

1.1 Senator moves to amend S.F. No. 3054 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **AGING AND OLDER ADULT SERVICES**

1.5 Section 1. Minnesota Statutes 2024, section 144A.071, subdivision 4a, is amended to read:

1.6 Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to
1.7 ensure that nursing homes and boarding care homes continue to meet the physical plant
1.8 licensing and certification requirements by permitting certain construction projects. Facilities
1.9 should be maintained in condition to satisfy the physical and emotional needs of residents
1.10 while allowing the state to maintain control over nursing home expenditure growth.

1.11 The commissioner of health in coordination with the commissioner of human services,
1.12 may approve the renovation, replacement, upgrading, or relocation of a nursing home or
1.13 boarding care home, under the following conditions:

1.14 (a) to license or certify beds in a new facility constructed to replace a facility or to make
1.15 repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire,
1.16 lightning, or other hazard provided:

1.17 (i) destruction was not caused by the intentional act of or at the direction of a controlling
1.18 person of the facility;

1.19 (ii) at the time the facility was destroyed or damaged the controlling persons of the
1.20 facility maintained insurance coverage for the type of hazard that occurred in an amount
1.21 that a reasonable person would conclude was adequate;

1.22 (iii) the net proceeds from an insurance settlement for the damages caused by the hazard
1.23 are applied to the cost of the new facility or repairs;

1.24 (iv) the number of licensed and certified beds in the new facility does not exceed the
1.25 number of licensed and certified beds in the destroyed facility; and

1.26 (v) the commissioner determines that the replacement beds are needed to prevent an
1.27 inadequate supply of beds.

1.28 Project construction costs incurred for repairs authorized under this clause shall not be
1.29 considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed \$1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

~~(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;~~

~~(g)~~ (f) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the

facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

~~(h)~~ (g) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

~~(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;~~

~~(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434 or chapter 256R;~~

~~(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;~~

~~(l)~~ (h) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed \$1,000,000;

~~(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;~~

~~(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term~~

~~care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;~~

~~(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;~~

~~(p) (i) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be;~~

~~(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;~~

~~(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.~~

~~The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status~~

~~more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;~~

~~(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;~~

~~(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;~~

~~(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;~~

~~(t) (j) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.;~~

~~The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;~~

~~(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;~~

~~(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;~~

~~(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. Property-related reimbursement rates shall be determined under section 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;~~

~~(x) to license and certify to the licensee of a nursing home in Polk County that was destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least 25 beds to be located in Polk County and up to 104 beds distributed among up to three other counties. These beds may only be distributed to counties with fewer than the median number of age intensity adjusted beds per thousand, as most recently published by the commissioner of human services. If the licensee chooses to distribute beds outside of Polk County under this paragraph, prior to distributing the beds, the commissioner of health must approve the location in which the licensee plans to distribute the beds. The commissioner of health shall consult with the commissioner of human services prior to approving the location of the proposed beds. The licensee may combine these beds with beds relocated from other nursing~~

~~facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for the new nursing facilities shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, parts 9549.0010 to 9549.0080. Property-related reimbursement rates shall be determined under section 256R.26. If the replacement beds permitted under this paragraph are combined with beds from other nursing facilities, the rates shall be calculated as the weighted average of rates determined as provided in this paragraph and section 256R.50;~~

~~(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;~~

~~(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;~~

~~(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;~~

~~(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;~~

~~(ee)~~ (k) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary; or

~~(dd) to license and certify 72 beds in an existing facility in Mille Laes County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;~~

~~(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256R.40;~~

~~(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. Property-related reimbursement rates shall be determined under section 256R.26, taking into account any federal or state flood-related loans or grants provided to the facility;~~

~~(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;~~

~~(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under chapter 256R and Minnesota Rules, parts 9549.0010 to 9549.0080; or~~

~~(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit~~

~~nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.~~

(l) to license or certify beds under provisions coded in this subdivision before the enactment of this law as paragraphs (f), (i) to (k), (m) to (bb), and (dd) to (ii).

