otherwise
491.11 classified as public data under clause (1) be considered private data based on the best interests
491.12 of a child in placement in a licensed program.

491.13 (c) The following are private data on individuals under section 13.02, subdivision 12,
491.14 or nonpublic data under section 13.02, subdivision 9: personal and personal financial data
491.15 on family day care program and family foster care program applicants and licensees and
491.16 their family members who provide services under the license.

491.17 (d) The following are private data on individuals: the identity of persons who have made
491.18 reports concerning licensees or applicants that appear in inactive investigative data, and the
491.19 records of clients or employees of the licensee or applicant for licensure whose records are
491.20 received by the licensing agency for purposes of review or in anticipation of a contested
491.21 matter. The names of reporters of complaints or alleged violations of licensing standards
491.22 under chapters 142B, 245A, 245B, 245C, and 245D, and applicable rules and alleged
491.23 maltreatment under section 626.557 and chapter 260E, are confidential data and may be
491.24 disclosed only as provided in section 260E.21, subdivision 4; 260E.35; or 626.557,
491.25 subdivision 12b.

491.26 (e) Data classified as private, confidential, nonpublic, or protected nonpublic under this
491.27 subdivision become public data if submitted to a court or administrative law judge as part
491.28 of a disciplinary proceeding in which there is a public hearing concerning a license which
491.29 has been suspended, immediately suspended, revoked, or denied.

491.30 (f) Data generated in the course of licensing investigations that relate to an alleged
491.31 violation of law are investigative data under subdivision 3.

491.32 (g) Data that are not public data collected, maintained, used, or disseminated under this
491.33 subdivision that relate to or are derived from a report as defined in section 260E.03, or

492.1 626.5572, subdivision 18, are subject to the destruction provisions of sections 260E.35,
492.2 subdivision 6, and 626.557, subdivision 12b.

492.3 (h) Upon request, not public data collected, maintained, used, or disseminated under
492.4 this subdivision that relate to or are derived from a report of substantiated maltreatment as
492.5 defined in section 626.557 or chapter 260E may be exchanged with the Department of
492.6 Health for purposes of completing background studies pursuant to section 144.057 and with
492.7 the Department of Corrections for purposes of completing background studies pursuant to
492.8 section 241.021.

492.9 (i) Data on individuals collected according to licensing activities under chapters 142B,
492.10 245A, and 245C; and data on individuals collected by the commissioner of human services
492.11 or the commissioner of children, youth, and families according to investigations under
492.12 section 626.557 and chapters 142B, 245A, 245B, 245C, 245D, and 260E may be shared
492.13 with the Department of Human Rights, the Department of Health, the Department of
492.14 Corrections, the ombudsman for mental health and developmental disabilities, and the
492.15 individual's professional regulatory board and between the commissioners of human services
492.16 and children, youth, and families when there is reason to believe that laws or standards
492.17 under the jurisdiction of those agencies may have been violated or the information may
492.18 otherwise be relevant to the board's regulatory jurisdiction. Background study data on an
492.19 individual who is the subject of a background study under chapter 245C for a licensed
492.20 service for which the commissioner of human services or children, youth, and families is
492.21 the license holder may be shared with the commissioner and the commissioner's delegate
492.22 by the licensing division. Unless otherwise specified in this chapter, the identity of a reporter
492.23 of alleged maltreatment or licensing violations may not be disclosed.

492.24 (j) In addition to the notice of determinations required under sections 260E.24,
492.25 subdivisions 5 and 7, and 260E.30, subdivision 6, paragraphs (b), (c), (d), (e), and (f), if the
492.26 commissioner of human services; commissioner of children, youth, and families; or the
492.27 local social services agency has determined that an individual is a substantiated perpetrator
492.28 of maltreatment of a child based on sexual abuse, as defined in section 260E.03, and the
492.29 commissioner of human services; commissioner of children, youth, and families; or local
492.30 social services agency knows that the individual is a person responsible for a child's care
492.31 in another facility, the commissioner of human services; commissioner of children, youth,
492.32 and families; or local social services agency shall notify the head of that facility of this
492.33 determination. The notification must include an explanation of the individual's available
492.34 appeal rights and the status of any appeal. If a notice is given under this paragraph, the

493.1 government entity making the notification shall provide a copy of the notice to the individual
493.2 who is the subject of the notice.

493.3 (k) All not public data collected, maintained, used, or disseminated under this subdivision
493.4 and subdivision 3 may be exchanged between the Department of Human Services, Licensing
493.5 Division, and the Department of Corrections for purposes of regulating services for which
493.6 the Department of Human Services and the Department of Corrections have regulatory
493.7 authority.

493.8 Sec. 5. Minnesota Statutes 2024, section 13.46, subdivision 9, is amended to read:

493.9 Subd. 9. **Fraud.** In cases of suspected fraud, in which access to mental health data
493.10 maintained by public or private community mental health centers or mental health divisions
493.11 of counties and other providers under contract to deliver mental health services is necessary
493.12 to a proper investigation, the county board or the appropriate prosecutorial authority shall
493.13 refer the matter to the commissioner of human services or the commissioner of children,
493.14 youth, and families. The commissioner and agents of the commissioner, while maintaining
493.15 the privacy rights of individuals and families, shall have access to mental health data to
493.16 conduct an investigation. Upon deeming it appropriate as a result of the investigation, the
493.17 commissioner shall refer the matter to the appropriate legal authorities and may disseminate
493.18 to those authorities whatever mental health data are necessary to properly prosecute the
493.19 case.

493.20 Sec. 6. Minnesota Statutes 2024, section 13.46, subdivision 10, is amended to read:

493.21 Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter
493.22 to the contrary, the responsible authority for each component of the welfare system listed
493.23 in subdivision 1, clause (c), shall be as follows:

493.24 (1) the responsible authority for the Department of Human Services is the commissioner
493.25 of human services;

493.26 (2) the responsible authority of a county welfare agency is the director of the county
493.27 welfare agency;

493.28 (3) the responsible authority for a local social services agency, human services board,
493.29 or community mental health center board is the chair of the board;

493.30 (4) the responsible authority of any person, agency, institution, organization, or other
493.31 entity under contract to any of the components of the welfare system listed in subdivision
493.32 1, clause (c), is the person specified in the contract;

494.1 (5) the responsible authority of the public authority for child support enforcement is the
494.2 head of the public authority for child support enforcement;

494.3 (6) the responsible authority for county veteran services is the county veterans service
494.4 officer pursuant to section 197.603, subdivision 2; ~~and~~

494.5 (7) the responsible authority for Direct Care and Treatment is the chief executive officer
494.6 of Direct Care and Treatment; and

494.7 (8) the responsible authority for the Department of Children, Youth, and Families is the
494.8 commissioner of the Department of Children, Youth, and Families.

494.9 (b) A responsible authority shall allow another responsible authority in the welfare
494.10 system access to data classified as not public data when access is necessary for the
494.11 administration and management of programs, or as authorized or required by statute or
494.12 federal law.

494.13 Sec. 7. Minnesota Statutes 2024, section 13.598, subdivision 10, is amended to read:

494.14 Subd. 10. **Employment and training programs; data sharing.** Data sharing of
494.15 employment and training program data between the commissioner of employment and
494.16 economic development; the commissioner of human services; the commissioner of children,
494.17 youth, and families; state agency personnel; and other users of the inventory, referral and
494.18 intake system; is governed by section 116L.86, subdivision 3.

494.19 Sec. 8. Minnesota Statutes 2024, section 14.03, subdivision 3, is amended to read:

494.20 Subd. 3. **Rulemaking procedures.** (a) The definition of a rule in section 14.02,
494.21 subdivision 4, does not include:

494.22 (1) rules concerning only the internal management of the agency or other agencies that
494.23 do not directly affect the rights of or procedures available to the public;

494.24 (2) an application deadline on a form; and the remainder of a form and instructions for
494.25 use of the form to the extent that they do not impose substantive requirements other than
494.26 requirements contained in statute or rule;

494.27 (3) the curriculum adopted by an agency to implement a statute or rule permitting or
494.28 mandating minimum educational requirements for persons regulated by an agency, provided
494.29 the topic areas to be covered by the minimum educational requirements are specified in
494.30 statute or rule;

495.1 (4) procedures for sharing data among government agencies, provided these procedures
495.2 are consistent with chapter 13 and other law governing data practices.

495.3 (b) The definition of a rule in section 14.02, subdivision 4, does not include:

495.4 (1) rules of the commissioner of corrections relating to the release, placement, term, and
495.5 supervision of inmates serving a supervised release or conditional release term, the internal
495.6 management of institutions under the commissioner's control, and rules adopted under
495.7 section 609.105 governing the inmates of those institutions;

495.8 (2) rules relating to weight limitations on the use of highways when the substance of the
495.9 rules is indicated to the public by means of signs;

495.10 (3) opinions of the attorney general;

495.11 (4) the data element dictionary and the annual data acquisition calendar of the Department
495.12 of Education to the extent provided by section 125B.07;

495.13 (5) the occupational safety and health standards provided in section 182.655;

495.14 (6) revenue notices and tax information bulletins of the commissioner of revenue;

495.15 (7) uniform conveyancing forms adopted by the commissioner of commerce under
495.16 section 507.09;

495.17 (8) standards adopted by the Electronic Real Estate Recording Commission established
495.18 under section 507.0945; ~~or~~

495.19 (9) the interpretive guidelines developed by the commissioner of human services to the
495.20 extent provided in chapter 245A; or

495.21 (10) the interpretive guidelines developed by the commissioner of children, youth, and
495.22 families to the extent provided in chapter 142B.

495.23 Sec. 9. Minnesota Statutes 2024, section 116L.881, is amended to read:

495.24 **116L.881 INDIAN TRIBE PLANS.**

495.25 (a) The commissioner, in consultation with the ~~commissioner~~ commissioners of human
495.26 services and children, youth, and families, shall review and comment on Indian tribe plans
495.27 submitted to the commissioner for provision of employment and training services. Beginning
495.28 April 15, 1991, and by April 15 of each second year thereafter, the Indian tribe shall prepare
495.29 and submit to the commissioner a plan that covers the next two state fiscal years. Beginning
495.30 April 15, 1992, and by April 15 of each second year thereafter, the Indian tribe shall prepare
495.31 and submit to the commissioner an interim year plan update that deals with performance

during the past state fiscal year and that covers changes anticipated for the second year of the biennium. The commissioner shall notify the Indian tribe of approval or disapproval of the plans and updates for existing programs within 60 days of submission.

(b) A plan for a new tribal program must be submitted at least 45 days before the program is to commence. The commissioner shall approve or disapprove the plan for new programs within 30 days of receipt.

(c) The tribal plan and update must contain information that has been established by the commissioner and the ~~commissioner~~ commissioners of human services and children, youth, and families for the tribal employment and training service program.

(d) The commissioner may recommend to the ~~commissioner~~ commissioners of human services and children, youth, and families withholding the distribution of employment and training money from a tribe whose plan or update is disapproved by the commissioner or a tribe that does not submit a plan or update by the date established in this section.

Sec. 10. Minnesota Statutes 2024, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to

and from the care and treatment program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise.

Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the child's district of residence may utilize that online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph (e). However, the board, lodging, and treatment costs incurred in behalf of a child with a disability placed outside of the school district of residence by the commissioner of human services; the commissioner of children, youth, and families; or the commissioner of corrections or their agents; for reasons other than providing for the child's special educational needs must not become the responsibility of either the district providing the instruction or the district of the child's residence. For the purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment. If a child's district of residence, district of open enrollment under section 124D.03, or charter school of enrollment under section 124E.11 is authorized to provide online learning instruction under state statutes, the nonresident district may utilize that online learning program in fulfilling its educational program responsibility under this section if the child, or the child's parent or guardian for a pupil under the age of 18, agrees to that form of instruction.

(e) A privately owned and operated residential facility may enter into a contract to obtain appropriate educational programs for special education children and services with a joint powers entity. The entity with which the private facility contracts for special education

services shall be the district responsible for providing students placed in that facility an appropriate educational program in place of the district in which the facility is located. If a privately owned and operated residential facility does not enter into a contract under this paragraph, then paragraph (d) applies.

(f) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim general education aid for the child as provided by law. Transportation costs must be paid by the district responsible for providing the transportation and the state must pay transportation aid to that district.

Sec. 11. Minnesota Statutes 2024, section 125A.744, subdivision 2, is amended to read:

Subd. 2. **Statewide data management system.** The commissioner of education, in cooperation with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall develop a statewide data management system using the educational data reporting system or other existing data management system for school districts and cooperative units to use to maximize medical assistance reimbursement for health and health-related services provided under individualized education programs and individual family service plans. The system must be appropriately integrated with state and local existing and developing human services and education data systems. The statewide data management system must enable school district and cooperative unit staff to:

(1) establish medical assistance billing systems or improve existing systems;

(2) understand the appropriate medical assistance billing codes for services provided under individualized education programs and individual family service plans;

(3) comply with the Individuals with Disabilities Education Act, Public Law 105-17;

(4) contract with billing agents; and

(5) carry out other activities necessary to maximize medical assistance reimbursement.

Sec. 12. Minnesota Statutes 2024, section 127A.11, is amended to read:

127A.11 MONITOR MEDICAL ASSISTANCE SERVICES FOR DISABLED STUDENTS.

The commissioner of education, in cooperation with the ~~commissioner~~ commissioners of human services and children, youth, and families, shall monitor the costs of health-related, special education services provided by public schools.

Sec. 13. Minnesota Statutes 2024, section 127A.70, subdivision 2, is amended to read:

Subd. 2. **Powers and duties; report.** (a) The partnership shall develop recommendations to the governor and the legislature designed to maximize the achievement of all P-20 students while promoting the efficient use of state resources, thereby helping the state realize the maximum value for its investment. These recommendations may include, but are not limited to, strategies, policies, or other actions focused on:

(1) improving the quality of and access to education at all points from preschool through graduate education;

(2) improving preparation for, and transitions to, postsecondary education and work;

(3) ensuring educator quality by creating rigorous standards for teacher recruitment, teacher preparation, induction and mentoring of beginning teachers, and continuous professional development for career teachers; and

(4) realigning the governance and administrative structures of early education, kindergarten through grade 12, and postsecondary systems in Minnesota.

(b) Under the direction of the P-20 Education Partnership Statewide Longitudinal Education Data System Governance Committee, the Office of Higher Education and the Departments of Education; Children, Youth, and Families; and Employment and Economic Development shall improve and expand the Statewide Longitudinal Education Data System (SLEDS) and the Early Childhood Longitudinal Data System (ECLDS) to provide policymakers, education and workforce leaders, researchers, and members of the public with data, research, and reports to:

(1) expand reporting on students' educational outcomes for diverse student populations including at-risk students, children with disabilities, English learners, and gifted students, among others, and include formative and summative evaluations based on multiple measures of child well-being, early childhood development, and student progress toward career and college readiness;

(2) evaluate the effectiveness of early care, educational, and workforce programs; and

(3) evaluate the relationships among early care, education, and workforce outcomes, consistent with section 124D.49.

To the extent possible under federal and state law, research and reports should be accessible to the public on the Internet, and disaggregated by demographic characteristics, organization or organization characteristics, and geography.

500.1 It is the intent of the legislature that the Statewide Longitudinal Education Data System
500.2 and the Early Childhood Longitudinal Data System inform public policy and
500.3 decision-making. The SLEDS governance committee and ECLDS governance committee,
500.4 with assistance from staff of the Office of Higher Education; the Department of Education;
500.5 the Department of Children, Youth, and Families; and the Department of Employment and
500.6 Economic Development, shall respond to legislative committee and agency requests on
500.7 topics utilizing data made available through the Statewide Longitudinal Education Data
500.8 System and the Early Childhood Longitudinal Data System as resources permit. Any analysis
500.9 of or report on the data must contain only summary data.

500.10 (c) By January 15 of each year, the partnership shall submit a report to the governor and
500.11 to the chairs and ranking minority members of the legislative committees and divisions with
500.12 jurisdiction over P-20 education policy and finance that summarizes the partnership's progress
500.13 in meeting its goals and identifies the need for any draft legislation when necessary to further
500.14 the goals of the partnership to maximize student achievement while promoting efficient use
500.15 of resources.

500.16 Sec. 14. Minnesota Statutes 2024, section 142A.607, subdivision 14, is amended to read:

500.17 Subd. 14. **Notice for caregiver.** (a) The agency as defined in subdivision 7 or 12 that
500.18 is responsible for completing the initial assessment or reassessment must provide the child's
500.19 caregiver with written notice of the initial assessment or reassessment.

500.20 (b) Initial assessment notices must be sent within 15 days of completion of the initial
500.21 assessment and must minimally include the following:

500.22 (1) a summary of the child's completed individual assessment used to determine the
500.23 initial rating;

500.24 (2) statement of rating and benefit level;

500.25 (3) statement of the circumstances under which the agency must reassess the child;

500.26 (4) procedure to seek reassessment;

500.27 (5) notice that the caregiver has the right to a fair hearing review of the assessment and
500.28 how to request a fair hearing, consistent with ~~section~~ sections 142A.20 and 256.045,
500.29 subdivision 3; and

500.30 (6) the name, telephone number, and email, if available, of a contact person at the agency
500.31 completing the assessment.

501.1 (c) Reassessment notices must be sent within 15 days after the completion of the
501.2 reassessment and must minimally include the following:

501.3 (1) a summary of the child's individual assessment used to determine the new rating;

501.4 (2) any change in rating and its effective date;

501.5 (3) procedure to seek reassessment;

501.6 (4) notice that if a change in rating results in a reduction of benefits, the caregiver has
501.7 the right to a fair hearing review of the assessment and how to request a fair hearing
501.8 consistent with ~~section~~ sections 142A.20 and 256.045, subdivision 3;

501.9 (5) notice that a caregiver who requests a fair hearing of the reassessed rating within ten
501.10 days may continue at the current rate pending the hearing, but the agency may recover any
501.11 overpayment; and

501.12 (6) name, telephone number, and email, if available, of a contact person at the agency
501.13 completing the reassessment.

501.14 (d) Notice is not required for special assessments since the notice is part of the Northstar
501.15 kinship assistance or adoption assistance negotiated agreement completed according to
501.16 section 142A.608.

501.17 Sec. 15. Minnesota Statutes 2024, section 142A.609, subdivision 21, is amended to read:

501.18 Subd. 21. **Termination notice for caregiver or youth.** The agency that issues the
501.19 maintenance payment shall provide the child's caregiver or the youth with written notice of
501.20 termination of payment. Termination notices must be sent at least 15 days before the final
501.21 payment or, in the case of an unplanned termination, the notice is sent within three days of
501.22 the end of the payment. The written notice must minimally include the following:

501.23 (1) the date payment will end;

501.24 (2) the reason payments will end and the event that is the basis to terminate payment;

501.25 (3) a statement that the caregiver or youth has a right to a fair hearing review by the
501.26 department consistent with ~~section~~ sections 142A.20 and 256.045, subdivision 3;

501.27 (4) the procedure to request a fair hearing; and

501.28 (5) the name, telephone number, and email address of a contact person at the agency.

