

1.1 Senator moves to amend S.F. No. 1146 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 5. **Compliance education required.** The commissioner must make available to
1.6 all license holders operating programs licensed under both this chapter and chapter 245D
1.7 licensing compliance education. The licensing compliance education must include clear
1.8 and accessible explanations of achieving and maintaining compliance with the relevant
1.9 licensing requirements under this chapter and chapter 245D.

1.10 Sec. 2. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
1.11 to read:

1.12 Subd. 6. **Initial compliance monitoring.** New license holders who did not previously
1.13 hold a license issued under this chapter and chapter 245D must receive an initial compliance
1.14 monitoring visit after 12 months of the effective date of the initial license for the purpose
1.15 of providing technical assistance on how to achieve and maintain compliance with this
1.16 chapter and the applicable law or rules governing the provision of home and
1.17 community-based services under chapter 245D. If during the initial compliance monitoring
1.18 visit, the commissioner finds that the license holder has failed to achieve compliance with
1.19 an applicable law or rule and this failure does not imminently endanger the health, safety,
1.20 or rights of the persons served by the program, the commissioner may issue a licensing
1.21 review report with recommendations for achieving and maintaining compliance. Nothing
1.22 in this subdivision shall be construed to limit the commissioner's authority to take action
1.23 under section 245A.06 or 245A.07, to prevent or correct actions by the license holder that
1.24 imminently endanger the health, safety, or rights of persons served by the program.

1.25 Sec. 3. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
1.26 to read:

1.27 Subd. 7. **Technical assistance and legal referrals required.** If requested by a license
1.28 holder that is subject to an enforcement action under section 245A.06 or 245A.07 and
1.29 operating a program licensed under this chapter and chapter 245D, the commissioner must
1.30 provide the license holder with requested technical assistance or must comply with a request
1.31 for a referral to legal assistance.

Sec. 4. Minnesota Statutes 2024, section 245A.06, subdivision 1a, is amended to read:

Subd. 1a. **Correction orders and conditional licenses for programs licensed as home and community-based services.** (a) For programs licensed under both this chapter and chapter 245D, if the license holder operates more than one service site under a single license governed by chapter 245D, the correction order or order of conditional license issued under this section shall be specific to the service site or sites at which the violations of applicable law or rules occurred. The order shall not apply to other service sites governed by chapter 245D and operated by the same license holder unless the commissioner has included in the order the articulable basis for applying the order to another service site.

(b) If the commissioner has issued more than one license to the license holder under this chapter, the ~~conditions imposed~~ order issued under this section shall be specific to the license for the program at which the violations of applicable law or rules occurred and shall not apply to other licenses held by the same license holder if those programs are being operated in substantial compliance with applicable law and rules.

(c) Prior to issuing an order of conditional license under this section to a license holder operating a program licensed under both this chapter and chapter 245D, the commissioner must inform the license holder that the next audit or investigation may lead to an order of conditional license if the provider fails to correct the violations specified in a prior correction order or has any new violations. Nothing in this paragraph limits the commissioner's authority to take immediate action under section 245A.07 to prevent or correct actions by the license holder that imminently endanger the health, safety, or rights of the persons served by the program.

(d) The commissioner may reduce the length of time of a conditional license for a license holder operating a program licensed under both this chapter and chapter 245D if the license holder demonstrates compliance or progress toward compliance before the conditional license period expires.

(e) By January 1, 2026, and annually thereafter, the commissioner must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over chapter 245D licensing on the number of correction orders and orders of conditional license issued to license holders who operate programs licensed under both this chapter and chapter 245D. The report must include aggregated data on the zip codes of locations, number of employees, and license effective dates for any license holders subject to correction orders and orders of conditional license and on the commissioner's efforts to offer collaborative safety process improvements to license holders under section 245A.042 and this subdivision.

Sec. 5. Minnesota Statutes 2024, section 245A.06, 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 Human Services 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.

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) 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.~~

(b) Notwithstanding paragraph (a), and when a request for reconsideration is denied, the commissioner must offer the option of mediation for a license holder operating a program licensed under both this chapter and chapter 245D, if a license holder further disputes the commissioner's correction order. The costs of the mediation option under this paragraph must be paid by the license holder.

4.1

Sec. 6. **REPEALER.**

4.2

Minnesota Statutes 2024, section 245A.042, subdivisions 2, 3, and 4, are repealed."

4.3

Delete the title and insert:

4.4

"A bill for an act

4.5

relating to human services; modifying licensing violation actions against chapter

4.6

245D providers; providing for alternative dispute processes; requiring provider

4.7

education and licensing compliance technical assistance; amending Minnesota

4.8

Statutes 2024, sections 245A.042, by adding subdivisions; 245A.06, subdivisions

4.9

1a, 2; repealing Minnesota Statutes 2024, section 245A.042, subdivisions 2, 3, 4."