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

Sec. 2. Minnesota Statutes 2024, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. Exceptions for replacement beds after June 30, 2003. (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

~~(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;~~

~~(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.~~

~~The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073;~~

~~(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed~~

~~and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;~~

~~(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of section 256R.27 and the reimbursement provisions of chapter 256R. The property payment rate for the first three years of operation shall be \$35 per day. For subsequent years, the property payment rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434;~~

~~(5)~~ (1) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new site, the nursing facility shall delicense 28 beds. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days; and

~~(6)~~ (2) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. Two nursing facilities, one for 84 beds and one for 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure rate adjustment under Minnesota Statutes 2024, section 256R.40. The construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f. The payment rate for external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ending September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by 57.2 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

12.1 (b) Projects approved under this subdivision shall be treated in a manner equivalent to
12.2 projects approved under subdivision 4a.

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

12.4 Sec. 3. Minnesota Statutes 2024, section 144A.071, subdivision 4d, is amended to read:

12.5 Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in
12.6 consultation with the commissioner of human services, may approve a request for
12.7 consolidation of nursing facilities which includes the closure of one or more facilities and
12.8 the upgrading of the physical plant of the remaining nursing facility or facilities, the costs
12.9 of which exceed the threshold project limit under subdivision 2, clause (a). The
12.10 commissioners shall consider the criteria in this section, section 144A.073, and Minnesota
12.11 Statutes 2024, section 256R.40, in approving or rejecting a consolidation proposal. In the
12.12 event the commissioners approve the request, the commissioner of human services shall
12.13 calculate an external fixed costs rate adjustment according to clauses (1) to (3):

12.14 (1) the closure of beds shall not be eligible for a planned closure rate adjustment under
12.15 Minnesota Statutes 2024, section 256R.40, subdivision 5;

12.16 (2) the construction project permitted in this clause shall not be eligible for a threshold
12.17 project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception
12.18 adjustment under section 144A.073; and

12.19 (3) the payment rate for external fixed costs for a remaining facility or facilities shall
12.20 be increased by an amount equal to 65 percent of the projected net cost savings to the state
12.21 calculated in paragraph (b), divided by the state's medical assistance percentage of medical
12.22 assistance dollars, and then divided by estimated medical assistance resident days, as
12.23 determined in paragraph (c), of the remaining nursing facility or facilities in the request in
12.24 this paragraph. The rate adjustment is effective on the first day of the month of January or
12.25 July, whichever date occurs first following both the completion of the construction upgrades
12.26 in the consolidation plan and the complete closure of the facility or facilities designated for
12.27 closure in the consolidation plan. If more than one facility is receiving upgrades in the
12.28 consolidation plan, each facility's date of construction completion must be evaluated
12.29 separately.

12.30 (b) For purposes of calculating the net cost savings to the state, the commissioner shall
12.31 consider clauses (1) to (7):

13.1 (1) the annual savings from estimated medical assistance payments from the net number
13.2 of beds closed taking into consideration only beds that are in active service on the date of
13.3 the request and that have been in active service for at least three years;

13.4 (2) the estimated annual cost of increased case load of individuals receiving services
13.5 under the elderly waiver;

13.6 (3) the estimated annual cost of elderly waiver recipients receiving support under housing
13.7 support under chapter 256I;

13.8 (4) the estimated annual cost of increased case load of individuals receiving services
13.9 under the alternative care program;

13.10 (5) the annual loss of license surcharge payments on closed beds;

13.11 (6) the savings from not paying planned closure rate adjustments that the facilities would
13.12 otherwise be eligible for under Minnesota Statutes 2024, section 256R.40; and

13.13 (7) the savings from not paying external fixed costs payment rate adjustments from
13.14 submission of renovation costs that would otherwise be eligible as threshold projects under
13.15 section 256B.434, subdivision 4f.

13.16 (c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical
13.17 assistance resident days of the remaining facility or facilities shall be computed assuming
13.18 95 percent occupancy multiplied by the historical percentage of medical assistance resident
13.19 days of the remaining facility or facilities, as reported on the facility's or facilities' most
13.20 recent nursing facility statistical and cost report filed before the plan of closure is submitted,
13.21 multiplied by 365.