502.1 Sec. 16. Minnesota Statutes 2024, section 142B.41, subdivision 9, is amended to read:

502.2 Subd. 9. **Swimming pools; family day care and group family day care providers.** (a)

502.3 This subdivision governs swimming pools located at family day care or group family day
502.4 care homes licensed under Minnesota Rules, chapter 9502. This subdivision does not apply
502.5 to portable wading pools or whirlpools located at family day care or group family day care
502.6 homes licensed under Minnesota Rules, chapter 9502. For a provider to be eligible to allow
502.7 a child cared for at the family day care or group family day care home to use the swimming
502.8 pool located at the home, the provider must not have had a licensing sanction under section
502.9 142B.18 or 245A.07 or a correction order or conditional license under section 142B.16 or
502.10 245A.06 relating to the supervision or health and safety of children during the prior 24
502.11 months, and must satisfy the following requirements:

502.12 (1) notify the county agency before initial use of the swimming pool and annually,
502.13 thereafter;

502.14 (2) obtain written consent from a child's parent or legal guardian allowing the child to
502.15 use the swimming pool and renew the parent or legal guardian's written consent at least
502.16 annually. The written consent must include a statement that the parent or legal guardian has
502.17 received and read materials provided by the Department of Health to the Department of
502.18 Children, Youth, and Families for distribution to all family day care or group family day
502.19 care homes and the general public on the human services Internet website related to the risk
502.20 of disease transmission as well as other health risks associated with swimming pools. The
502.21 written consent must also include a statement that the Department of Health, Department
502.22 of Children, Youth, and Families, and county agency will not monitor or inspect the provider's
502.23 swimming pool to ensure compliance with the requirements in this subdivision;

502.24 (3) enter into a written contract with a child's parent or legal guardian and renew the
502.25 written contract annually. The terms of the written contract must specify that the provider
502.26 agrees to perform all of the requirements in this subdivision;

502.27 (4) attend and successfully complete a swimming pool operator training course once
502.28 every five years. Acceptable training courses are:

502.29 (i) the National Swimming Pool Foundation Certified Pool Operator course;

502.30 (ii) the National Spa and Pool Institute Tech I and Tech II courses (both required); or

502.31 (iii) the National Recreation and Park Association Aquatic Facility Operator course;

- 503.1 (5) require a caregiver trained in first aid and adult and child cardiopulmonary
503.2 resuscitation to supervise and be present at the swimming pool with any children in the
503.3 pool;
- 503.4 (6) toilet all potty-trained children before they enter the swimming pool;
- 503.5 (7) require all children who are not potty-trained to wear swim diapers while in the
503.6 swimming pool;
- 503.7 (8) if fecal material enters the swimming pool water, add three times the normal shock
503.8 treatment to the pool water to raise the chlorine level to at least 20 parts per million, and
503.9 close the pool to swimming for the 24 hours following the entrance of fecal material into
503.10 the water or until the water pH and disinfectant concentration levels have returned to the
503.11 standards specified in clause (10), whichever is later;
- 503.12 (9) prevent any person from entering the swimming pool who has an open wound or
503.13 any person who has or is suspected of having a communicable disease;
- 503.14 (10) maintain the swimming pool water at a pH of not less than 7.2 and not more than
503.15 8.0, maintain the disinfectant concentration between two and five parts per million for
503.16 chlorine or between 2.3 and 4.5 parts per million for bromine, and maintain a daily record
503.17 of the swimming pool's operation with pH and disinfectant concentration readings on days
503.18 when children cared for at the family day care or group family day care home are present;
- 503.19 (11) have a disinfectant feeder or feeders;
- 503.20 (12) have a recirculation system that will clarify and disinfect the swimming pool volume
503.21 of water in ten hours or less;
- 503.22 (13) maintain the swimming pool's water clarity so that an object on the pool floor at
503.23 the pool's deepest point is easily visible;
- 503.24 (14) comply with the provisions of the Abigail Taylor Pool Safety Act in section
503.25 144.1222, subdivisions 1c and 1d;
- 503.26 (15) have in place and enforce written safety rules and swimming pool policies;
- 503.27 (16) have in place at all times a safety rope that divides the shallow and deep portions
503.28 of the swimming pool;
- 503.29 (17) satisfy any existing local ordinances regarding swimming pool installation, decks,
503.30 and fencing;
- 503.31 (18) maintain a water temperature of not more than 104 degrees Fahrenheit and not less
503.32 than 70 degrees Fahrenheit; and

504.1 (19) for lifesaving equipment, have a United States Coast Guard-approved life ring
504.2 attached to a rope, an exit ladder, and a shepherd's hook available at all times to the caregiver
504.3 supervising the swimming pool.

504.4 The requirements of clauses (5), (16), and (18) only apply at times when children cared
504.5 for at the family day care or group family day care home are present.

504.6 (b) A violation of paragraph (a), clauses (1) to (3), is grounds for a sanction under section
504.7 142B.18 or a correction order or conditional license under section 142B.16.

504.8 (c) If a provider under this subdivision receives a licensing sanction under section
504.9 142B.18 or 245A.07 or a correction order or a conditional license under section 142B.16
504.10 or 245A.06 relating to the supervision or health and safety of children, the provider is
504.11 prohibited from allowing a child cared for at the family day care or group family day care
504.12 home to continue to use the swimming pool located at the home.

504.13 Sec. 17. Minnesota Statutes 2024, section 144.061, is amended to read:

504.14 **144.061 EARLY DENTAL PREVENTION INITIATIVE.**

504.15 (a) The commissioner of health, in collaboration with the ~~commissioner~~ commissioners
504.16 of human services and children, youth, and families, shall implement a statewide initiative
504.17 to increase awareness among communities of color and recent immigrants on the importance
504.18 of early preventive dental intervention for infants and toddlers before and after primary
504.19 teeth appear.

504.20 (b) The commissioner shall develop educational materials and information for expectant
504.21 and new parents within the targeted communities that include the importance of early dental
504.22 care to prevent early cavities, including proper cleaning techniques and feeding habits,
504.23 before and after primary teeth appear.

504.24 (c) The commissioner shall develop a distribution plan to ensure that the materials are
504.25 distributed to expectant and new parents within the targeted communities, including, but
504.26 not limited to, making the materials available to health care providers, community clinics,
504.27 WIC sites, and other relevant sites within the targeted communities.

504.28 (d) In developing these materials and distribution plan, the commissioner shall work
504.29 collaboratively with members of the targeted communities, dental providers, pediatricians,
504.30 child care providers, and home visiting nurses.

(e) The commissioner shall, with input from stakeholders listed in paragraph (d), develop and pilot incentives to encourage early dental care within one year of an infant's teeth erupting.

Sec. 18. Minnesota Statutes 2024, section 144.225, subdivision 2a, is amended to read:

Subd. 2a. **Health data associated with birth registration.** (a) Information from which an identification of risk for disease, disability, or developmental delay in a mother or child can be made, that is collected in conjunction with birth registration or fetal death reporting, is private data as defined in section 13.02, subdivision 12.

(b) The commissioner may disclose to a tribal health department or community health board, as defined in section 145A.02, subdivision 5, health data associated with birth registration which identifies a mother or child at high risk for serious disease, disability, or developmental delay in order to assure access to appropriate health, social, or educational services.

(c) Notwithstanding the designation of the private data, the commissioner of human services shall have access to health data associated with birth registration for:

(1) purposes of administering medical assistance and the MinnesotaCare program; and

(2) for other public health purposes as determined by the commissioner of health.

(d) Notwithstanding the designation of the private data, the commissioner of children, youth, and families shall have access to health data associated with birth registration for other public health purposes as determined by the commissioner of health.

Sec. 19. Minnesota Statutes 2024, section 145.895, is amended to read:

145.895 DEPARTMENT OF HUMAN SERVICES.

The commissioner of human services shall cooperate with the ~~commissioner~~ commissioners of health and children, youth, and families in identifying eligible individuals. The commissioner of human services shall provide a procedure for the notification of pregnant or lactating women, infants and children receiving any form of public assistance of eligibility for benefits under this program.

Sec. 20. Minnesota Statutes 2024, section 145.901, subdivision 2, is amended to read:

Subd. 2. **Access to data.** (a) The commissioner of health has access to medical data as defined in section 13.384, subdivision 1, paragraph (b), medical examiner data as defined in section 13.83, subdivision 1, and health records created, maintained, or stored by providers

506.1 as defined in section 144.291, subdivision 2, paragraph (c), without the consent of the subject
506.2 of the data, and without the consent of the parent, spouse, other guardian, or legal
506.3 representative of the subject of the data, when the subject of the data is a woman who died
506.4 during a pregnancy or within 12 months of a fetal death, a live birth, or other termination
506.5 of a pregnancy.

506.6 The commissioner has access only to medical data and health records related to deaths
506.7 that occur on or after July 1, 2000, including the names of the providers, clinics, or other
506.8 health services such as family home visiting programs; the women, infants, and children
506.9 (WIC) program; prescription monitoring programs; and behavioral health services, where
506.10 care was received before, during, or related to the pregnancy or death. The commissioner
506.11 has access to records maintained by a medical examiner, a coroner, or hospitals or to hospital
506.12 discharge data, for the purpose of providing the name and location of any pre-pregnancy,
506.13 prenatal, or other care received by the subject of the data up to one year after the end of the
506.14 pregnancy.

506.15 (b) The provider or responsible authority that creates, maintains, or stores the data shall
506.16 furnish the data upon the request of the commissioner. The provider or responsible authority
506.17 may charge a fee for providing the data, not to exceed the actual cost of retrieving and
506.18 duplicating the data.

506.19 (c) The commissioner shall make a good faith reasonable effort to notify the parent,
506.20 spouse, other guardian, or legal representative of the subject of the data before collecting
506.21 data on the subject. For purposes of this paragraph, "reasonable effort" means one notice
506.22 is sent by certified mail to the last known address of the parent, spouse, guardian, or legal
506.23 representative informing the recipient of the data collection and offering a public health
506.24 nurse support visit if desired.

506.25 (d) The commissioner does not have access to coroner or medical examiner data that
506.26 are part of an active investigation as described in section 13.83.

506.27 (e) The commissioner may request and receive from a coroner or medical examiner the
506.28 name of the health care provider that provided prenatal, postpartum, or other health services
506.29 to the subject of the data.

506.30 (f) The commissioner may access Department of Human Services and Department of
506.31 Children, Youth, and Families data to identify sources of care and services to assist with
506.32 the evaluation of welfare systems, including housing, to reduce preventable maternal deaths.

506.33 (g) The commissioner may request and receive law enforcement reports or incident
506.34 reports related to the subject of the data.

507.1 Sec. 21. Minnesota Statutes 2024, section 145.901, subdivision 4, is amended to read:

507.2 Subd. 4. **Classification of data.** (a) Data provided to the commissioner from source
507.3 records under subdivision 2, including identifying information on individual providers, data
507.4 subjects, or their children, and data derived by the commissioner under subdivision 3 for
507.5 the purpose of carrying out maternal death studies, are classified as confidential data on
507.6 individuals or confidential data on decedents, as defined in sections 13.02, subdivision 3,
507.7 and 13.10, subdivision 1, paragraph (a).

507.8 (b) Information classified under paragraph (a) shall not be subject to discovery or
507.9 introduction into evidence in any administrative, civil, or criminal proceeding. Such
507.10 information otherwise available from an original source shall not be immune from discovery
507.11 or barred from introduction into evidence merely because it was utilized by the commissioner
507.12 in carrying out maternal death studies.

507.13 (c) Summary data on maternal death studies created by the commissioner, which does
507.14 not identify individual data subjects or individual providers, shall be public in accordance
507.15 with section 13.05, subdivision 7.

507.16 (d) Data provided by the commissioner of human services or the commissioner of
507.17 children, youth, and families to the commissioner of health under this section retain the
507.18 same classification the data held when retained by the commissioner of human services or
507.19 the commissioner of children, youth, and families, as required under section 13.03,
507.20 subdivision 4, paragraph (c).

507.21 Sec. 22. Minnesota Statutes 2024, section 145.9255, subdivision 1, is amended to read:

507.22 Subdivision 1. **Establishment.** To the extent funds are available for the purposes of this
507.23 subdivision, the commissioner of health, in consultation with a representative from Minnesota
507.24 planning; the commissioner of human services; the commissioner of children, youth, and
507.25 families; and the commissioner of education, shall develop and implement the Minnesota
507.26 education now and babies later (MN ENABL) program, targeted to adolescents ages 12 to
507.27 14, with the goal of reducing the incidence of adolescent pregnancy in the state and promoting
507.28 abstinence until marriage. The program must provide a multifaceted, primary prevention,
507.29 community health promotion approach to educating and supporting adolescents in the
507.30 decision to postpone sexual involvement modeled after the ENABL program in California.
507.31 The commissioner of health shall consult with the chief of the health education section of
507.32 the California Department of Health Services for general guidance in developing and
507.33 implementing the program.

508.1 Sec. 23. Minnesota Statutes 2024, section 145.9265, is amended to read:

508.2 **145.9265 FETAL ALCOHOL SYNDROME EFFECTS; DRUG-EXPOSED**
508.3 **INFANT.**

508.4 The commissioner of health, in coordination with the commissioner of education; the
508.5 commissioner of children, youth, and families; and the commissioner of human services,
508.6 shall design and implement a coordinated prevention effort to reduce the rates of fetal alcohol
508.7 syndrome and fetal alcohol effects, and reduce the number of drug-exposed infants. The
508.8 commissioner shall:

508.9 (1) conduct research to determine the most effective methods of preventing fetal alcohol
508.10 syndrome, fetal alcohol effects, and drug-exposed infants and to determine the best methods
508.11 for collecting information on the incidence and prevalence of these problems in Minnesota;

508.12 (2) provide training on effective prevention methods to health care professionals and
508.13 human services workers; and

508.14 (3) operate a statewide media campaign focused on reducing the incidence of fetal
508.15 alcohol syndrome and fetal alcohol effects; and reducing the number of drug-exposed infants.

508.16 Sec. 24. Minnesota Statutes 2024, section 174.285, subdivision 4, is amended to read:

508.17 Subd. 4. **Membership.** (a) The council is composed of the following ~~13~~ 14 members:

508.18 (1) one representative from the Office of the Governor;

508.19 (2) one representative from the Council on Disability;

508.20 (3) one representative from the Minnesota Public Transit Association;

508.21 (4) the commissioner of transportation or a designee;

508.22 (5) the commissioner of human services or a designee;

508.23 (6) the commissioner of health or a designee;

508.24 (7) the chair of the Metropolitan Council or a designee;

508.25 (8) the commissioner of education or a designee;

508.26 (9) the commissioner of veterans affairs or a designee;

508.27 (10) one representative from the Board on Aging;

508.28 (11) the commissioner of employment and economic development or a designee;

508.29 (12) the commissioner of commerce or a designee; ~~and~~

509.1 (13) the commissioner of management and budget or a designee; and

509.2 (14) the commissioner of children, youth, and families or a designee.

509.3 (b) All appointments required by paragraph (a) must be completed by August 1, 2010.

509.4 (c) The commissioner of transportation or a designee shall convene the first meeting of
509.5 the council within two weeks after the members have been appointed to the council. The
509.6 members shall elect a chair from their membership at the first meeting.

509.7 (d) The Department of Transportation and the Department of Human Services shall
509.8 provide necessary staff support for the council.

509.9 Sec. 25. Minnesota Statutes 2024, section 214.104, is amended to read:

509.10 **214.104 HEALTH-RELATED LICENSING BOARDS; SUBSTANTIATED**
509.11 **MALTREATMENT.**

509.12 (a) A health-related licensing board shall make determinations as to whether regulated
509.13 persons who are under the board's jurisdiction should be the subject of disciplinary or
509.14 corrective action because of substantiated maltreatment under section 626.557 or chapter
509.15 260E. The board shall make a determination upon receipt, and after the review, of an
509.16 investigation memorandum or other notice of substantiated maltreatment under section
509.17 626.557; or chapter 260E; or of a notice from the commissioner of human services or the
509.18 commissioner of children, youth, and families that a background study of a regulated person
509.19 shows substantiated maltreatment.

509.20 (b) Upon completion of its review of a report of substantiated maltreatment, the board
509.21 shall notify the ~~commissioner~~ commissioners of human services and children, youth, and
509.22 families of its determination. The board shall notify the commissioner of human services
509.23 if, following a review of the report of substantiated maltreatment, the board determines that
509.24 it does not have jurisdiction in the matter and the commissioner shall make the appropriate
509.25 disqualification decision regarding the regulated person as otherwise provided in chapter
509.26 245C. The board shall also notify the commissioner of health ~~or~~; the commissioner of human
509.27 services; or the commissioner of children, youth, and families immediately upon receipt of
509.28 knowledge of a facility or program allowing a regulated person to provide direct contact
509.29 services at the facility or program while not complying with requirements placed on the
509.30 regulated person.

509.31 (c) In addition to any other remedy provided by law, the board may, through its designated
509.32 board member, temporarily suspend the license of a licensee; deny a credential to an
509.33 applicant; or require the regulated person to be continuously supervised, if the board finds

510.1 there is probable cause to believe the regulated person referred to the board according to
510.2 paragraph (a) poses an immediate risk of harm to vulnerable persons. The board shall
510.3 consider all relevant information available, which may include but is not limited to:

510.4 (1) the extent the action is needed to protect persons receiving services or the public;

510.5 (2) the recency of the maltreatment;

510.6 (3) the number of incidents of maltreatment;

510.7 (4) the intrusiveness or violence of the maltreatment; and

510.8 (5) the vulnerability of the victim of maltreatment.

510.9 The action shall take effect upon written notice to the regulated person, served by certified
510.10 mail, specifying the statute violated. The board shall notify the commissioner of health ~~or~~;
510.11 the commissioner of human services; or the commissioner of children, youth, and families
510.12 of the suspension or denial of a credential. The action shall remain in effect until the board
510.13 issues a temporary stay or a final order in the matter after a hearing or upon agreement
510.14 between the board and the regulated person. At the time the board issues the notice, the
510.15 regulated person shall inform the board of all settings in which the regulated person is
510.16 employed or practices. The board shall inform all known employment and practice settings
510.17 of the board action and schedule a disciplinary hearing to be held under chapter 14. The
510.18 board shall provide the regulated person with at least 30 days' notice of the hearing, unless
510.19 the parties agree to a hearing date that provides less than 30 days' notice, and shall schedule
510.20 the hearing to begin no later than 90 days after issuance of the notice of hearing.

510.21 Sec. 26. Minnesota Statutes 2024, section 216C.266, subdivision 2, is amended to read:

510.22 Subd. 2. **Sharing energy assistance program data.** The commissioner may disseminate
510.23 to the ~~commissioner~~ commissioners of human services and children, youth, and families
510.24 the name, telephone number, and last four digits of the Social Security number of any
510.25 individual who applies on behalf of a household for benefits or services provided by the
510.26 energy assistance program if the household is determined to be eligible for the energy
510.27 assistance program.