13.22 (d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy
13.23 percentages will be those reported on the facility's or facilities' most recent nursing facility
13.24 statistical and cost report filed before the plan of closure is submitted, and the average
13.25 payment rates shall be calculated based on the approved payment rates in effect at the time
13.26 the consolidation request is submitted.

13.27 (e) To qualify for the external fixed costs payment rate adjustment under this subdivision,
13.28 the closing facilities shall:

13.29 (1) submit an application for closure according to Minnesota Statutes 2024, section
13.30 256R.40, subdivision 2; and

13.31 (2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under subdivision 3 for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

(g) Projects approved on or after March 1, 2020, are not subject to paragraph (a), clauses (2) and (3), and paragraph (c). The 65 percent projected net cost savings to the state calculated in paragraph (b) must be applied to the moratorium cost of the project and the remainder must be added to the moratorium funding under section 144A.073, subdivision 11.

(h) Consolidation project applications not approved by the commissioner prior to March 1, 2020, are subject to the moratorium process under section 144A.073, subdivision 2. Upon request by the applicant, the commissioner may extend this deadline to August 1, 2020, so long as the facilities, bed numbers, and counties specified in the original application are not altered. Proposals from facilities seeking approval for a consolidation project prior to March 1, 2020, must be received by the commissioner no later than January 1, 2020. This paragraph expires August 1, 2020.

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

Sec. 4. Minnesota Statutes 2024, section 144A.161, subdivision 10, is amended to read:

Subd. 10. **Facility closure rate adjustment.** Upon the request of a closing facility, the commissioner of human services must allow the facility a closure rate adjustment equal to a 50 percent payment rate increase to reimburse relocation costs or other costs related to facility closure. This rate increase is effective on the date the facility's occupancy decreases to 90 percent of capacity days after the written notice of closure is distributed under subdivision 5 and shall remain in effect for a period of up to 60 days. ~~The commissioner shall delay the implementation of rate adjustments under section 256R.40, subdivisions 5 and 6, to offset the cost of this rate adjustment.~~

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

Sec. 5. Minnesota Statutes 2024, section 144A.1888, is amended to read:

144A.1888 REUSE OF FACILITIES.

Notwithstanding any local ordinance related to development, planning, or zoning to the contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or changes operations shall be considered a conforming use permitted under local law, provided that the facility is converted to another long-term care service ~~approved by a regional~~

15.1 ~~planning group under section 256R.40~~ that serves a smaller number of persons than the
15.2 number of persons served before the closure or curtailment, reduction, or change in
15.3 operations.

15.4 Sec. 6. Minnesota Statutes 2024, section 256.9657, subdivision 1, is amended to read:

15.5 Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each
15.6 non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner
15.7 an annual surcharge according to the schedule in subdivision 4. The surcharge shall be
15.8 calculated as ~~\$620~~ \$2,815 per licensed bed. If the number of licensed beds is reduced, the
15.9 surcharge shall be based on the number of remaining licensed beds the second month
15.10 following the receipt of timely notice by the commissioner of human services that beds
15.11 have been delicensed. The nursing home must notify the commissioner of health in writing
15.12 when beds are delicensed. The commissioner of health must notify the commissioner of
15.13 human services within ten working days after receiving written notification. If the notification
15.14 is received by the commissioner of human services by the 15th of the month, the invoice
15.15 for the second following month must be reduced to recognize the delicensing of beds. ~~Beds~~
15.16 ~~on layaway status continue to be subject to the surcharge.~~ The commissioner of human
15.17 services must acknowledge a medical care surcharge appeal within 30 days of receipt of
15.18 the written appeal from the provider.

15.19 ~~(b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.~~

15.20 ~~(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to~~
15.21 ~~\$990.~~

15.22 ~~(d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to~~
15.23 ~~\$2,815.~~

15.24 ~~(e)~~ (b) The commissioner may reduce, and may subsequently restore, the surcharge
15.25 under paragraph ~~(d)~~ (a) based on the commissioner's determination of a permissible surcharge.