510.28 Sec. 27. Minnesota Statutes 2024, section 216C.266, subdivision 3, is amended to read:

510.29 Subd. 3. **Use of shared data.** Data disseminated to the ~~commissioner~~ commissioners of
510.30 human services and children, youth, and families under subdivision 2 may be disclosed to
510.31 a person other than the subject of the data only for the purpose of determining a household's

511.1 eligibility for the telephone assistance program pursuant to section 13.46, subdivision 2,
511.2 clause (23).

511.3 Sec. 28. Minnesota Statutes 2024, section 241.021, subdivision 2, is amended to read:

511.4 Subd. 2. **Facilities for delinquent children and youth; licenses;**

511.5 **supervision.** Notwithstanding any provisions in sections 256.01, subdivision 2, paragraph
511.6 (a), clause (2); 142B.05; 142B.10; 245A.03; and 245A.04, and chapter 245C, to the contrary,
511.7 but subject to the municipality notification requirements of subdivision 2a, the commissioner
511.8 of corrections shall review all county, municipal, or other publicly established and operated
511.9 facilities for the detention, care and training of delinquent children and youth at least once
511.10 every biennium, and if such facility conforms to reasonable standards established by the
511.11 commissioner or in the commissioner's judgment is making satisfactory progress toward
511.12 substantial conformity therewith, and the commissioner is satisfied that the interests and
511.13 well-being of children and youth received therein are protected, the commissioner shall
511.14 grant a license to the county, municipality or agency thereof operating such facility. The
511.15 commissioner may grant licensure up to two years. Each such facility shall cooperate with
511.16 the commissioner to make available all facts regarding its operation and services as the
511.17 commissioner requires to determine its conformance to standards and its competence to
511.18 give the services needed and which it purports to give. Every such facility as herein described
511.19 is subject to visitation and supervision by the commissioner and shall receive from the
511.20 commissioner consultation as needed to strengthen services to the children and youth received
511.21 therein.

511.22 Sec. 29. Minnesota Statutes 2024, section 242.09, is amended to read:

511.23 **242.09 COOPERATION; OTHER AGENCIES.**

511.24 The commissioner of human services; the commissioner of education; the commissioner
511.25 of children, youth, and families; and the ~~state~~ commissioner of health shall advise, cooperate
511.26 with and assist the commissioner of corrections in carrying out the duties and responsibilities
511.27 assigned by this chapter, and for these purposes may attend meetings. Their facilities and
511.28 services and those of other state agencies, particularly of the Department of Human Services
511.29 and Department of Children, Youth, and Families, shall be made available to the
511.30 commissioner of corrections upon the terms the governor directs.

512.1 Sec. 30. Minnesota Statutes 2024, section 242.21, is amended to read:

512.2 **242.21 COOPERATION; STATE INSTITUTIONS, LOCAL POLICE OFFICERS.**

512.3 The commissioner of corrections may enter into agreement with the Direct Care and
512.4 Treatment executive board, ~~with~~; the commissioner of children, youth, and families; the
512.5 commissioner of human services; local probation officers or other public officials; and ~~with~~
512.6 public or private agencies, schools, or institutions; for custody, separate care, special
512.7 treatment, training, or diagnostic services of persons committed to the care or subject to the
512.8 control of the commissioner of corrections. The commissioner of corrections may pay any
512.9 costs incurred by such agreements to the extent that funds for such purposes are made
512.10 available to the commissioner by the legislature.

512.11 Sec. 31. Minnesota Statutes 2024, section 242.32, subdivision 1, is amended to read:

512.12 Subdivision 1. **Community-based programming.** The commissioner of corrections
512.13 shall be charged with the duty of developing constructive programs for the prevention and
512.14 decrease of delinquency and crime among youth. To that end, the commissioner shall
512.15 cooperate with counties and existing agencies to encourage the establishment of new
512.16 programming, both local and statewide, to provide a continuum of services for serious and
512.17 repeat juvenile offenders who do not require secure placement. The commissioner shall
512.18 work jointly with the commissioner of human services; the commissioner of children, youth,
512.19 and families; and counties and municipalities to develop and provide community-based
512.20 services for residential placement of juvenile offenders and community-based services for
512.21 nonresidential programming for juvenile offenders and their families.

512.22 Notwithstanding any law to the contrary, the commissioner of corrections is authorized
512.23 to contract with counties placing juveniles in the serious/chronic program at the Minnesota
512.24 Correctional Facility-Red Wing to provide necessary extended community transition
512.25 programming. Funds resulting from the contracts shall be deposited in the state treasury
512.26 and are appropriated to the commissioner for juvenile correctional purposes.

512.27 Sec. 32. Minnesota Statutes 2024, section 245.697, subdivision 1, is amended to read:

512.28 Subdivision 1. **Creation.** (a) A State Advisory Council on Mental Health is created. The
512.29 council must have members appointed by the governor in accordance with federal
512.30 requirements. In making the appointments, the governor shall consider appropriate
512.31 representation of communities of color. The council must be composed of:

513.1 (1) the assistant commissioner of the Department of Human Services who oversees
513.2 behavioral health policy;

513.3 (2) a representative of the Department of Human Services responsible for the medical
513.4 assistance program;

513.5 (3) a representative of Direct Care and Treatment;

513.6 (4) a representative of the Department of Health;

513.7 (5) a representative of the Department of Children, Youth, and Families;

513.8 ~~(5)~~ (6) one member of each of the following professions:

513.9 (i) psychiatry;

513.10 (ii) psychology;

513.11 (iii) social work;

513.12 (iv) nursing;

513.13 (v) marriage and family therapy; and

513.14 (vi) professional clinical counseling;

513.15 ~~(6)~~ (7) one representative from each of the following advocacy groups: Mental Health
513.16 Association of Minnesota, NAMI-MN, Minnesota Disability Law Center, American Indian
513.17 Mental Health Advisory Council, and a consumer-run mental health advocacy group;

513.18 ~~(7)~~ (8) providers of mental health services;

513.19 ~~(8)~~ (9) consumers of mental health services;

513.20 ~~(9)~~ (10) family members of persons with mental illnesses;

513.21 ~~(10)~~ (11) legislators;

513.22 ~~(11)~~ (12) social service agency directors;

513.23 ~~(12)~~ (13) county commissioners; and

513.24 ~~(13)~~ (14) other members reflecting a broad range of community interests, including
513.25 family physicians, or members as the United States Secretary of Health and Human Services
513.26 may prescribe by regulation or as may be selected by the governor.

513.27 (b) The council shall select a chair. Terms, compensation, and removal of members and
513.28 filling of vacancies are governed by section 15.059. Notwithstanding provisions of section

514.1 15.059, the council and its subcommittee on children's mental health do not expire. The
514.2 commissioner of human services shall provide staff support and supplies to the council.

514.3 Sec. 33. Minnesota Statutes 2024, section 245.697, subdivision 2a, is amended to read:

514.4 Subd. 2a. **Subcommittee on Children's Mental Health.** The State Advisory Council
514.5 on Mental Health (the "advisory council") must have a Subcommittee on Children's Mental
514.6 Health. The subcommittee must make recommendations to the advisory council on policies,
514.7 laws, regulations, and services relating to children's mental health. Members of the
514.8 subcommittee must include:

514.9 (1) the commissioners or designees of the commissioners of the Departments of Human
514.10 Services; Children, Youth, and Families; Health; Education; State Planning; and
514.11 Corrections;

514.12 (2) a designee of the Direct Care and Treatment executive board;

514.13 (3) the commissioner of commerce or a designee of the commissioner who is
514.14 knowledgeable about medical insurance issues;

514.15 (4) at least one representative of an advocacy group for children with emotional
514.16 disturbances;

514.17 (5) providers of children's mental health services, including at least one provider of
514.18 services to preadolescent children, one provider of services to adolescents, and one
514.19 hospital-based provider;

514.20 (6) parents of children who have emotional disturbances;

514.21 (7) a present or former consumer of adolescent mental health services;

514.22 (8) educators currently working with emotionally disturbed children;

514.23 (9) people knowledgeable about the needs of emotionally disturbed children of minority
514.24 races and cultures;

514.25 (10) people experienced in working with emotionally disturbed children who have
514.26 committed status offenses;

514.27 (11) members of the advisory council;

514.28 (12) one person from the local corrections department and one representative of the
514.29 Minnesota District Judges Association Juvenile Committee; and

514.30 (13) county commissioners and social services agency representatives.

515.1 The chair of the advisory council shall appoint subcommittee members described in
515.2 clauses (4) to (12) through the process established in section 15.0597. The chair shall appoint
515.3 members to ensure a geographical balance on the subcommittee. Terms, compensation,
515.4 removal, and filling of vacancies are governed by subdivision 1, except that terms of
515.5 subcommittee members who are also members of the advisory council are coterminous with
515.6 their terms on the advisory council. The subcommittee shall meet at the call of the
515.7 subcommittee chair who is elected by the subcommittee from among its members. The
515.8 subcommittee expires with the expiration of the advisory council.

515.9 Sec. 34. Minnesota Statutes 2024, section 245.814, subdivision 1, is amended to read:

515.10 Subdivision 1. **Insurance for foster home providers.** (a) The commissioner of human
515.11 services or the commissioner of children, youth, and families shall within the appropriation
515.12 provided purchase and provide insurance to individuals licensed as foster home providers
515.13 to cover their liability for:

515.14 (1) injuries or property damage caused or sustained by persons in foster care in their
515.15 home; and

515.16 (2) actions arising out of alienation of affections sustained by the birth parents of a foster
515.17 child or birth parents or children of a foster adult.

515.18 (b) Each commissioner shall provide insurance for the providers the commissioner
515.19 licenses.

515.20 (c) For purposes of this subdivision, insurance for homes licensed to provide adult foster
515.21 care shall be limited to family adult foster care homes as defined in section 245A.02,
515.22 subdivision 6f, and family adult day services licensed under section 245A.143.

515.23 Sec. 35. Minnesota Statutes 2024, section 245.814, subdivision 2, is amended to read:

515.24 Subd. 2. **Application of coverage.** Coverage shall apply to all foster homes licensed by
515.25 the Department of Human Services or the Department of Children, Youth, and Families,
515.26 licensed by a federally recognized tribal government, or established by the juvenile court
515.27 and certified by the commissioner of corrections pursuant to section 260B.198, subdivision
515.28 1, paragraph (a), clause (3), item (v), to the extent that the liability is not covered by the
515.29 provisions of the standard homeowner's or automobile insurance policy. The insurance shall
515.30 not cover property owned by the individual foster home provider, damage caused
515.31 intentionally by a person over 12 years of age, or property damage arising out of business
515.32 pursuits or the operation of any vehicle, machinery, or equipment.

516.1 Sec. 36. Minnesota Statutes 2024, section 245.814, subdivision 3, is amended to read:

516.2 Subd. 3. **Compensation provisions.** If the commissioner of human services or the
516.3 commissioner of children, youth, and families is unable to obtain insurance through ordinary
516.4 methods for coverage of foster home providers, the appropriation shall be returned to the
516.5 general fund and the state shall pay claims subject to the following limitations.

516.6 (a) Compensation shall be provided only for injuries, damage, or actions set forth in
516.7 subdivision 1.

516.8 (b) Compensation shall be subject to the conditions and exclusions set forth in subdivision
516.9 2.

516.10 (c) The state shall provide compensation for bodily injury, property damage, or personal
516.11 injury resulting from the foster home providers activities as a foster home provider while
516.12 the foster child or adult is in the care, custody, and control of the foster home provider in
516.13 an amount not to exceed \$250,000 for each occurrence.

516.14 (d) The state shall provide compensation for damage or destruction of property caused
516.15 or sustained by a foster child or adult in an amount not to exceed \$250 for each occurrence.

516.16 (e) The compensation in paragraphs (c) and (d) is the total obligation for all damages
516.17 because of each occurrence regardless of the number of claims made in connection with
516.18 the same occurrence, but compensation applies separately to each foster home. The state
516.19 shall have no other responsibility to provide compensation for any injury or loss caused or
516.20 sustained by any foster home provider or foster child or foster adult.

516.21 This coverage is extended as a benefit to foster home providers to encourage care of
516.22 persons who need out-of-home care. Nothing in this section shall be construed to mean that
516.23 foster home providers are agents or employees of the state nor does the state accept any
516.24 responsibility for the selection, monitoring, supervision, or control of foster home providers
516.25 which is exclusively the responsibility of the counties which shall regulate foster home
516.26 providers in the manner set forth in the rules of the ~~commissioner~~ commissioners of human
516.27 services and children, youth, and families.

516.28 Sec. 37. Minnesota Statutes 2024, section 245.814, subdivision 4, is amended to read:

516.29 Subd. 4. **Liability insurance; risk pool.** If the commissioner that licenses a program
516.30 determines that appropriate commercial liability insurance coverage is not available for a
516.31 licensed foster home, group home, developmental achievement center, or day care provider,
516.32 and that coverage available through the joint underwriting authority of the commissioner
516.33 of commerce or other public entity is not appropriate for the provider or a class of providers,

517.1 the commissioner of human services; the commissioner of children, youth, and families;
517.2 and the commissioner of commerce may jointly establish a risk pool to provide coverage
517.3 for licensed providers out of premiums or fees paid by providers. The commissioners may
517.4 set limits on coverage, establish premiums or fees, determine the proportionate share of
517.5 each provider to be collected in a premium or fee based on the provider's claim experience
517.6 and other factors the commissioners consider appropriate, establish eligibility and application
517.7 requirements for coverage, and take other action necessary to accomplish the purposes of
517.8 this subdivision. A human services risk pool fund is created for the purposes of this
517.9 subdivision. Fees and premiums collected from providers for risk pool coverage are
517.10 appropriated to the risk pool fund. Interest earned from the investment of money in the fund
517.11 must be credited to the fund and money in the fund is appropriated to the ~~commissioner~~
517.12 commissioners of human services and children, youth, and families in proportion to the
517.13 amounts insured by each commissioner to pay administrative costs and covered claims for
517.14 participating providers. In the event that money in the fund is insufficient to pay outstanding
517.15 claims and associated administrative costs, the ~~commissioner~~ commissioners of human
517.16 services and children, youth, and families may assess providers participating in the risk pool
517.17 amounts sufficient to pay the costs. The ~~commissioner~~ commissioners of human services
517.18 and children, youth, and families may not assess a provider an amount exceeding one year's
517.19 premiums collected from that provider.

517.20 Sec. 38. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

517.21 Subd. 7. **Commissioner.** "Commissioner" ~~has the meaning given in section 245A.02,~~
517.22 ~~subdivision 5~~ means the commissioner of human services.

517.23 Sec. 39. Minnesota Statutes 2024, section 245C.02, subdivision 12, is amended to read:

517.24 Subd. 12. **License.** "License" ~~has the meaning given in section 245A.02, subdivision 8~~
517.25 means a certificate issued by the commissioner of human services; children, youth, and
517.26 families; corrections; or health authorizing the license holder to provide a specified program
517.27 for a specified period of time and in accordance with the terms of the license and the rules
517.28 of the commissioner issuing the license.

517.29 Sec. 40. Minnesota Statutes 2024, section 245C.02, subdivision 13, is amended to read:

517.30 Subd. 13. **License holder.** "License holder" ~~has the meaning given in section 245A.02,~~
517.31 ~~subdivision 9~~ means an individual, organization, or government entity that is legally
517.32 responsible for the operation of the program or service and has been granted a license by
517.33 the commissioner of human services; children, youth, and families; corrections; or health.

518.1 Sec. 41. Minnesota Statutes 2024, section 245C.031, subdivision 9, is amended to read:

518.2 Subd. 9. **Guardians ad litem; required checks.** (a) An alternative background study
518.3 for a guardian ad litem under subdivision 8 must include:

518.4 (1) criminal history data from the Bureau of Criminal Apprehension and other criminal
518.5 history data obtained by the commissioner of human services; and

518.6 (2) data regarding whether the person has been a perpetrator of substantiated maltreatment
518.7 of a minor or a vulnerable adult. If the study subject has been determined by the Department
518.8 of Human Services; the Department of Children, Youth, and Families; or the Department
518.9 of Health to be the perpetrator of substantiated maltreatment of a minor or a vulnerable
518.10 adult in a licensed facility, the response must include a copy of the public portion of the
518.11 investigation memorandum under section 260E.30 or the public portion of the investigation
518.12 memorandum under section 626.557, subdivision 12b. When the background study shows
518.13 that the subject has been determined by a county adult protection or child protection agency
518.14 to have been responsible for maltreatment, the court shall be informed of the county, the
518.15 date of the finding, and the nature of the maltreatment that was substantiated.

518.16 (b) For checks of records under paragraph (a), clauses (1) and (2), the commissioner
518.17 shall provide the records within 15 working days of receiving the request. The information
518.18 obtained under sections 245C.05 and 245C.08 from a national criminal history records
518.19 check shall be provided within three working days of the commissioner's receipt of the data.

518.20 (c) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner
518.21 or county lead agency or lead investigative agency has information that a person of whom
518.22 a background study was previously completed under this section has been determined to
518.23 be a perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the
518.24 county may provide this information to the court that requested the background study.

518.25 Sec. 42. Minnesota Statutes 2024, section 245C.033, subdivision 2, is amended to read:

518.26 Subd. 2. **State licensing agency data.** (a) Requests for state licensing agency data
518.27 submitted pursuant to section 524.5-118 must include information from a check of state
518.28 licensing agency records.

518.29 (b) The commissioner shall provide the court with licensing agency data for licenses
518.30 directly related to the responsibilities of a guardian or conservator if the guardian or
518.31 conservator has a current or prior affiliation with the:

518.32 (1) Lawyers Responsibility Board;

- 519.1 (2) State Board of Accountancy;
- 519.2 (3) Board of Social Work;
- 519.3 (4) Board of Psychology;
- 519.4 (5) Board of Nursing;
- 519.5 (6) Board of Medical Practice;
- 519.6 (7) Department of Education;
- 519.7 (8) Department of Commerce;
- 519.8 (9) Board of Chiropractic Examiners;
- 519.9 (10) Board of Dentistry;
- 519.10 (11) Board of Marriage and Family Therapy;
- 519.11 (12) Department of Human Services;
- 519.12 (13) Department of Children, Youth, and Families;
- 519.13 ~~(13)~~ (14) Peace Officer Standards and Training (POST) Board; or
- 519.14 ~~(14)~~ (15) Professional Educator Licensing and Standards Board.

519.15 (c) The commissioner shall provide to the court the electronically available data

519.16 maintained in the agency's database, including whether the guardian or conservator is or

519.17 has been licensed by the agency and whether a disciplinary action or a sanction against the

519.18 individual's license, including a condition, suspension, revocation, or cancellation, is in the

519.19 licensing agency's database.

519.20 Sec. 43. Minnesota Statutes 2024, section 245C.05, subdivision 7, is amended to read:

519.21 Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or corrections

519.22 agent shall notify the commissioner of an individual's conviction if the individual:

519.23 (1) has been affiliated with a program or facility regulated by the Department of Human

519.24 Services; Department of Children, Youth, and Families; or Department of Health, a facility

519.25 serving children or youth licensed by the Department of Corrections, or any type of home

519.26 care agency or provider of personal care assistance services within the preceding year; and

519.27 (2) has been convicted of a crime constituting a disqualification under section 245C.14.

519.28 (b) For the purpose of this subdivision, "conviction" has the meaning given it in section

519.29 609.02, subdivision 5.

520.1 (c) The commissioner, in consultation with the commissioner of corrections, shall develop
520.2 forms and information necessary to implement this subdivision and shall provide the forms
520.3 and information to the commissioner of corrections for distribution to local probation officers
520.4 and corrections agents.

520.5 (d) The commissioner shall inform individuals subject to a background study that criminal
520.6 convictions for disqualifying crimes shall be reported to the commissioner by the corrections
520.7 system.

520.8 (e) A probation officer, corrections agent, or corrections agency is not civilly or criminally
520.9 liable for disclosing or failing to disclose the information required by this subdivision.

520.10 (f) Upon receipt of disqualifying information, the commissioner shall provide the notice
520.11 required under section 245C.17, as appropriate, to agencies on record as having initiated a
520.12 background study or making a request for documentation of the background study status
520.13 of the individual.

520.14 (g) This subdivision does not apply to family child care programs or legal nonlicensed
520.15 child care programs for individuals whose background study was completed in NETStudy
520.16 2.0.

520.17 Sec. 44. Minnesota Statutes 2024, section 245C.07, is amended to read:

520.18 **245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.**

520.19 (a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other
520.20 entity owns multiple programs or services that are licensed by the Department of Human
520.21 Services; Department of Children, Youth, and Families; Department of Health; or
520.22 Department of Corrections, only one background study is required for an individual who
520.23 provides direct contact services in one or more of the licensed programs or services if:

520.24 (1) the license holder designates one individual with one address and telephone number
520.25 as the person to receive sensitive background study information for the multiple licensed
520.26 programs or services that depend on the same background study; and

520.27 (2) the individual designated to receive the sensitive background study information is
520.28 capable of determining, upon request of the department, whether a background study subject
520.29 is providing direct contact services in one or more of the license holder's programs or services
520.30 and, if so, at which location or locations.

520.31 (b) When a license holder maintains background study compliance for multiple licensed
520.32 programs according to paragraph (a), and one or more of the licensed programs closes, the

521.1 license holder shall immediately notify the commissioner which staff must be transferred
521.2 to an active license so that the background studies can be electronically paired with the
521.3 license holder's active program.

521.4 (c) When a background study is being initiated by a licensed program or service or a
521.5 foster care provider that is also licensed under chapter 144G, a study subject affiliated with
521.6 multiple licensed programs or services may attach to the background study form a cover
521.7 letter indicating the additional names of the programs or services, addresses, and background
521.8 study identification numbers.

521.9 When the commissioner receives a notice, the commissioner shall notify each program
521.10 or service identified by the background study subject of the study results.

521.11 The background study notice the commissioner sends to the subsequent agencies shall
521.12 satisfy those programs' or services' responsibilities for initiating a background study on that
521.13 individual.

521.14 (d) If a background study was conducted on an individual related to child foster care
521.15 and the requirements under paragraph (a) are met, the background study is transferable
521.16 across all licensed programs. If a background study was conducted on an individual under
521.17 a license other than child foster care and the requirements under paragraph (a) are met, the
521.18 background study is transferable to all licensed programs except child foster care.

521.19 (e) The provisions of this section that allow a single background study in one or more
521.20 licensed programs or services do not apply to background studies submitted by adoption
521.21 agencies, supplemental nursing services agencies, personnel pool agencies, educational
521.22 programs, professional services agencies, temporary personnel agencies, and unlicensed
521.23 personal care provider organizations.

521.24 (f) For an entity operating under NETStudy 2.0, the entity's active roster must be the
521.25 system used to document when a background study subject is affiliated with multiple entities.
521.26 For a background study to be transferable:

521.27 (1) the background study subject must be on and moving to a roster for which the person
521.28 designated to receive sensitive background study information is the same; and

521.29 (2) the same entity must own or legally control both the roster from which the transfer
521.30 is occurring and the roster to which the transfer is occurring. For an entity that holds or
521.31 controls multiple licenses, or unlicensed personal care provider organizations, there must
521.32 be a common highest level entity that has a legally identifiable structure that can be verified
521.33 through records available from the secretary of state.

522.1 Sec. 45. Minnesota Statutes 2024, section 256.88, is amended to read:

522.2 **256.88 SOCIAL WELFARE FUND ESTABLISHED.**

522.3 Except as otherwise expressly provided, all moneys and funds held by the commissioner
522.4 of human services; the commissioner of children, youth, and families; the Direct Care and
522.5 Treatment executive board; and the local social services agencies of the several counties
522.6 in trust or for the benefit of children with a disability and children who are dependent,
522.7 neglected, or delinquent; children born to mothers who were not married to the children's
522.8 fathers at the times of the conception nor at the births of the children; persons determined
522.9 to have developmental disability, mental illness, or substance use disorder; or other wards
522.10 or beneficiaries, under any law, shall be kept in a single fund to be known as the "social
522.11 welfare fund" which shall be deposited at interest, held, or disbursed as provided in sections
522.12 256.89 to 256.92.

522.13 Sec. 46. Minnesota Statutes 2024, section 256.89, is amended to read:

522.14 **256.89 FUND DEPOSITED IN STATE TREASURY.**

522.15 The social welfare fund and all accretions thereto shall be deposited in the state treasury,
522.16 as a separate and distinct fund, to the credit of the commissioner of human services; the
522.17 commissioner of children, youth, and families; and the Direct Care and Treatment executive
522.18 board as trustees for their respective beneficiaries in proportion to the beneficiaries' several
522.19 interests. The commissioner of management and budget shall be responsible only to the
522.20 commissioner of human services; the commissioner of children, youth, and families; and
522.21 the Direct Care and Treatment executive board for the sum total of the fund, and shall have
522.22 no duties nor direct obligations toward the beneficiaries thereof individually. Subject to the
522.23 applicable rules of the commissioner of human services; the commissioner of children,
522.24 youth, and families; or the Direct Care and Treatment executive board, money so received
522.25 by a local social services agency may be deposited by the executive secretary of the local
522.26 social services agency in a local bank carrying federal deposit insurance, designated by the
522.27 local social services agency for this purpose. The amount of such deposit in each such bank
522.28 at any one time shall not exceed the amount protected by federal deposit insurance.

522.29 Sec. 47. Minnesota Statutes 2024, section 256.90, is amended to read:

522.30 **256.90 SOCIAL WELFARE FUND; USE; DISPOSITION; DEPOSITORIES.**

522.31 The commissioner of human services, in consultation with the commissioner of children,
522.32 youth, and families and the Direct Care and Treatment executive board, at least 30 days
522.33 before the first day of January and the first day of July in each year shall file with the

523.1 commissioner of management and budget an estimate of the amount of the social welfare
523.2 fund to be held in the treasury during the succeeding six-month period, subject to current
523.3 disbursement. Such portion of the remainder thereof as may be at any time designated by
523.4 the request of the commissioner of human services may be invested by the commissioner
523.5 of management and budget in bonds in which the permanent trust funds of the state of
523.6 Minnesota may be invested, upon approval by the State Board of Investment. The portion
523.7 of such remainder not so invested shall be placed by the commissioner of management and
523.8 budget at interest for the period of six months, or when directed by the commissioner of
523.9 human services, for the period of 12 months thereafter at the highest rate of interest obtainable
523.10 in a bank, or banks, designated by the board of deposit as a suitable depository therefor. All
523.11 the provisions of law relative to the designation and qualification of depositories of other
523.12 state funds shall be applicable to sections 256.88 to 256.92, except as herein otherwise
523.13 provided. Any bond given, or collateral assigned or both, to secure a deposit hereunder may
523.14 be continuous in character to provide for the repayment of any moneys belonging to the
523.15 fund theretofore or thereafter at any time deposited in such bank until its designation as
523.16 such depository is revoked and the security thereof shall be not impaired by any subsequent
523.17 agreement or understanding as to the rate of interest to be paid upon such deposit, or as to
523.18 time for its repayment. The amount of money belonging to the fund deposited in any bank,
523.19 including other state deposits, shall not at any time exceed the amount of the capital stock
523.20 thereof. In the event of the closing of the bank any sum deposited therein shall immediately
523.21 become due and payable.

523.22 Sec. 48. Minnesota Statutes 2024, section 256.91, is amended to read:

523.23 **256.91 PURPOSES.**

523.24 From that part of the social welfare fund held in the state treasury subject to disbursement
523.25 as provided in section 256.90, the commissioner of human services; the commissioner of
523.26 children, youth, and families; or the Direct Care and Treatment executive board at any time
523.27 may pay out such amounts as the ~~commissioner~~ commissioners or executive board deems
523.28 proper for the support, maintenance, or other legal benefit of any of the children with a
523.29 disability and children who are dependent, neglected, or delinquent; children born to mothers
523.30 who were not married to the children's fathers at the times of the conception nor at the births
523.31 of the children; persons with developmental disability, substance use disorder, or mental
523.32 illness; or other wards or persons entitled thereto, not exceeding in the aggregate to or for
523.33 any person the principal amount previously received for the benefit of the person, together
523.34 with the increase in it from an equitable apportionment of interest realized from the social
523.35 welfare fund.

When any such person dies or is finally discharged from the guardianship, care, custody, and control of the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board, the amount then remaining subject to use for the benefit of the person shall be paid as soon as may be from the social welfare fund to the persons thereto entitled by law.

Sec. 49. Minnesota Statutes 2024, section 256.92, is amended to read:

~~256.92 COMMISSIONER OF HUMAN SERVICES AND DIRECT CARE AND TREATMENT~~ COMMISSIONERS AND EXECUTIVE BOARD, ACCOUNTS.

It shall be the duty of the commissioner of human services; the commissioner of children, youth, and families; the Direct Care and Treatment executive board; and the local social services agencies of the several counties of this state to cause to be deposited with the commissioner of management and budget all moneys and funds in their possession or under their control and designated by section 256.91 as and for the social welfare fund; and all such moneys and funds shall be so deposited in the state treasury as soon as received. The commissioner of human services, in consultation with the commissioner of children, youth, and families and the Direct Care and Treatment executive board, shall keep books of account or other records showing separately the principal amount received and deposited in the social welfare fund for the benefit of any person, together with the name of such person, and the name and address, if known to the commissioner of human services; the commissioner of children, youth, and families; or the Direct Care and Treatment executive board, of the person from whom such money was received; and, at least once every two years, the amount of interest, if any, which the money has earned in the social welfare fund shall be apportioned thereto and posted in the books of account or records to the credit of such beneficiary.

The provisions of sections 256.88 to 256.92 shall not apply to any fund or money now or hereafter deposited or otherwise disposed of pursuant to the lawful orders, decrees, judgments, or other directions of any district court having jurisdiction thereof.

Sec. 50. Minnesota Statutes 2024, section 256G.01, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This chapter governs the Minnesota human services system. The system includes the Department of Human Services; the Department of Children, Youth, and Families; Direct Care and Treatment; local social services agencies; county welfare agencies; human service boards; community mental health center boards; state

525.1 hospitals; state nursing homes; and persons, agencies, institutions, organizations, and other
525.2 entities under contract to any of those agencies to the extent specified in the contract.

525.3 Sec. 51. Minnesota Statutes 2024, section 256G.01, subdivision 3, is amended to read:

525.4 Subd. 3. **Program coverage.** This chapter applies to all social service programs
525.5 administered by the commissioner of human services; the commissioner of children, youth,
525.6 and families; or the Direct Care and Treatment executive board in which residence is the
525.7 determining factor in establishing financial responsibility. These include, but are not limited
525.8 to: commitment proceedings, including voluntary admissions; emergency holds; poor relief
525.9 funded wholly through local agencies; social services, including title XX, IV-E and section
525.10 256K.10; social services programs funded wholly through the resources of county agencies;
525.11 social services provided under the Minnesota Indian Family Preservation Act, sections
525.12 260.751 to 260.781; costs for delinquency confinement under section 393.07, subdivision
525.13 2; service responsibility for these programs; and housing support under chapter 256I.

525.14 Sec. 52. Minnesota Statutes 2024, section 256G.03, subdivision 2, is amended to read:

525.15 Subd. 2. **No durational test.** Except as otherwise provided in sections 142G.12; 142G.78;
525.16 256B.056, subdivision 1; and 256D.02, subdivision 12a for purposes of this chapter, no
525.17 waiting period is required before securing county or state residence. A person cannot,
525.18 however, gain residence while physically present in an excluded time facility unless otherwise
525.19 specified in this chapter or in a federal regulation controlling a federally funded human
525.20 service; children, youth, and families; or direct care and treatment program. Interstate
525.21 migrants who enter a shelter for battered women directly from another state can gain
525.22 residency while in the facility provided the person can provide documentation that the person
525.23 is a victim of domestic abuse and the county determines that the placement is appropriate.

525.24 Sec. 53. Minnesota Statutes 2024, section 256G.04, subdivision 2, is amended to read:

525.25 Subd. 2. **Moving out of state.** (a) A person retains county and state residence so long
525.26 as the person's absence from Minnesota is viewed as a temporary absence within the context
525.27 of the affected program.

525.28 (b) Direct entry into a facility in another state does not end Minnesota residence for
525.29 purposes of this chapter. Financial responsibility does not continue, however, unless
525.30 placement was initiated by a human service; children, youth, and families; or direct care
525.31 and treatment agency or another governmental entity that has statutory authority to bind the
525.32 human service; children, youth, and families; or direct care and treatment agency and is

526.1 based on a formal, written plan of treatment, or unless federal regulations require payment
526.2 for an out-of-state resident.

526.3 Sec. 54. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

526.4 Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe
526.5 it is financially responsible, it should provide to the commissioner of human services and
526.6 the initially responsible county a statement of all facts and documents necessary for the
526.7 commissioner to make the requested determination of financial responsibility. The submission
526.8 must clearly state the program area in dispute and must state the specific basis upon which
526.9 the submitting county is denying financial responsibility.

526.10 (b) The initially responsible county then has 15 calendar days to submit its position and
526.11 any supporting evidence to the commissioner of human services. The absence of a submission
526.12 by the initially responsible county does not limit the right of the commissioner of human
526.13 services; the commissioner of children, youth, and families; or Direct Care and Treatment
526.14 executive board to issue a binding opinion based on the evidence actually submitted.

526.15 (c) A case must not be submitted until the local agency taking the application or making
526.16 the commitment has made an initial determination about eligibility and financial
526.17 responsibility, and services have been initiated. This paragraph does not prohibit the
526.18 submission of closed cases that otherwise meet the applicable statute of limitations.

526.19 Sec. 55. Minnesota Statutes 2024, section 256G.09, subdivision 3, is amended to read:

526.20 Subd. 3. **Commissioner of human services obligations.** (a) Except as provided in
526.21 paragraph (b) for matters solely under the jurisdiction of the Direct Care and Treatment
526.22 executive board or the commissioner of children, youth, and families, the commissioner of
526.23 human services shall then promptly decide any question of financial responsibility as outlined
526.24 in this chapter and make an order referring the application to the local agency of the proper
526.25 county for further action. Further action may include reimbursement by that county of
526.26 assistance that another county has provided to the applicant under this subdivision. The
526.27 commissioner shall decide disputes within 60 days of the last county evidentiary submission
526.28 and shall issue an immediate opinion.

526.29 (b) For disputes regarding financial responsibility relating to matters solely under the
526.30 jurisdiction of the Direct Care and Treatment executive board or the commissioner of
526.31 children, youth, and families, the commissioner of human services shall promptly issue an
526.32 advisory opinion on any question of financial responsibility as outlined in this chapter and
526.33 recommend to the executive board or commissioner of children, youth, and families an

527.1 order referring the application to the local agency of the proper county for further action.
527.2 Further action may include reimbursement by that county of assistance that another county
527.3 has provided to the applicant under this subdivision. The commissioner of human services
527.4 shall provide an advisory opinion and recommended order to the executive board or
527.5 commissioner of children, youth, and families within 30 days of the last county evidentiary
527.6 submission. The executive board or commissioner of children, youth, and families shall
527.7 decide to accept or reject the commissioner's advisory opinion and recommended order
527.8 within 60 days of the last county evidentiary submission and shall issue an immediate
527.9 opinion stating the reasons for accepting or rejecting the ~~commissioner's~~ recommendation
527.10 of the commissioner of human services.

527.11 (c) The commissioner of human services may make any investigation it considers proper
527.12 before making a decision or a recommendation to the executive board or commissioner of
527.13 children, youth, and families. The commissioner of human services may prescribe rules it
527.14 considers necessary to carry out this subdivision except that the commissioner of human
527.15 services must not create rules purporting to bind the ~~executive board's~~ decision of the
527.16 executive board or commissioner of children, youth, and families on any advisory opinion
527.17 or recommended order under paragraph (b).

527.18 (d) Except as provided in paragraph (e) for matters solely under the jurisdiction of the
527.19 executive board or the commissioner of children, youth, and families, the order of the
527.20 commissioner of human services binds the local agency involved and the applicant or
527.21 recipient. That agency shall comply with the order unless reversed on appeal as provided
527.22 in section 256.045, subdivision 7. The agency shall comply with the order pending the
527.23 appeal.

527.24 (e) For disputes regarding financial responsibility relating to matters solely under the
527.25 jurisdiction of the Direct Care and Treatment executive board or the commissioner of
527.26 children, youth, and families, the order of the executive board or the commissioner of
527.27 children, youth, and families binds the local agency involved and the applicant or recipient.
527.28 That agency shall comply with the order of the executive board or the commissioner of
527.29 children, youth, and families unless the order is reversed on appeal as provided in section
527.30 142A.20, subdivision 5, or 256.045, subdivision 7. The agency shall comply with the order
527.31 of the executive board or the commissioner of children, youth, and families pending the
527.32 appeal.

528.1 Sec. 56. Minnesota Statutes 2024, section 256G.09, subdivision 4, is amended to read:

528.2 Subd. 4. **Appeals.** A local agency that is aggrieved by the order of the ~~department~~
528.3 commissioner of human services, executive board, or commissioner of children, youth, and
528.4 families under subdivision 3, paragraph (e), may appeal the opinion to the district court of
528.5 the county responsible for furnishing assistance or services by serving a written copy of a
528.6 notice of appeal on the commissioner of human services and any adverse party of record
528.7 within 30 days after the date the department issued the opinion, and by filing the original
528.8 notice and proof of service with the court administrator of district court. Service may be
528.9 made personally or by mail. Service by mail is complete upon mailing.

528.10 The commissioner of human services; the commissioner of children, youth, and families;
528.11 or the executive board may elect to become a party to the proceedings in district court. The
528.12 court may consider the matter in or out of chambers and shall take no new or additional
528.13 evidence.