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

15.27 Sec. 7. **[256.9746] AGE-FRIENDLY MINNESOTA COUNCIL.**

15.28 **Subdivision 1. Establishment.** The Age-Friendly Minnesota Council is established to
15.29 coordinate work across sectors, including state government, nonprofits, communities,
15.30 businesses, and others, to ensure the state is an age-friendly state.

15.31 **Subd. 2. Membership.** (a) The council consists of 15 voting members.

16.1 (b) Each of the following commissioners and multimember state agencies must designate
16.2 an Age-Friendly Minnesota lead and appoint that designee to serve as a council member:

16.3 (1) the Minnesota Board on Aging;

16.4 (2) the commissioner of commerce;

16.5 (3) the commissioner of employment and economic development;

16.6 (4) the commissioner of health;

16.7 (5) the commissioner of housing;

16.8 (6) the commissioner of human services;

16.9 (7) the commissioner of transportation;

16.10 (8) the commissioner of veterans affairs; and

16.11 (9) the Metropolitan Council.

16.12 (c) The governor shall appoint six additional public members to represent older adults
16.13 in communities experiencing disparities, direct service caregivers, businesses, experts on
16.14 aging, local governments, and Tribal communities. The appointment, terms, compensation,
16.15 and removal of public members shall be as provided in section 15.059.

16.16 (d) Other state agencies and boards may participate on the council in a nonvoting capacity.

16.17 Subd. 3. **Chairperson; executive committee.** (a) The council shall elect a chairperson
16.18 and other officers as it deems necessary and in accordance with the council's operating
16.19 procedures.

16.20 (b) The council shall be governed by an executive committee elected by the members
16.21 of the council. One member of the executive committee must be the council chairperson.

16.22 (c) The executive committee may appoint additional subcommittees and work groups
16.23 as necessary to fulfill the duties of the council.

16.24 Subd. 4. **Meetings.** (a) The council shall meet at the call of the chairperson or at the
16.25 request of a majority of council members. The council must meet at least quarterly. Meetings
16.26 of the council are subject to section 13D.01, and notice of its meetings is governed by section
16.27 13D.04.

16.28 (b) Notwithstanding section 13D.01, the council may conduct a meeting of its members
16.29 by telephone or other electronic means so long as:

17.1 (1) all members of the council participating in the meeting, wherever their physical
17.2 location, can hear one another and can hear all discussion and testimony;

17.3 (2) members of the public present at the regular meeting location of the council can hear
17.4 all discussion and all votes of members of the council and participate in testimony;

17.5 (3) at least one member of the council is physically present at the regular meeting location;
17.6 and

17.7 (4) each member's vote on each issue is identified and recorded by a roll call.

17.8 (c) Each member of the council participating in a meeting by telephone or other electronic
17.9 means is considered present at the meeting for the purposes of determining a quorum and
17.10 participating in all proceedings. If telephone or another electronic means is used to conduct
17.11 a meeting, the council, to the extent practicable, shall allow a person to monitor the meeting
17.12 from a remote location. If telephone or another electronic means is used to conduct a regular,
17.13 special, or emergency meeting, the council shall provide notice of the regular meeting
17.14 location, that some members may participate by electronic means, and of the option to
17.15 monitor the meeting electronically from a remote location.