528.14 Sec. 57. Minnesota Statutes 2024, section 256G.09, subdivision 5, is amended to read:

528.15 Subd. 5. **Payment pending appeal.** After the ~~department~~ commissioner of human
528.16 services, executive board, or commissioner of children, youth, and families under subdivision
528.17 3, paragraph (e), issues an opinion in any submission under this section, the service or
528.18 assistance covered by the submission must be provided or paid pending or during an appeal
528.19 to the district court.

528.20 Sec. 58. Minnesota Statutes 2024, section 256G.10, is amended to read:

528.21 **256G.10 DERIVATIVE SETTLEMENT.**

528.22 (a) The residence of the parent of a minor child, with whom that child last lived in a
528.23 nonexcluded time setting, or guardian of a ward shall determine the residence of the child
528.24 or ward for all social services governed by this chapter.

528.25 (b) For purposes of this chapter, a minor child is defined as being under 18 years of age
528.26 unless otherwise specified in a program administered by the commissioner of human services;
528.27 the commissioner of children, youth, and families; or the Direct Care and Treatment executive
528.28 board.

528.29 (c) Physical or legal custody has no bearing on residence determinations. This section
528.30 does not, however, apply to situations involving another state, limit the application of an
528.31 interstate compact, or apply to situations involving state wards where the commissioner of
528.32 human services or children, youth, and families is defined by law as the guardian.

529.1 Sec. 59. Minnesota Statutes 2024, section 256G.11, is amended to read:

529.2 **256G.11 NO RETROACTIVE EFFECT.**

529.3 (a) This chapter is not retroactive and does not require redetermination of financial
529.4 responsibility for cases existing on January 1, 1988. This chapter applies only to applications
529.5 and redeterminations of eligibility taken or routinely made after January 1, 1988.

529.6 (b) Notwithstanding this section, existing social services cases shall be treated in the
529.7 same manner as cases for those programs outlined in section 256G.02, subdivision 4,
529.8 paragraph (g), for which an application is taken or a redetermination is made after January
529.9 1, 1988.

529.10 (c) The requirement under section 256G.09, subdivision 3, for the Direct Care and
529.11 Treatment executive board or the commissioner of children, youth, and families to accept
529.12 or reject the recommendation of the commissioner of humans services regarding the county
529.13 of financial responsibility for matters solely under the jurisdiction of the executive board
529.14 or the commissioner of children, youth, and families is not retroactive and does not require
529.15 redetermination of financial responsibility for cases existing prior to the effective date of
529.16 the transfer of all authorities and responsibilities from the Department of Human Services
529.17 to Direct Care and Treatment.

529.18 (d) Notwithstanding paragraph (c), existing cases relating to matters under the jurisdiction
529.19 of the executive board must be treated in the same manner as cases relating to matters under
529.20 the jurisdiction of the executive board opened or redetermined after the effective date of
529.21 the transfer of all authorities and responsibilities from the Department of Human Services
529.22 to Direct Care and Treatment or the Department of Children, Youth, and Families.

529.23 Sec. 60. Minnesota Statutes 2024, section 256G.12, subdivision 1, is amended to read:

529.24 Subdivision 1. **Limitation.** A submission to the commissioner of human services; the
529.25 commissioner of children, youth, and families; or the Direct Care and Treatment executive
529.26 board for a determination of financial responsibility must be made within three years from
529.27 the date of application for the program in question or from the date of admission or
529.28 commitment to state or other institutions.

529.29 Sec. 61. Minnesota Statutes 2024, section 260.762, subdivision 2a, is amended to read:

529.30 Subd. 2a. **Required findings that active efforts were provided.** (a) A court shall not
529.31 order a child placement, termination of parental rights, guardianship to the commissioner
529.32 of children, youth, and families under section 260C.325, or temporary or permanent change

530.1 in custody of an Indian child unless the court finds that the child-placing agency or petitioner
530.2 demonstrated that active efforts were made to preserve the Indian child's family. Active
530.3 efforts to preserve the Indian child's family include efforts to prevent placement of the Indian
530.4 child to correct the conditions that led to the placement by ensuring remedial services and
530.5 rehabilitative programs designed to prevent the breakup of the family were provided in a
530.6 manner consistent with the prevailing social and cultural conditions of the Indian child's
530.7 Tribe and in partnership with the Indian child, the Indian child's parents, the Indian custodian,
530.8 extended family members, and Tribe, and that these efforts have proved unsuccessful.

530.9 (b) The court, in determining whether active efforts were made to preserve the Indian
530.10 child's family for purposes of child placement or permanency, shall ensure the provision of
530.11 active efforts designed to correct the conditions that led to the placement of the Indian child
530.12 and shall make findings regarding whether the following activities were appropriate and
530.13 necessary, and whether the child-placing agency or petitioner ensured appropriate and
530.14 meaningful services were available based upon the family's specific needs, whether listed
530.15 in this paragraph or not:

530.16 (1) whether active efforts were made at the earliest point possible to inquire into the
530.17 child's heritage, to identify any federally recognized Indian Tribe the child may be affiliated
530.18 with, to notify all potential Tribes at the earliest point possible, and to request participation
530.19 of the Indian child's Tribe;

530.20 (2) whether a Tribally designated representative with substantial knowledge of the
530.21 prevailing social and cultural standards and child-rearing practices within the Tribal
530.22 community was provided an opportunity to consult with and be involved in any investigations
530.23 or assessments of the family's circumstances, participate in identifying the family's needs,
530.24 and participate in development of any plan to keep the Indian child safely in the home,
530.25 identify services designed to prevent the breakup of the Indian child's family, and to reunify
530.26 the Indian child's family as soon as safety can be assured if out-of-home placement has
530.27 occurred;

530.28 (3) whether the Tribal representative was provided with all information available
530.29 regarding the proceeding, and whether it was requested that the Tribal representative assist
530.30 in identifying services designed to prevent the breakup of the Indian child's family and to
530.31 reunify the Indian child's family as soon as safety can be assured if out-of-home placement
530.32 has occurred;

530.33 (4) whether, before making a decision that may affect an Indian child's safety and
530.34 well-being or when contemplating placement of an Indian child, guidance from the Indian

531.1 child's Tribe was sought regarding family structure, how the family can seek help, what
531.2 family and Tribal resources are available, and what barriers the family faces that could
531.3 threaten the family's preservation;

531.4 (5) whether a Tribal representative was consulted to determine and arrange for visitation
531.5 in the most natural setting that ensures the Indian child's safety, when the Indian child's
531.6 safety requires supervised visitation;

531.7 (6) whether early and ongoing efforts occurred to identify, locate, and include extended
531.8 family members as supports for the Indian child and the Indian child's family;

531.9 (7) whether continued active efforts were made to identify and place the Indian child in
531.10 a home that is compliant with the placement preferences in sections 260.751 to 260.835,
531.11 including whether extended family members were consulted to provide support to the Indian
531.12 child and Indian child's parents; to inform the child-placing agency, petitioner, and court
531.13 as to cultural connections and family structure; to assist in identifying appropriate cultural
531.14 services and supports for the Indian child and Indian child's parents; and to identify and
531.15 serve as placement and permanency resources for the Indian child. If there was difficulty
531.16 contacting or engaging extended family members, whether assistance was sought from the
531.17 Tribe; the Department of Human Services; the Department of Children, Youth, and Families;
531.18 or other agencies with expertise in working with Indian families;

531.19 (8) whether services and resources were provided to extended family members who are
531.20 considered the primary placement option for an Indian child, as agreed upon by the
531.21 child-placing agency or petitioner and the Tribe, to overcome licensing and other barriers
531.22 to providing care to an Indian child. The need for services or resources shall not be a basis
531.23 to exclude an extended family member from consideration as a primary placement. Services
531.24 and resources include but are not limited to child care assistance, financial assistance,
531.25 housing resources, emergency resources, and foster care licensing assistance and resources;

531.26 (9) whether concrete services and access to both Tribal and non-Tribal services were
531.27 provided to the Indian child's parents and Indian custodian and, where necessary, members
531.28 of the Indian child's extended family members who provide support to the Indian child and
531.29 the Indian child's parents; and whether these services were provided in an ongoing manner
531.30 throughout the child-placing agency or petitioner's involvement with the Indian family to
531.31 directly assist the Indian family in accessing and utilizing services to maintain the Indian
531.32 family, or to reunify the Indian family as soon as safety can be assured if out-of-home
531.33 placement has occurred. Services include but are not limited to financial assistance, food,

532.1 housing, health care, transportation, in-home services, community support services, and
532.2 specialized services; and

532.3 (10) whether visitation occurred whenever possible in the home of the Indian child's
532.4 parent, Indian custodian, or extended family member or in another noninstitutional setting
532.5 in order to keep the Indian child in close contact with the Indian child's parents, siblings,
532.6 and other relatives regardless of the Indian child's age and to allow the Indian child and
532.7 those with whom the Indian child visits to have natural, unsupervised interaction when
532.8 consistent with protecting the child's safety.

532.9 Sec. 62. Minnesota Statutes 2024, section 260B.171, subdivision 4, is amended to read:

532.10 Subd. 4. **Public inspection of records.** (a) Legal records arising from proceedings or
532.11 portions of proceedings that are public under section 260B.163, subdivision 1, are open to
532.12 public inspection.

532.13 (b) Except as otherwise provided by this section, none of the records of the juvenile
532.14 court and none of the records relating to an appeal from a nonpublic juvenile court
532.15 proceeding, except the written appellate opinion, shall be open to public inspection or their
532.16 contents disclosed except:

532.17 (1) by order of a court; or

532.18 (2) as required by chapter 245C or sections 142B.10, 245A.04, 611A.03, 611A.04,
532.19 611A.06, and 629.73.

532.20 (c) The victim of any alleged delinquent act may, upon the victim's request, obtain the
532.21 following information, unless it reasonably appears that the request is prompted by a desire
532.22 on the part of the requester to engage in unlawful activities:

532.23 (1) the name and age of the juvenile;

532.24 (2) the act for which the juvenile was petitioned and date of the offense; and

532.25 (3) the disposition, including, but not limited to, dismissal of the petition, diversion,
532.26 probation and conditions of probation, detention, fines, or restitution.

532.27 (d) The records of juvenile probation officers and county home schools are records of
532.28 the court for the purposes of this subdivision. Court services data relating to delinquent acts
532.29 that are contained in records of the juvenile court may be released as allowed under section
532.30 13.84, subdivision 6. This subdivision applies to all proceedings under this chapter, including
532.31 appeals from orders of the juvenile court, except that this subdivision does not apply to
532.32 proceedings under section 260B.335 or 260B.425 when the proceeding involves an adult

533.1 defendant. The court shall maintain the confidentiality of adoption files and records in
533.2 accordance with the provisions of laws relating to adoptions. In juvenile court proceedings
533.3 any report or social history furnished to the court shall be open to inspection by the attorneys
533.4 of record and the guardian ad litem a reasonable time before it is used in connection with
533.5 any proceeding before the court.

533.6 (e) When a judge of a juvenile court, or duly authorized agent of the court, determines
533.7 under a proceeding under this chapter that a child has violated a state or local law, ordinance,
533.8 or regulation pertaining to the operation of a motor vehicle on streets and highways, except
533.9 parking violations, the judge or agent shall immediately report the violation to the
533.10 commissioner of public safety. The report must be made on a form provided by the
533.11 Department of Public Safety and must contain the information required under section 169.95.

533.12 (f) A county attorney may give a law enforcement agency that referred a delinquency
533.13 matter to the county attorney a summary of the results of that referral, including the details
533.14 of any juvenile court disposition.

533.15 Sec. 63. Minnesota Statutes 2024, section 260E.03, subdivision 6, is amended to read:

533.16 Subd. 6. **Facility.** "Facility" means:

533.17 (1) a licensed or unlicensed day care facility, certified license-exempt child care center,
533.18 residential facility, agency, hospital, sanitarium, or other facility or institution required to
533.19 be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter
533.20 142B, 142C, 144H, or 245D;

533.21 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E;
533.22 or

533.23 (3) a nonlicensed personal care provider organization as defined in section 256B.0625,
533.24 subdivision 19a.

533.25 Sec. 64. Minnesota Statutes 2024, section 260E.11, subdivision 1, is amended to read:

533.26 Subdivision 1. **Reports of maltreatment in facility.** A person mandated to report child
533.27 maltreatment occurring within a licensed facility shall report the information to the agency
533.28 responsible for licensing or certifying the facility under sections 144.50 to 144.58, 241.021,
533.29 and 245A.01 to 245A.16; or chapter 142B, 142C, 144H, or 245D; or to a nonlicensed
533.30 personal care provider organization as defined in section 256B.0625, subdivision 19a.

534.1 Sec. 65. Minnesota Statutes 2024, section 260E.30, subdivision 4, is amended to read:

534.2 Subd. 4. **Mitigating factors in investigating facilities.** (a) When determining whether
534.3 the facility or individual is the responsible party or whether both the facility and the individual
534.4 are responsible for determined maltreatment in a facility, the investigating agency shall
534.5 consider at least the following mitigating factors:

534.6 (1) whether the actions of the facility or the individual caregivers were according to,
534.7 and followed the terms of, an erroneous physician order, prescription, individual care plan,
534.8 or directive; however, this is not a mitigating factor when the facility or caregiver was
534.9 responsible for the issuance of the erroneous order, prescription, individual care plan, or
534.10 directive or knew or should have known of the errors and took no reasonable measures to
534.11 correct the defect before administering care;

534.12 (2) comparative responsibility between the facility, other caregivers, and requirements
534.13 placed upon an employee, including the facility's compliance with related regulatory standards
534.14 and the adequacy of facility policies and procedures, facility training, an individual's
534.15 participation in the training, the caregiver's supervision, and facility staffing levels and the
534.16 scope of the individual employee's authority and discretion; and

534.17 (3) whether the facility or individual followed professional standards in exercising
534.18 professional judgment.

534.19 (b) The evaluation of the facility's responsibility under paragraph (a), clause (2), must
534.20 not be based on the completeness of the risk assessment or risk reduction plan required
534.21 under section ~~245A.66~~ 142B.54, but must be based on the facility's compliance with the
534.22 regulatory standards for policies and procedures, training, and supervision as cited in
534.23 Minnesota Statutes and Minnesota Rules.

534.24 (c) Notwithstanding paragraphs (a) and (b), when maltreatment is determined to have
534.25 been committed by an individual who is also the facility license holder, both the individual
534.26 and the facility must be determined responsible for the maltreatment, and both the background
534.27 study disqualification standards under section 245C.15, subdivision 4, and the licensing or
534.28 certification actions under section 142B.16, 142B.18, 142C.06, 142C.07, 245A.06, or
534.29 245A.07 apply.

534.30 Sec. 66. Minnesota Statutes 2024, section 260E.33, subdivision 6, is amended to read:

534.31 Subd. 6. **Contested case hearing.** If a maltreatment determination or a disqualification
534.32 based on serious or recurring maltreatment is the basis for a denial of a license under section
534.33 142B.15 or 245A.05 or a licensing sanction under section 142B.18 or 245A.07, the license

holder has the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. As provided for under section 142B.20, subdivision 3, or 245A.08, subdivision 2a, the scope of the contested case hearing shall include the maltreatment determination, disqualification, and licensing sanction or denial of a license. In such cases, a fair hearing regarding the maltreatment determination and disqualification shall not be conducted under section 256.045. Except for family child care and child foster care, reconsideration of a maltreatment determination as provided under this subdivision and reconsideration of a disqualification as provided under section 245C.22 shall also not be conducted when:

(1) a denial of a license under section 142B.15 or 245A.05 or a licensing sanction under section 142B.18 or 245A.07 is based on a determination that the license holder is responsible for maltreatment or the disqualification of a license holder based on serious or recurring maltreatment;

(2) the denial of a license or licensing sanction is issued at the same time as the maltreatment determination or disqualification; and

(3) the license holder appeals the maltreatment determination or disqualification and denial of a license or licensing sanction.

Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under subdivision 2 and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under subdivision 2 and sections 245C.27 and 626.557, subdivision 9d.

If the disqualified subject is an individual other than the license holder and upon whom a background study must be conducted under chapter 245C, the hearings of all parties may be consolidated into a single contested case hearing upon consent of all parties and the administrative law judge.

Sec. 67. Minnesota Statutes 2024, section 261.232, is amended to read:

261.232 DUTIES OF ~~COMMISSIONER~~ COMMISSIONERS OF HUMAN SERVICES AND CHILDREN, YOUTH, AND FAMILIES.

The ~~commissioner~~ commissioners of human services and children, youth, and families shall promulgate rules to establish administrative and fiscal procedures for payment of the

536.1 state share of the costs incurred by the counties under sections 261.21 to 261.231. The rules
536.2 may include:

536.3 (a) procedures by which state liability for the costs of hospitalization of indigent persons
536.4 may be deducted from county liability to the state under any other public assistance program
536.5 authorized by law;

536.6 (b) procedures for processing claims of counties for reimbursement by the state for
536.7 expenditures made by the counties for the hospitalization of indigent persons; and

536.8 (c) standards for eligibility and utilization of medical care.

536.9 Sec. 68. Minnesota Statutes 2024, section 270B.14, subdivision 1, is amended to read:

536.10 Subdivision 1. **Disclosure to commissioner of human services.** ~~(a) On the request of~~
536.11 ~~the commissioner of human services, the commissioner shall disclose return information~~
536.12 ~~regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the~~
536.13 ~~extent provided in paragraph (b) and for the purposes set forth in paragraph (c).~~

536.14 ~~(b) Data that may be disclosed are limited to data relating to the identity, whereabouts,~~
536.15 ~~employment, income, and property of a person owing or alleged to be owing an obligation~~
536.16 ~~of child support.~~

536.17 ~~(c) The commissioner of human services may request data only for the purposes of~~
536.18 ~~carrying out the child support enforcement program and to assist in the location of parents~~
536.19 ~~who have, or appear to have, deserted their children. Data received may be used only as set~~
536.20 ~~forth in section 518A.83.~~

536.21 ~~(d)~~ (a) The commissioner shall provide the records and information necessary to
536.22 administer the supplemental housing allowance to the commissioner of human services.

536.23 ~~(e)~~ (b) At the request of the commissioner of human services, the commissioner of
536.24 revenue shall electronically match the Social Security or individual taxpayer identification
536.25 numbers and names of participants in the telephone assistance plan operated under sections
536.26 237.69 to 237.71, with those of property tax refund filers under chapter 290A or renter's
536.27 credit filers under section 290.0693, and determine whether each participant's household
536.28 income is within the eligibility standards for the telephone assistance plan.

536.29 ~~(f)~~ (c) The commissioner may provide records and information collected under sections
536.30 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
536.31 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
536.32 102-234. Upon the written agreement by the United States Department of Health and Human

537.1 Services to maintain the confidentiality of the data, the commissioner may provide records
537.2 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
537.3 Medicaid Services section of the United States Department of Health and Human Services
537.4 for purposes of meeting federal reporting requirements.

537.5 ~~(g)~~ (d) The commissioner may provide records and information to the commissioner of
537.6 human services as necessary to administer the early refund of refundable tax credits.

537.7 ~~(h)~~ (e) The commissioner may disclose information to the commissioner of human
537.8 services as necessary for income verification for eligibility and premium payment under
537.9 the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
537.10 assistance program under chapter 256B.

537.11 ~~(i)~~ (f) The commissioner may disclose information to the commissioner of human services
537.12 necessary to verify whether applicants or recipients for ~~the Minnesota family investment~~
537.13 ~~program~~, general assistance, ~~the Supplemental Nutrition Assistance Program (SNAP)~~, and
537.14 the Minnesota supplemental aid program, ~~and child care assistance~~ have claimed refundable
537.15 tax credits under chapter 290 and the property tax refund under chapter 290A, and the
537.16 amounts of the credits.

537.17 ~~(j)~~ (g) At the request of the commissioner of human services and when authorized in
537.18 writing by the taxpayer, the commissioner of revenue may match the business legal name
537.19 or individual legal name, and the Minnesota tax identification number, federal Employer
537.20 Identification Number, or Social Security number of the applicant under section 142C.03;
537.21 245A.04, subdivision 1; or 245I.20; or license or certification holder. The commissioner of
537.22 revenue may share the matching with the commissioner of human services. The matching
537.23 may only be used by the commissioner of human services to determine eligibility for provider
537.24 grant programs and to facilitate the regulatory oversight of license and certification holders
537.25 as it relates to ownership and public funds program integrity. This paragraph applies only
537.26 if the commissioner of human services and the commissioner of revenue enter into an
537.27 interagency agreement for the purposes of this paragraph.

537.28 Sec. 69. Minnesota Statutes 2024, section 270B.14, is amended by adding a subdivision
537.29 to read:

537.30 Subd. 24. Disclosure to commissioner of children, youth, and families. (a) On the
537.31 request of the commissioner of children, youth, and families, the commissioner shall disclose
537.32 return information regarding taxes imposed by chapter 290, and claims for refunds under
537.33 chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in
537.34 paragraph (c).

(b) Data may be disclosed relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of children, youth, and families may request data for the purposes of carrying out the child support program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 518A.83.

(d) The commissioner may disclose information to the commissioner of children, youth, and families necessary to verify whether applicants or recipients for the Minnesota family investment program, the Supplemental Nutrition Assistance Program (SNAP), and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

Sec. 70. Minnesota Statutes 2024, section 299C.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following definitions apply.

(b) "Federal tax information" means federal tax returns and return information or information derived or created from federal tax returns, in possession of or control by the requesting agency, that is covered by the safeguarding provisions of section 6103(p)(4) of the Internal Revenue Code.

(c) "IRS Publication 1075" means Internal Revenue Service Publication 1075 that provides guidance and requirements for the protection and confidentiality of federal tax information as required in section 6103(p)(4) of the Internal Revenue Code.

(d) "National criminal history record information" means the Federal Bureau of Investigation identification records as defined in Code of Federal Regulations, title 28, section 20.3(d).

(e) "Requesting agency" means the Department of Revenue; Department of Employment and Economic Development; Department of Human Services; Department of Children, Youth, and Families; board of directors of MNsure; Department of Information Technology Services; attorney general; and counties.

Sec. 71. Minnesota Statutes 2024, section 299F.011, subdivision 4a, is amended to read:

Subd. 4a. **Day care home regulation.** (a) Notwithstanding any contrary provision of this section, the fire marshal shall not adopt or enforce a rule:

539.1 (1) establishing staff ratios, age distribution requirements, and limitations on the number
539.2 of children in care;

539.3 (2) regulating the means of egress from family or group family day care homes in addition
539.4 to the egress rules that apply to the home as a single family dwelling; or

539.5 (3) confining family or group family day care home activities to the floor of exit
539.6 discharge.

539.7 (b) For purposes of this subdivision, "family or group family day care home" means a
539.8 dwelling unit in which the day care provider provides the services referred to in section
539.9 142B.01, subdivision 18, to one or more persons.

539.10 (c) Nothing in this subdivision prohibits the Department of Children, Youth, and Families
539.11 from adopting or enforcing rules regulating day care, including the subjects in paragraph
539.12 (a), clauses (1) and (3). The department may not, however, adopt or enforce a rule stricter
539.13 than paragraph (a), clause (2).

539.14 (d) The Department of ~~Human Services~~ Children, Youth, and Families may by rule adopt
539.15 procedures for requesting the state fire marshal or a local fire marshal to conduct an
539.16 inspection of day care homes to ensure compliance with state or local fire codes.

539.17 (e) The commissioners of public safety; children, youth, and families; and human services
539.18 may enter into an agreement for the ~~commissioner~~ commissioners of human services and
539.19 children, youth, and families to perform follow-up inspections of programs, subject to
539.20 licensure under chapter 142B or 245A, to determine whether certain violations cited by the
539.21 state fire marshal have been corrected. The agreement shall identify specific items the
539.22 commissioner of human services is permitted to inspect. The list of items is not subject to
539.23 rulemaking and may be changed by mutual agreement between the state fire marshal and
539.24 the commissioner. The agreement shall provide for training of individuals who will conduct
539.25 follow-up inspections. The agreement shall contain procedures for the commissioner of
539.26 human services to follow when the commissioner requires assistance from the state fire
539.27 marshal to carry out the duties of the agreement.

539.28 (f) No tort liability is transferred to the commissioner of human services or the
539.29 commissioner of children, youth, and families as a result of the ~~commissioner of human~~
539.30 ~~services~~ commissioners performing activities within the limits of the agreement.

539.31 Sec. 72. Minnesota Statutes 2024, section 402A.10, subdivision 1a, is amended to read:

539.32 Subd. 1a. **Balanced set of program measures.** A "balanced set of program measures"
539.33 is a set of measures that, together, adequately quantify achievement toward a particular

540.1 program's outcome. As directed by section 402A.16, the Human Services Performance
540.2 Council must recommend to the commissioner ~~when~~ who oversees a particular program
540.3 when the program has a balanced set of program measures.

540.4 Sec. 73. Minnesota Statutes 2024, section 402A.10, subdivision 2, is amended to read:

540.5 Subd. 2. ~~Commissioner~~ **Commissioners.** "~~Commissioner~~" "Commissioners" means the
540.6 ~~commissioner~~ commissioners of human services and children, youth, and families.

540.7 Sec. 74. Minnesota Statutes 2024, section 402A.10, subdivision 4c, is amended to read:

540.8 Subd. 4c. **Performance improvement plan.** A "performance improvement plan" means
540.9 a plan developed by a county or service delivery authority that describes steps the county
540.10 or service delivery authority must take to improve performance on a specific measure or
540.11 set of measures. The performance improvement plan must be negotiated with and approved
540.12 by ~~the each~~ commissioner who oversees a program affected by the plan. The performance
540.13 improvement plan must require a specific numerical improvement in the measure or measures
540.14 on which the plan is based and may include specific programmatic best practices or specific
540.15 performance management practices that the county must implement.

540.16 Sec. 75. Minnesota Statutes 2024, section 402A.12, is amended to read:

540.17 **402A.12 ESTABLISHMENT OF A PERFORMANCE MANAGEMENT SYSTEM**
540.18 **FOR HUMAN SERVICES.**

540.19 By January 1, 2014, the commissioner of human services shall implement a performance
540.20 management system for essential human services as described in sections 402A.16 and
540.21 402A.18 that includes initial performance measures and thresholds consistent with the
540.22 recommendations of the Steering Committee on Performance and Outcome Reforms in the
540.23 December 2012 report to the legislature.

540.24 Sec. 76. Minnesota Statutes 2024, section 402A.16, subdivision 1, is amended to read:

540.25 Subdivision 1. **Establishment.** By October 1, 2013, the commissioner of human services
540.26 shall convene a Human Services Performance Council to advise the commissioner of human
540.27 services on the implementation and operation of the performance management system for
540.28 human services.

540.29 Sec. 77. Minnesota Statutes 2024, section 402A.16, subdivision 2, is amended to read:

540.30 Subd. 2. **Duties.** The Human Services Performance Council shall:

541.1 (1) hold meetings at least quarterly that are in compliance with Minnesota's Open Meeting
541.2 Law under chapter 13D;

541.3 (2) annually review the annual performance data submitted by counties or service delivery
541.4 authorities;

541.5 (3) review and advise the ~~commissioner~~ commissioners on department procedures related
541.6 to the implementation of the performance management system and system process
541.7 requirements and on barriers to process improvement in human services delivery;

541.8 (4) advise the ~~commissioner~~ commissioners on the training and technical assistance
541.9 needs of county or service delivery authority and department personnel;

541.10 (5) review instances in which a county or service delivery authority has not made adequate
541.11 progress on a performance improvement plan and make recommendations to the
541.12 ~~commissioner~~ commissioners under section 402A.18;

541.13 (6) consider appeals from counties or service delivery authorities that are in the remedies
541.14 process and make recommendations to the ~~commissioner~~ commissioners on resolving the
541.15 issue;

541.16 (7) convene working groups to update and develop outcomes, measures, and performance
541.17 thresholds for the performance management system and, on an annual basis, present these
541.18 recommendations to the ~~commissioner~~ commissioners, including recommendations on when
541.19 a particular essential human services program has a balanced set of program measures in
541.20 place;

541.21 (8) make recommendations on human services administrative rules or statutes that could
541.22 be repealed in order to improve service delivery; and

541.23 (9) provide information to stakeholders on the council's role and regularly collect
541.24 stakeholder input on performance management system performance.

541.25 Sec. 78. Minnesota Statutes 2024, section 402A.16, subdivision 3, is amended to read:

541.26 Subd. 3. **Membership.** (a) Human Services Performance Council membership shall be
541.27 equally balanced among the following five stakeholder groups: the Association of Minnesota
541.28 Counties; the Minnesota Association of County Social Service Administrators; the
541.29 Department of Human Services; and the Department of Children, Youth, and Families,
541.30 jointly; tribes and communities of color; and service providers and advocates for persons
541.31 receiving human services. The Association of Minnesota Counties and the Minnesota
541.32 Association of County Social Service Administrators shall appoint their own respective

representatives. ~~The commissioner of human services~~ commissioners shall each appoint two representatives of ~~the Department of Human Services,~~ their respective department. The commissioners shall each appoint two representatives from (1) tribes and communities of color, and (2) social services providers and advocates. ~~Minimum~~ Council membership shall be ~~15~~ 20 members, with ~~at least three~~ four representatives from each nondepartmental stakeholder group, ~~and maximum council membership shall be 20 members, with four representatives from each stakeholder group.~~

(b) Notwithstanding section 15.059, Human Services Performance Council members shall be appointed for a minimum of two years, but may serve longer terms at the discretion of their appointing authority.

(c) Notwithstanding section 15.059, members of the council shall receive no compensation for their services.

(d) A ~~commissioner's~~ representative from each commissioner and a county representative from either the Association of Minnesota Counties or the Minnesota Association of County Social Service Administrators shall serve as Human Services Performance Council cochairs.

Sec. 79. Minnesota Statutes 2024, section 402A.16, subdivision 4, is amended to read:

Subd. 4. ~~Commissioner~~ **Commissioners' duties.** For essential human services administered by each agency, the ~~commissioner~~ commissioners shall:

(1) implement and maintain the performance management system for human services;

(2) establish and regularly update the system's outcomes, measures, and thresholds, including the minimum performance threshold for each performance measure;

(3) determine when a particular program has a balanced set of measures;

(4) receive reports from counties or service delivery authorities at least annually on their performance against system measures, provide counties with data needed to assess performance and monitor progress, and provide timely feedback to counties or service delivery authorities on their performance;

(5) implement and monitor the remedies process in section 402A.18;

(6) report to the Human Services Performance Council on county or service delivery authority performance on a semiannual basis;

(7) provide general training and technical assistance to counties or service delivery authorities on topics related to performance measurement and performance improvement;

- 543.1 (8) provide targeted training and technical assistance to counties or service delivery
543.2 authorities that supports their performance improvement plans; and
- 543.3 (9) provide staff support for the Human Services Performance Council.

543.4 Sec. 80. Minnesota Statutes 2024, section 402A.18, subdivision 2, is amended to read:

543.5 Subd. 2. **Underperforming county; more than one-half of services.** If the ~~commissioner~~
543.6 ~~determines~~ commissioners determine that a county or service delivery authority is deficient
543.7 in achieving minimum performance thresholds for more than one-half of the defined essential
543.8 human services programs, the ~~commissioner~~ commissioners may impose the following
543.9 remedies:

543.10 (1) voluntary incorporation of the administration and operation of essential human
543.11 services programs with an existing service delivery authority or another county. A service
543.12 delivery authority or county incorporating an underperforming county shall not be financially
543.13 liable for the costs associated with remedying performance outcome deficiencies;

543.14 (2) mandatory incorporation of the administration and operation of essential human
543.15 services programs with an existing service delivery authority or another county. A service
543.16 delivery authority or county incorporating an underperforming county shall not be financially
543.17 liable for the costs associated with remedying performance outcome deficiencies; or

543.18 (3) transfer of authority for administration and operation of essential human services
543.19 programs to the commissioner that oversees each program.

543.20 Sec. 81. Minnesota Statutes 2024, section 402A.18, subdivision 3, is amended to read:

543.21 Subd. 3. **Conditions prior to imposing remedies.** (a) The commissioner shall notify a
543.22 county or service delivery authority that it must submit a performance improvement plan
543.23 if:

543.24 (1) the county or service delivery authority does not meet the minimum performance
543.25 threshold for a measure; or

543.26 (2) the county or service delivery authority has a performance disparity for a racial or
543.27 ethnic subgroup, even if the county or service delivery authority met the threshold for the
543.28 overall population. The council shall make recommendations on performance disparities,
543.29 and the commissioner shall make the final determination.

543.30 (b) When the ~~department~~ commissioner determines that a county or service delivery
543.31 authority does not meet the minimum performance threshold for a given measure, the

544.1 commissioner must advise the county or service delivery authority that fiscal penalties may
544.2 result if the performance does not improve. The ~~department~~ commissioner must offer
544.3 technical assistance to the county or service delivery authority. Within 30 days of the initial
544.4 advisement from the ~~department~~ commissioner, the county or service delivery authority
544.5 may claim and the ~~department~~ commissioner may approve an extenuating circumstance
544.6 that relieves the county or service delivery authority of any further remedy. If a county or
544.7 service delivery authority has a small number of participants in an essential human services
544.8 program such that reliable measurement is not possible, the commissioner may approve
544.9 extenuating circumstances.

544.10 (c) If there are no extenuating circumstances, the county or service delivery authority
544.11 must submit a performance improvement plan to the commissioner within 60 days of the
544.12 initial advisement from the ~~department~~ commissioner. The term of the performance
544.13 improvement plan must be two years, starting with the date the plan is approved by the
544.14 commissioner. This plan must include a target level for improvement for each measure that
544.15 did not meet the minimum performance threshold. The commissioner must approve the
544.16 performance improvement plan within 60 days of submittal.

544.17 (d) The ~~department~~ commissioner must monitor the performance improvement plan for
544.18 two years. After two years, if the county or service delivery authority meets the minimum
544.19 performance threshold, there is no further remedy. If the county or service delivery authority
544.20 fails to meet the minimum performance threshold, but meets the improvement target in the
544.21 performance improvement plan, the county or service delivery authority shall modify the
544.22 performance improvement plan for further improvement and the ~~department~~ commissioner
544.23 shall continue to monitor the plan.

544.24 (e) If, after two years of monitoring, the county or service delivery authority fails to
544.25 meet both the minimum performance threshold and the improvement target identified in
544.26 the performance improvement plan, the next step of the remedies process shall be invoked
544.27 by the commissioner. This phase of the remedies process may include:

544.28 (1) fiscal penalties for the county or service delivery authority that do not exceed one
544.29 percent of the county's human services expenditures and that are negotiated in the
544.30 performance improvement plan, based on what is needed to improve outcomes. Counties
544.31 or service delivery authorities must reinvest the amount of the fiscal penalty into the essential
544.32 human services program that was underperforming. A county or service delivery authority
544.33 shall not be required to pay more than three fiscal penalties in a year; and

545.1 (2) the ~~department's~~ commissioner's provision of technical assistance to the county or
545.2 service delivery authority that is targeted to address the specific performance issues.

545.3 The commissioner shall continue monitoring the performance improvement plan for a third
545.4 year.

545.5 (f) If, after the third year of monitoring, the county or service delivery authority meets
545.6 the minimum performance threshold, there is no further remedy. If the county or service
545.7 delivery authority fails to meet the minimum performance threshold, but meets the
545.8 improvement target for the performance improvement plan, the county or service delivery
545.9 authority shall modify the performance improvement plan for further improvement and the
545.10 ~~department~~ commissioner shall continue to monitor the plan.

545.11 (g) If, after the third year of monitoring, the county or service delivery authority fails to
545.12 meet the minimum performance threshold and the improvement target identified in the
545.13 performance improvement plan, the Human Services Performance Council shall review the
545.14 situation and recommend a course of action to the commissioner.

545.15 (h) If the commissioner has determined that a program has a balanced set of program
545.16 measures and a county or service delivery authority is subject to fiscal penalties for more
545.17 than one-half of the measures for that program, the commissioner may apply further remedies
545.18 as described in subdivisions 1 and 2.

545.19 Sec. 82. Minnesota Statutes 2024, section 402A.18, is amended by adding a subdivision
545.20 to read:

545.21 Subd. 4. **Commissioner jurisdiction.** For the purposes of this section, "commissioner"
545.22 means the commissioner of human services or the commissioner of children, youth, and
545.23 families, whichever oversees the program or service at issue. If programs or services overseen
545.24 by both commissioners are at issue, commissioner means both commissioners jointly. A
545.25 commissioner must not take action under this section for a program or service that the
545.26 commissioner does not oversee.

545.27 Sec. 83. Minnesota Statutes 2024, section 402A.35, subdivision 1, is amended to read:

545.28 Subdivision 1. **Requirements for establishing a service delivery authority.** (a) A
545.29 county, tribe, or consortium of counties is eligible to establish a service delivery authority
545.30 if:

545.31 (1) the county, tribe, or consortium of counties is:

545.32 (i) a single county with a population of 55,000 or more;

546.1 (ii) a consortium of counties with a total combined population of 55,000 or more;

546.2 (iii) a consortium of four or more counties in reasonable geographic proximity without
546.3 regard to population; or

546.4 (iv) one or more tribes with a total combined population of 25,000 or more.

546.5 The council may recommend that the ~~commissioner of human services~~ commissioners
546.6 exempt a single county, tribe, or consortium of counties from the minimum population
546.7 standard if the county, tribe, or consortium of counties can demonstrate that it can otherwise
546.8 meet the requirements of this chapter.

546.9 (b) A service delivery authority shall:

546.10 (1) comply with current state and federal law, including any existing federal or state
546.11 performance measures when they are enacted into law, except where waivers are approved
546.12 by the ~~commissioner~~ commissioners;

546.13 (2) define the scope of essential services over which the service delivery authority has
546.14 jurisdiction;

546.15 (3) designate a single administrative structure to oversee the delivery of those services
546.16 included in a proposal for a redesigned service or services and identify a single administrative
546.17 agent for purposes of contact and communication with the department;

546.18 (4) identify the waivers from statutory or rule program requirements that are needed to
546.19 ensure greater local control and flexibility to determine the most cost-effective means of
546.20 achieving specified measurable goals that the participating service delivery authority is
546.21 expected to achieve;

546.22 (5) set forth a reasonable level of targeted reductions in overhead and administrative
546.23 costs for each service delivery authority participating in the service delivery redesign;

546.24 (6) set forth the terms under which a county, tribe, or consortium of counties may
546.25 withdraw from participation. In the case of withdrawal of any or all parties or the dissolution
546.26 of the service delivery authority, the employees shall continue to be represented by the same
546.27 exclusive representative or representatives and continue to be covered by the same collective
546.28 bargaining union agreement until a new agreement is negotiated or the collective bargaining
546.29 agreement term ends; and

546.30 (7) set forth a structure for managing the terms and conditions of employment of the
546.31 employees as provided in section 402A.40.

547.1 (c) Once a county, tribe, or consortium of counties establishes a service delivery authority,
547.2 no county, tribe, or consortium of counties that is a member of the service delivery authority
547.3 may participate as a member of any other service delivery authority. The service delivery
547.4 authority may allow an additional county, a tribe, or a consortium of counties to join the
547.5 service delivery authority subject to the approval of the council and the ~~commissioner~~
547.6 commissioners.

547.7 (d) Nothing in this chapter precludes local governments from using sections 465.81 and
547.8 465.82 to establish procedures for local governments to merge, with the consent of the
547.9 voters. Nothing in this chapter limits the authority of a county board or tribal council to
547.10 enter into contractual agreements for services not covered by the provisions of a
547.11 memorandum of understanding establishing a service delivery authority with other agencies
547.12 or with other units of government.

547.13 Sec. 84. Minnesota Statutes 2024, section 402A.35, subdivision 4, is amended to read:

547.14 Subd. 4. **Process for establishing a service delivery authority.** (a) The county, tribe,
547.15 or consortium of counties meeting the requirements of this section and proposing to establish
547.16 a service delivery authority shall present to the council:

547.17 (1) in conjunction with the ~~commissioner~~ commissioners, a proposed memorandum of
547.18 understanding meeting the requirements of subdivision 1, paragraph (b), and outlining:

547.19 (i) the details of the proposal;

547.20 (ii) the state, tribal, and local resources, which may include, but are not limited to,
547.21 funding, administrative and technology support, and other requirements necessary for the
547.22 service delivery authority; and

547.23 (iii) the relief available to the service delivery authority if the resource commitments
547.24 identified in item (ii) are not met; and

547.25 (2) a board resolution from the board of commissioners of each participating county
547.26 stating the county's intent to participate, or in the case of a tribe, a resolution from tribal
547.27 government, stating the tribe's intent to participate.

547.28 (b) After the council has considered and recommended approval of a proposed
547.29 memorandum of understanding, the ~~commissioner~~ commissioners may finalize and execute
547.30 the memorandum of understanding.

548.1 Sec. 85. Minnesota Statutes 2024, section 402A.35, subdivision 5, is amended to read:

548.2 Subd. 5. **Commissioner authority to seek waivers.** The ~~commissioner~~ commissioners
548.3 may use the authority under section 142A.03, subdivision 2, paragraph (k), or 256.01,
548.4 subdivision 2, paragraph (k), to grant waivers identified as part of a proposed service delivery
548.5 authority under subdivision 1, paragraph (b), clause (4), except that waivers granted under
548.6 this section must be approved by the council under section 402A.20 rather than the
548.7 Legislative Advisory Committee.

548.8 Sec. 86. Minnesota Statutes 2024, section 462A.2095, subdivision 6, is amended to read:

548.9 Subd. 6. **Rent assistance not income.** (a) Notwithstanding any law to the contrary,
548.10 payments under this section must not be considered income, assets, or personal property
548.11 for purposes of determining eligibility or recertifying eligibility for state public assistance,
548.12 including but not limited to:

548.13 (1) child care assistance programs under chapter 142E;

548.14 (2) food support under chapter 142F;

548.15 ~~(2) (3) general assistance; and~~ Minnesota supplemental aid; and food support under
548.16 chapter 256D;

548.17 ~~(3) (4) housing support under chapter 256I;~~

548.18 ~~(4) (5) Minnesota family investment program and diversionary work program under~~
548.19 chapter 142G; and

548.20 ~~(5) (6) economic assistance programs under chapter 256P.~~

548.21 (b) The commissioner of human services must not consider rent assistance grant money
548.22 under this section as income or assets under section 256B.056, subdivision 1a, paragraph
548.23 (a); subdivision 3; or subdivision 3c, or for persons with eligibility determined under section
548.24 256B.057, subdivision 3, 3a, or 3b.

548.25 Sec. 87. Minnesota Statutes 2024, section 466.131, is amended to read:

548.26 **466.131 INDEMNIFICATION BY STATE.**

548.27 Until July 1, 1987, a municipality is an employee of the state for purposes of the
548.28 indemnification provisions of section 3.736, subdivision 9, when the municipality is required
548.29 by the Public Welfare Licensing Act and rules promulgated under it to inspect or investigate
548.30 a provider. After July 1, 1987, a municipality is an employee of the state for purposes of
548.31 the indemnification provisions of section 3.736, subdivision 9, when the municipality is

549.1 required by sections 245A.01 to 245A.16, ~~the Human Services Licensing Act~~, or chapter
549.2 142B and rules adopted under it to inspect or investigate a provider, and the municipality
549.3 has been duly certified under standards for certification developed by the ~~commissioner~~
549.4 commissioners of human services and children, youth, and families.

549.5 Sec. 88. Minnesota Statutes 2024, section 518.165, subdivision 5, is amended to read:

549.6 Subd. 5. **Procedure, criminal history, and maltreatment records background**

549.7 **study.** (a) When the court requests a background study under subdivision 4, paragraph (a),
549.8 the request shall be submitted to the Department of Human Services through the department's
549.9 electronic online background study system.

549.10 (b) When the court requests a search of the National Criminal Records Repository, the
549.11 court must provide a set of classifiable fingerprints of the subject of the study on a fingerprint
549.12 card provided by the commissioner of human services.

549.13 (c) The commissioner of human services shall provide the court with criminal history
549.14 data as defined in section 13.87 from the Bureau of Criminal Apprehension in the Department
549.15 of Public Safety, other criminal history data held by the commissioner of human services,
549.16 and data regarding substantiated maltreatment of a minor under chapter 260E, and
549.17 substantiated maltreatment of a vulnerable adult under section 626.557, within 15 working
549.18 days of receipt of a request. If the subject of the study has been determined by the Department
549.19 of Human Services; the Department of Children, Youth, and Families; or the Department
549.20 of Health to be the perpetrator of substantiated maltreatment of a minor or vulnerable adult
549.21 in a licensed facility, the response must include a copy of the public portion of the
549.22 investigation memorandum under section 260E.30 or the public portion of the investigation
549.23 memorandum under section 626.557, subdivision 12b. When the background study shows
549.24 that the subject has been determined by a county adult protection or child protection agency
549.25 to have been responsible for maltreatment, the court shall be informed of the county, the
549.26 date of the finding, and the nature of the maltreatment that was substantiated. The
549.27 commissioner shall provide the court with information from the National Criminal Records
549.28 Repository within three working days of the commissioner's receipt of the data. When the
549.29 commissioner finds no criminal history or substantiated maltreatment on a background
549.30 study subject, the commissioner shall make these results available to the court electronically
549.31 through the secure online background study system.

549.32 (d) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner
549.33 or county lead agency or lead investigative agency has information that a person on whom
549.34 a background study was previously done under this section has been determined to be a

550.1 perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the county
550.2 may provide this information to the court that requested the background study.

550.3 Sec. 89. Minnesota Statutes 2024, section 524.5-106, is amended to read:

550.4 **524.5-106 SUBJECT-MATTER JURISDICTION.**

550.5 This article applies to, and the court has jurisdiction over, guardianship and related
550.6 proceedings for individuals domiciled or present in this state, protective proceedings for
550.7 individuals domiciled in or having property located in this state, and property coming into
550.8 the control of a guardian or conservator who is subject to the laws of this state. This article
550.9 does not apply to any matters or proceedings arising under or governed by chapters 252A,
550.10 259, and 260C. Notwithstanding anything else to the contrary, chapters 252A, 259, and
550.11 260C exclusively govern the rights, duties, and powers of social service agencies; the
550.12 commissioner of human services; the commissioner of children, youth, and families; licensed
550.13 child placing agencies; and parties with respect to all matters and proceedings arising under
550.14 those chapters.

550.15 Sec. 90. Minnesota Statutes 2024, section 524.5-118, subdivision 2, is amended to read:

550.16 Subd. 2. **Procedure; maltreatment and state licensing agency checks and criminal**
550.17 **history check.** (a) The guardian or conservator shall request the Bureau of Criminal
550.18 Apprehension to complete a criminal history check. The request must be accompanied by
550.19 the applicable fee and acknowledgment that the guardian or conservator received a privacy
550.20 notice. The Bureau of Criminal Apprehension shall conduct a national criminal history
550.21 record check. The guardian or conservator shall submit a set of classifiable fingerprints.
550.22 The fingerprints must be recorded on a fingerprint card provided by the Bureau of Criminal
550.23 Apprehension.

550.24 (b) The Bureau of Criminal Apprehension shall provide the court with criminal history
550.25 data as defined in section 13.87 and criminal history information from other states or
550.26 jurisdictions as indicated from a national criminal history record check within 20 working
550.27 days of receipt of a request.

550.28 (c) In accordance with section 245C.033, the commissioner of human services shall
550.29 provide the court with data regarding substantiated maltreatment of vulnerable adults under
550.30 section 626.557 and substantiated maltreatment of minors under chapter 260E within 25
550.31 working days of receipt of a request. If the guardian or conservator has been the perpetrator
550.32 of substantiated maltreatment of a vulnerable adult or minor, the response must include a
550.33 copy of any available public portion of the investigation memorandum under section 626.557,

551.1 subdivision 12b, or any available public portion of the investigation memorandum under
551.2 section 260E.30.

551.3 (d) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner
551.4 of human services; the commissioner of children, youth, and families; or a county lead
551.5 agency or lead investigative agency has information that a person under this section has
551.6 been determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the
551.7 commissioner or the county may provide this information to the court that is determining
551.8 eligibility for the guardian or conservator.

551.9 Sec. 91. Minnesota Statutes 2024, section 595.02, subdivision 2, is amended to read:

551.10 Subd. 2. **Exceptions.** (a) The exception provided by paragraphs (d) and (g) of subdivision
551.11 1 shall not apply to any testimony, records, or other evidence relating to the abuse or neglect
551.12 of a minor in any proceeding under chapter 260 or any proceeding under section 142B.20
551.13 or 245A.08, to revoke a day care or foster care license, arising out of the neglect or physical
551.14 or sexual abuse of a minor, as defined in section 260E.03.

551.15 (b) The exception provided by paragraphs (d) and (g) of subdivision 1 shall not apply
551.16 to criminal proceedings arising out of the neglect or physical or sexual abuse of a minor,
551.17 as defined in section 260E.03, if the court finds that:

551.18 (1) there is a reasonable likelihood that the records in question will disclose material
551.19 information or evidence of substantial value in connection with the investigation or
551.20 prosecution; and

551.21 (2) there is no other practicable way of obtaining the information or evidence. This
551.22 clause shall not be construed to prohibit disclosure of the patient record when it supports
551.23 the otherwise uncorroborated statements of any material fact by a minor alleged to have
551.24 been abused or neglected by the patient; and

551.25 (3) the actual or potential injury to the patient-health professional relationship in the
551.26 treatment program affected, and the actual or potential harm to the ability of the program
551.27 to attract and retain patients, is outweighed by the public interest in authorizing the disclosure
551.28 sought.

551.29 No records may be disclosed under this paragraph other than the records of the specific
551.30 patient suspected of the neglect or abuse of a minor. Disclosure and dissemination of any
551.31 information from a patient record shall be limited under the terms of the order to assure that
551.32 no information will be disclosed unnecessarily and that dissemination will be no wider than
551.33 necessary for purposes of the investigation or prosecution.

552.1 Sec. 92. Minnesota Statutes 2024, section 626.5533, is amended to read:

552.2 **626.5533 REPORTING POTENTIAL WELFARE FRAUD.**

552.3 Subdivision 1. **Reports required.** A peace officer must report to the head of the officer's
552.4 department every arrest where the person arrested possesses more than one welfare electronic
552.5 benefit transfer card. Each report must include all of the following:

552.6 (1) the name of the suspect;

552.7 (2) the suspect's driver's license or state identification card number, where available;

552.8 (3) the suspect's home address;

552.9 (4) the number on each card;

552.10 (5) the name on each electronic benefit card in the possession of the suspect, in cases
552.11 where the card has a name printed on it;

552.12 (6) the date of the alleged offense;

552.13 (7) the location of the alleged offense;

552.14 (8) the alleged offense; and

552.15 (9) any other information the commissioner of human services or the commissioner of
552.16 children, youth, and families deems necessary.

552.17 Subd. 2. **Use of information collected.** The head of a local law enforcement agency or
552.18 state law enforcement department that employs peace officers licensed under section 626.843
552.19 must forward the report required under subdivision 1 to the ~~commissioner~~ commissioners
552.20 of human services and children, youth, and families within 30 days of receiving the report.
552.21 The ~~commissioner~~ commissioners of human services and children, youth, and families shall
552.22 use the report to determine whether the suspect is authorized to possess any of the electronic
552.23 benefit cards found in the suspect's possession.

552.24 Subd. 3. **Reporting forms.** The ~~commissioner~~ commissioners of human services and
552.25 children, youth, and families, in consultation with the superintendent of the Bureau of
552.26 Criminal Apprehension, shall adopt reporting forms to be used by law enforcement agencies
552.27 in making the reports required under this section.

552.28 Sec. 93. **REVISOR INSTRUCTION.**

552.29 The revisor of statutes must renumber Minnesota Statutes, section 299A.955, as
552.30 Minnesota Statutes, section 142A.765, and make any necessary changes to statutory
552.31 cross-references to reflect this change.

553.1 Sec. 94. **REVISOR INSTRUCTION.**

553.2 The revisor of statutes must move the subdivisions in Minnesota Statutes, section
553.3 142E.50, into Minnesota Statutes, section 142E.01, renumber in alphabetical order, and
553.4 make any necessary changes to statutory cross-references to reflect these changes.

553.5 Sec. 95. **REPEALER.**

553.6 Minnesota Statutes 2024, sections 142A.15; 142E.50, subdivisions 2 and 12; 245A.02,
553.7 subdivision 6d; 256G.02, subdivisions 3 and 5; and 261.003, are repealed.

553.8 **ARTICLE 22**

553.9 **MISCELLANEOUS**

553.10 Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

553.11 Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance
553.12 entity to administer the state-based reinsurance program referred to as the Minnesota premium
553.13 security plan.

553.14 (b) The association may apply for any available federal funding for the plan. All funds
553.15 received by or appropriated to the association shall be deposited in the premium security
553.16 plan account in section 62E.25, subdivision 1. The association shall notify the chairs and
553.17 ranking minority members of the legislative committees with jurisdiction over health and
553.18 human services and insurance within ten days of receiving any federal funds.

553.19 (c) The association must collect or access data from an eligible health carrier that are
553.20 necessary to determine reinsurance payments, according to the data requirements under
553.21 subdivision 5, paragraph (c).

553.22 (d) The board must not use any funds allocated to the plan for staff retreats, promotional
553.23 giveaways, excessive executive compensation, or promotion of federal or state legislative
553.24 or regulatory changes.

553.25 (e) For each applicable benefit year, the association must notify eligible health carriers
553.26 of reinsurance payments to be made for the applicable benefit year no later than June 30 of
553.27 the year following the applicable benefit year.

553.28 (f) On a quarterly basis during the applicable benefit year, the association must provide
553.29 each eligible health carrier with the calculation of total reinsurance payment requests.

(g) By August 15 of the year following the applicable benefit year, through August 15, 2026, the association must disburse all applicable reinsurance payments to an eligible health carrier.

(h) The association must disburse applicable reinsurance payments for claims costs incurred by eligible health carriers through December 31, 2025. Reinsurance payments are not available to eligible health carriers for claims costs incurred after December 31, 2025.

Sec. 2. **[62V.15] DEFINITIONS; PREMIUM SUBSIDY PROGRAM.**

Subdivision 1. **Scope.** For purposes of sections 62V.15 to 62V.18, the following terms have the meanings given.

Subd. 2. **Assessment.** "Assessment" means the amount a health plan company must pay for operational costs, administrative costs, and premium subsidy payments for the premium subsidy program established under section 62V.16.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of management and budget.

Subd. 4. **Eligible individual.** (a) "Eligible individual" means a Minnesota resident who:
(1) is not eligible for an advance premium tax credit under Code of Federal Regulations, title 26, part 1.36B-2, in a month in which the eligible individual's coverage is effective;

(2) is not enrolled in public program coverage under chapters 256B and 256L; and

(3) purchased an individual health plan, as defined in section 62A.011.

(b) "Eligible individual" includes a person required to repay an advanced premium tax credit because the person's income was subsequently determined to exceed the maximum permissible amount to qualify as an applicable taxpayer under Code of Federal Regulations, title 26, part 1.36B-2.

Subd. 5. **Gross premium.** "Gross premium" means the amount billed for a health plan purchased by an eligible individual prior to a premium subsidy in a calendar year.

Subd. 6. **Health plan company.** "Health plan company" has the meaning given in section 62Q.01.

Subd. 7. **Net premium.** "Net premium" means the gross premium less the premium subsidy.

555.1 Subd. 8. **Premium subsidy.** "Premium subsidy" means a payment (1) made on behalf
555.2 of an eligible individual to promote general welfare, and (2) that is not compensation for a
555.3 service rendered.

555.4 Sec. 3. **[62V.16] PAYMENT TO HEALTH CARRIERS ON BEHALF OF ELIGIBLE**
555.5 **INDIVIDUALS.**

555.6 Subdivision 1. **Program established.** Beginning January 1, 2026, the board of directors
555.7 of MNsure, in consultation with the commissioners of commerce and human services, must
555.8 establish and administer the premium subsidy program authorized by this section to help
555.9 eligible individuals pay for coverage in the individual market.

555.10 Subd. 2. **Premium subsidy provided.** (a) A health carrier must provide a premium
555.11 subsidy to each eligible individual who purchases an individual health plan from the health
555.12 carrier. The premium subsidy must be provided for each month the net premium is paid.
555.13 An eligible individual must pay the net premium amount to the health carrier.

555.14 (b) Each premium subsidy must be equal to 20 percent of the monthly gross premium
555.15 otherwise paid by or on behalf of the eligible individual for coverage purchased in the
555.16 individual market that covers the eligible individual and the eligible individual's spouse and
555.17 dependents.

555.18 (c) The premium subsidy must be excluded from a calculation used to determine eligibility
555.19 for a Department of Human Services or Department of Children, Youth, and Families
555.20 program.

555.21 Subd. 3. **Payments to health carriers.** (a) The commissioner must make payments by
555.22 September 30 to health carriers on behalf of eligible individuals for the months during the
555.23 prior calendar year for which the individual has paid the net premium amount to the health
555.24 carrier. The amount of the commissioner's payments to health carriers must be in the amounts
555.25 provided to the commissioner by the board under paragraph (c). The commissioner must
555.26 not withhold payment because a health carrier cannot prove an enrollee is an eligible
555.27 individual.

555.28 (b) In order to be eligible for payment, a health carrier seeking reimbursement from the
555.29 board must submit an invoice and supporting information to the board, using a form
555.30 developed by the board. The form must require the health carrier to identify the number of
555.31 eligible individuals for which the health carrier is seeking reimbursement, the average gross
555.32 premium for such eligible individuals, and the aggregate amount of reimbursement claimed

556.1 by the health carrier for premium subsidies under this section. The board must finalize the
556.2 form by November 1, 2025.

556.3 (c) The board must provide the commissioner, based on the information received by the
556.4 board from the health carriers pursuant to paragraph (b), the payment amount owed to each
556.5 health carrier.

556.6 (d) The board must consider a health carrier as a vendor under section 16A.124,
556.7 subdivision 3, and each monthly invoice must represent the services that have been completed
556.8 or delivered.

556.9 (e) The commissioner, in consultation with the board, may withhold payments and charge
556.10 back payments to recover from health carriers premium subsidies provided but that do not
556.11 comply with the applicable legal requirements of this section.

556.12 Subd. 4. **Assessment.** (a) An annual assessment is imposed on health plan companies
556.13 for each calendar year beginning in calendar year 2026. The commissioner of commerce
556.14 must establish the annual assessment for each health plan company in an amount such that
556.15 the aggregate assessment amount collected from health plan companies under this subdivision
556.16 equals the amount necessary for the premium subsidy program established under subdivision
556.17 1.

556.18 (b) By March 1 each year, the commissioner of commerce must consult with the board
556.19 of directors of MNsure and provide each health plan company with an estimate of the
556.20 company assessment for the current calendar year.

556.21 (c) By May 31 each year, the commissioner of commerce, in consultation with the board
556.22 of directors of MNsure, must notify each health plan company of the company's assessment
556.23 for the current calendar year.

556.24 (d) By June 30 each year, the commissioner of commerce must collect assessments from
556.25 health plan companies to pay for the premium subsidy program established under section
556.26 62V.16.

556.27 Subd. 5. **Data practices.** (a) The definitions in section 13.02 apply to this subdivision.

556.28 (b) Government data on an enrollee or health carrier under this section are private data
556.29 on individuals or nonpublic data, except that the total reimbursement requested by a health
556.30 carrier and the total state payment to the health carrier are public data.

557.1 Sec. 4. **[62V.17] APPLICABILITY OF GROSS PREMIUM.**

557.2 Notwithstanding premium subsidies provided under section 62V.16, subdivision 2, the
557.3 premium base to calculate any applicable premium taxes under chapter 297I is the gross
557.4 premium for health plans purchased by eligible individuals in the individual market.

557.5 Sec. 5. **[62V.18] PREMIUM SUBSIDY PROGRAM ACCOUNT.**

557.6 Subdivision 1. **Account established.** The premium subsidy program account is created
557.7 in the special revenue fund in the state treasury.

557.8 Subd. 2. **Collected assessments.** The commissioner of commerce must deposit the
557.9 assessments collected under section 62V.16, subdivision 4, in the premium subsidy program
557.10 account created under subdivision 1.

557.11 Subd. 3. **Appropriations.** Money in the premium subsidy program account is annually
557.12 appropriated:

557.13 (1) to the commissioner of management and budget for the payments to health carriers
557.14 on behalf of eligible individuals under section 62V.16, subdivision 3; and

557.15 (2) to the board of directors of MNsure for operational and administrative costs for the
557.16 premium subsidy program established under section 62V.16.

557.17 Sec. 6. Minnesota Statutes 2024, section 149A.02, is amended by adding a subdivision to
557.18 read:

557.19 Subd. 42. **Green burial.** "Green burial" means a method of burial that emphasizes
557.20 environmental sustainability without interfering with natural decomposition and:

557.21 (1) the body is not embalmed;

557.22 (2) a biodegradable casket or shroud is used; and

557.23 (3) no vault or outer burial container is employed for a casket or shroud.

557.24 **EFFECTIVE DATE.** This section is effective July 1, 2025.

557.25 Sec. 7. Minnesota Statutes 2024, section 151.741, subdivision 5, is amended to read:

557.26 Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a)
557.27 The insulin repayment account is established in the special revenue fund in the state treasury.
557.28 Money in the account is appropriated each fiscal year to the commissioner of administration
557.29 to reimburse manufacturers for insulin dispensed under the insulin safety net program in
557.30 section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6,

558.1 paragraph (h), and to cover costs incurred by the commissioner in providing these
558.2 reimbursement payments.

558.3 (b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration
558.4 shall certify to the commissioner of management and budget the total amount expended in
558.5 the prior fiscal year for:

558.6 (1) reimbursement to manufacturers for insulin dispensed under the insulin safety net
558.7 program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph
558.8 (h), and 6, paragraph (h); and

558.9 (2) costs incurred by the commissioner of administration in providing the reimbursement
558.10 payments described in clause (1).

558.11 (c) The commissioner of management and budget shall transfer from the health care
558.12 access fund to the ~~special revenue fund~~ insulin repayment account, beginning July 1, 2025,
558.13 and each July 1 thereafter, an amount equal to the amount to which the commissioner of
558.14 administration certified pursuant to paragraph (b).

558.15 Sec. 8. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to
558.16 read:

558.17 Subd. 44. **Notification of federal approval; report.** (a) For any provision over which
558.18 the commissioner has jurisdiction and that has an effective date contingent upon federal
558.19 approval, whether the contingency is expressed in an effective date, in the text of a statutory
558.20 provision, or in the text of an uncodified section of session law, the commissioner must
558.21 notify the revisor of statutes of which enacted provisions contain such contingent federal
558.22 approval and when federal approval is obtained for any such provision according to
558.23 paragraphs (b) and (c).

558.24 (b) By July 1 of each year, the commissioner must provide the revisor of statutes; the
558.25 director of the House Research Department; and the director of Senate Counsel, Research
558.26 and Fiscal Analysis with a report containing a complete list of all provisions enacted since
558.27 the preceding July 1 with an effective date contingent on federal approval.

558.28 (c) By September 1 of each year, the commissioner must provide the revisor of statutes;
558.29 the director of the House Research Department; and the director of Senate Counsel, Research
558.30 and Fiscal Analysis with a report containing a complete list of all statutory provisions
558.31 previously enacted with an effective date contingent on federal approval. The commissioner
558.32 must identify in the report which, if any, provisions received federal approval since the
558.33 preceding September 1 and the date that federal approval for each provision was received.

559.1 If no provisions have received federal approval since the preceding September 1, the report
559.2 must state that fact. The revisor of statutes may authorize the commissioner to remove
559.3 federally approved provisions from subsequent reports submitted.

559.4 (d) The reports in paragraphs (b) and (c) must be provided in a form prescribed by the
559.5 revisor of statutes.

559.6 (e) An employee in the Department of Human Services who is responsible for identifying
559.7 and tracking federal approval of provisions must attest to the accuracy of the reports in a
559.8 manner prescribed by the revisor of statutes.

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

559.10 Sec. 9. Minnesota Statutes 2024, section 256B.051, subdivision 3, is amended to read:

559.11 Subd. 3. **Eligibility.** An individual with a disability is eligible for housing stabilization
559.12 services if the individual:

559.13 (1) is 18 years of age or older;

559.14 (2) is enrolled in medical assistance;

559.15 (3) has income at or below 150 percent of the federal poverty level;

559.16 (4) has an assessment of functional need that determines a need for services due to
559.17 limitations caused by the individual's disability;

559.18 ~~(4)~~ (5) resides in or plans to transition to a community-based setting as defined in Code
559.19 of Federal Regulations, title 42, section 441.301 (c); and

559.20 ~~(5)~~ (6) has housing instability evidenced by:

559.21 (i) being homeless or at-risk of homelessness;

559.22 (ii) being in the process of transitioning from, or having transitioned in the past six
559.23 months from, an institution or licensed or registered setting;

559.24 (iii) being eligible for waiver services under chapter 256S or section 256B.092 or
559.25 256B.49; or

559.26 (iv) having been identified by a long-term care consultation under section 256B.0911
559.27 as at risk of institutionalization.

Sec. 10. **[306.991] GREEN BURIALS IN PUBLIC CEMETERIES.**

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

(b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

(c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

(d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

(e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision 14.

(f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

Subd. 2. Green burial requirements. A municipality, town, or other cemetery governed by this chapter that allows for green burials must comply with the requirements of this section.

Subd. 3. Green burial plot locations. (a) Green burial plots must have a designated location within the cemetery. Green burial plot locations must:

(1) be set back 50 feet from property lines;

(2) maintain at least three and one-half feet clearance above the ordinary high-water level;

(3) not be in standing water;

(4) not be within zone 1 groundwater source protection zones around a spring, water supply well, or a shaft drilled into the ground meant to extract water; and

(5) not be within flood-prone areas.

(b) Green burial plot locations must be a certain distance from water sources. Green burial plot locations must be:

(1) 50 feet from water supply wells and shafts drilled into the ground used to extract water;

(2) 100 feet from other springs or watercourses; and

(3) 33 feet from drainage systems.

Subd. 4. Burial depth. (a) Green burial plots must be at a minimum depth of three and one-half feet from the base of the grave to the soil horizon.

(b) Green burials must have three and one-half feet of cover.

561.1 Subd. 5. **Burial density.** Green burial plots must be a maximum of 300 burials per acre
561.2 over a 100 year period.

561.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

561.4 Sec. 11. **[306.992] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

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

561.7 (b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

561.8 (c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

561.9 Subd. 2. **Designated location.** A municipality, town, or other cemetery governed by
561.10 this chapter that allows for scattering of hydrolyzed remains or cremated remains must
561.11 designate a location within the cemetery for the scattering of hydrolyzed remains or cremated
561.12 remains.

561.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

561.14 Sec. 12. **[307.14] GREEN BURIALS IN PRIVATE CEMETERIES.**

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

561.17 (b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

561.18 (c) "Green burial" has the meaning given in section 149A.02, subdivision 42.

561.19 (d) "Natural watercourse" has the meaning given in section 103G.005, subdivision 13.

561.20 (e) "Ordinary high-water level" has the meaning given in section 103G.005, subdivision
561.21 14.

561.22 (f) "Water supply well" has the meaning given in section 103I.005, subdivision 20a.

561.23 Subd. 2. **Green burial requirements.** A person who owns a cemetery governed by this
561.24 chapter that allows for green burials must comply with the requirements of this section.

561.25 Subd. 3. **Green burial plot locations.** (a) Green burial plots must have a designated
561.26 location within the cemetery. Green burial plot locations must:

561.27 (1) be set back 50 feet from property lines;

561.28 (2) maintain at least three and one-half feet clearance above the ordinary high-water
561.29 level;

562.1 (3) not be in standing water;

562.2 (4) not be within zone 1 groundwater source protection zones around a spring, water
562.3 supply well, or a shaft drilled into the ground meant to extract water; and

562.4 (5) not be within flood-prone areas.

562.5 (b) Green burial plot locations must be a certain distance from water sources. Green
562.6 burial plot locations must be:

562.7 (1) 50 feet from water supply wells and shafts drilled into the ground used to extract
562.8 water;

562.9 (2) 100 feet from other springs or watercourses; and

562.10 (3) 33 feet from drainage systems.

562.11 Subd. 4. **Burial depth.** (a) Green burial plots must be at a minimum depth of three and
562.12 one-half feet from the base of the grave to the soil horizon.

562.13 (b) Green burials must have three and one-half feet of cover.

562.14 Subd. 5. **Burial density.** Green burial plots must be a maximum of 300 burials per acre
562.15 over a 100 year period.

562.16 **EFFECTIVE DATE.** This section is effective July 1, 2025.

562.17 Sec. 13. **[307.15] SCATTERING OF HYDROLYZED OR CREMATED REMAINS.**

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

562.20 (b) "Cremated remains" has the meaning given in section 149A.02, subdivision 7.

562.21 (c) "Hydrolyzed remains" has the meaning given in section 149A.02, subdivision 24a.

562.22 Subd. 2. **Designated location.** A person who owns a cemetery governed by this chapter
562.23 that allows for scattering of hydrolyzed remains or cremated remains must designate a
562.24 location within the cemetery for the scattering of hydrolyzed or cremated remains.

562.25 **EFFECTIVE DATE.** This section is effective July 1, 2025.

562.26 Sec. 14. Laws 2024, chapter 127, article 67, section 6, is amended to read:

562.27 Sec. 6. **COMMISSIONER OF MANAGEMENT**
562.28 **AND BUDGET**

563.1	Appropriations by Fund		
563.2		2024	2025
563.3	General	-0-	(232,000)
563.4	Health Care Access	-0-	100,000

563.5 (a) **Insulin safety net program.** \$100,000 in
563.6 fiscal year 2025 is from the health care access
563.7 fund for the insulin safety net program in
563.8 Minnesota Statutes, section 151.74.

563.9 (b) **Transfer.** The commissioner must transfer
563.10 from the health care access fund to the insulin
563.11 ~~safety-net program~~ repayment account in the
563.12 special revenue fund the amount certified by
563.13 the commissioner of administration under
563.14 Minnesota Statutes, section 151.741,
563.15 subdivision 5, paragraph (b), estimated to be
563.16 \$100,000 in fiscal year 2025, for
563.17 reimbursement to manufacturers for insulin
563.18 dispensed under the insulin safety net program
563.19 in Minnesota Statutes, section 151.74. The
563.20 base for this transfer is estimated to be
563.21 \$100,000 in fiscal year 2026 and \$100,000 in
563.22 fiscal year 2027.

563.23 (c) **Base Level Adjustment.** The health care
563.24 access fund base is increased by \$100,000 in
563.25 fiscal year 2026 and increased by \$100,000 in
563.26 fiscal year 2027.

563.27 Sec. 15. TRANSFERS TO THE DEPARTMENT OF CHILDREN, YOUTH, AND
563.28 FAMILIES IN UNCODIFIED LAW.

563.29 Any power, duty, or responsibility given to the commissioner of human services or the
563.30 Department of Human Services in an uncodedified section of Laws of Minnesota that is a part
563.31 of, necessary for, or in service of a power, duty, or responsibility transferred in Laws 2023,
563.32 chapter 70, article 12, section 30, or Laws 2024, chapter 80, transfers to the commissioner
563.33 of children, youth, and families or the Department of Children, Youth, and Families upon
563.34 the notice of transfer of the underlying power, duty, or responsibility required in Laws 2023,

564.1 chapter 70, article 12, section 30, subdivision 1. This section applies to uncodified sections
564.2 of Laws of Minnesota enacted before and after Laws 2023, chapter 70, including but not
564.3 limited to Laws 2024, chapter 117, sections 16 to 22.

564.4 Sec. 16. **OPERATION WITHIN EXISTING RESOURCES.**

564.5 The board of directors of MNsure may, if necessary, operate and administer the premium
564.6 subsidy program established under Minnesota Statutes, section 62V.16, in nonconformance
564.7 with that section to the minimum extent necessary, using existing resources and available
564.8 processes until January 1, 2027.

564.9 Sec. 17. **DIRECTION TO THE COMMISSIONER OF CHILDREN, YOUTH, AND**
564.10 **FAMILIES; CHILD CARE AND DEVELOPMENT BLOCK GRANT**
564.11 **ALLOCATIONS.**

564.12 (a) The commissioner of children, youth, and families shall allocate \$1,000,000 in fiscal
564.13 year 2026 and \$1,000,000 in fiscal year 2027 from the child care and development block
564.14 grant for child care improvement grants under Minnesota Statutes, section 142D.20,
564.15 subdivision 3, paragraph (a), clause (7). This is a onetime allocation.

564.16 (b) The commissioner of children, youth, and families shall allocate \$55,000 in fiscal
564.17 year 2026, \$639,000 in fiscal year 2027, \$1,639,000 in fiscal year 2028, and \$1,638,000 in
564.18 fiscal year 2029 from the child care and development block grant for the development of a
564.19 statewide electronic attendance and record keeping system for the child care assistance
564.20 program.

564.21 (c) The commissioner of children, youth, and families shall allocate \$1,419,000 in fiscal
564.22 year 2026, \$4,221,000 in fiscal year 2027, \$4,791,000 in fiscal year 2028, and \$4,885,000
564.23 in fiscal year 2029 from the child care and development block grant for MFIP child care
564.24 assistance to comply with federal requirements.

564.25 (d) The commissioner of children, youth, and families shall allocate \$2,662,000 in fiscal
564.26 year 2026, \$5,479,000 in fiscal year 2027, \$5,482,000 in fiscal year 2028, and \$5,196,000
564.27 in fiscal year 2029 from the child care and development block grant for basic sliding fee
564.28 child care assistance to comply with federal requirements.

565.1 Sec. 18. **DIRECTION TO COMMISSIONER OF CHILDREN, YOUTH, AND**
565.2 **FAMILIES; ALLOCATION OF TANF-ELIGIBLE GENERAL FUND**
565.3 **EXPENDITURES.**

565.4 The commissioner of children, youth, and families must identify \$4,000,000 in fiscal
565.5 year 2026, \$4,000,000 in fiscal year 2027, \$4,000,000 in fiscal year 2028, and \$4,000,000
565.6 in fiscal year 2029 of general fund expenditures attributable to eligible activities under
565.7 Minnesota Statutes, chapter 142G, and reduce general fund expenditures by the same
565.8 amounts. The commissioner must allocate \$4,000,000 in fiscal year 2026, \$4,000,000 in
565.9 fiscal year 2027, \$4,000,000 in fiscal year 2028, and \$4,000,000 in fiscal year 2029 to
565.10 eligible activities under Minnesota Statutes, chapter 142G, to the TANF fund.

565.11 Sec. 19. **REVISOR INSTRUCTION.**

565.12 By February 1, 2026, the revisor of statutes must identify any changes to Minnesota
565.13 Statutes and Minnesota Rules necessary to reflect the expiration of the Minnesota premium
565.14 security plan and the premium security account. The revisor of statutes may submit to the
565.15 chairs and ranking minority members of the legislative committees with jurisdiction over
565.16 commerce finance and policy draft legislation with the statutory changes necessary to
565.17 implement the identified changes.

565.18 Sec. 20. **REPEALER.**

565.19 Minnesota Statutes 2024, sections 62E.21; 62E.22; 62E.23; 62E.24; and 62E.25, are
565.20 repealed.

565.21 **EFFECTIVE DATE.** This section is effective August 16, 2026."

565.22 Amend the title accordingly