17.16 Subd. 5. **Duties.** (a) The council's duties may include but are not limited to:

17.17 (1) elevating the voice of older adults in developing the vision and action plan for an
17.18 age-friendly state;

17.19 (2) engaging with the community, including older adults, caregivers, businesses, experts,
17.20 advocacy organizations, and other interested parties, to provide recommendations and update
17.21 interested parties on the council's recommendations;

17.22 (3) identifying opportunities for and barriers to collaboration and coordination among
17.23 services and state agencies responsible for funding and administering programs and
17.24 public-private partnerships;

17.25 (4) promoting equity and making progress toward equitable outcomes by examining
17.26 programs, policies, and practices to ensure they address disparities experienced by older
17.27 adults in greater Minnesota, older adults of color, and indigenous older adults;

17.28 (5) catalyzing age-friendly work at the local level, engaging with and empowering older
17.29 adults, local constituents, elected officials, and other interested parties to create change in
17.30 every community;

17.31 (6) establishing a statewide framework that allows for local flexibility to tap into the
17.32 potential presented by our aging communities and elevates aging across all of Minnesota;

(7) reviewing, awarding, and monitoring grants under section 256.9747;

(8) assessing and examining relevant programs, policies, practices, and services to make budget and policy recommendations to establish age-friendly policies in law with appropriate financial support to ensure Minnesota continues to lead on age-friendly initiatives; and

(9) making budget and policy recommendations to the governor, commissioners, boards, other state agencies, and the legislature to further the council's mission to ensure the state is an age-friendly state.

(b) The council may accept technical assistance and in-kind services from outside organizations for purposes consistent with the council's role and authority.

Subd. 6. **Administration.** The Minnesota Board on Aging and Department of Human Services shall provide staffing and administrative support to the council.

Subd. 7. **Annual report.** Beginning January 1, 2026, and every two years thereafter, the council shall publish a public report on the council's activities, the uses and measurable outcomes of the grant activities funded under section 256.9747, the council's recommendations, proposed changes to statutes or rules, and other issues the council may choose to report.

Sec. 8. [256.9747] AGE-FRIENDLY MINNESOTA GRANTS.

Subdivision 1. **Age-friendly community grants.** The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Age-Friendly Minnesota Council, shall develop the age-friendly community grant program to help communities, including cities, counties, other municipalities, Tribes, and collaborative efforts become age-friendly communities, with an emphasis on structures, services, and community features necessary to support older adult residents, including but not limited to:

(1) coordination of health and social services;

(2) transportation access;

(3) safe, affordable places to live;

(4) reducing social isolation and improving wellness;

(5) combating ageism and racism against older adults;

(6) accessible outdoor space and buildings;

(7) communication and information technology access; and

(8) opportunities to stay engaged and economically productive.

19.1 Subd. 2. **Age-friendly technical assistance grants.** The commissioner of human services,
19.2 in collaboration with the Minnesota Board on Aging and the Age-Friendly Minnesota
19.3 Council, shall develop the age-friendly technical assistance grant program to support
19.4 communities and organizations who need assistance in applying for age-friendly community
19.5 grants and implementing various aspects of their grant-funded projects.

19.6 Sec. 9. Minnesota Statutes 2024, section 256B.431, subdivision 30, is amended to read:

19.7 Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July
19.8 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway
19.9 shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph
19.10 (c), and calculation of the rental per diem, have those beds given the same effect as if the
19.11 beds had been delicensed so long as the beds remain on layaway. ~~At the time of a layaway,~~
19.12 ~~a facility may change its single bed election for use in calculating capacity days under~~
19.13 ~~Minnesota Rules, part 9549.0060, subpart 11.~~ The property payment rate increase shall be
19.14 effective the first day of the month of January or July, whichever occurs first following the
19.15 date on which the layaway of the beds becomes effective under section 144A.071, subdivision
19.16 4b.

19.17 (b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to
19.18 the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under
19.19 that section or chapter that has placed beds on layaway shall, for so long as the beds remain
19.20 on layaway, be allowed to:

19.21 (1) aggregate the applicable investment per bed limits based on the number of beds
19.22 licensed immediately prior to entering the alternative payment system;

19.23 (2) retain ~~or change~~ the facility's single bed election for use in calculating capacity days
19.24 under Minnesota Rules, part 9549.0060, subpart 11; and

19.25 (3) establish capacity days based on the number of beds immediately prior to the layaway
19.26 and the number of beds after the layaway.

19.27 The commissioner shall increase the facility's property payment rate by the incremental
19.28 increase in the rental per diem resulting from the recalculation of the facility's rental per
19.29 diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and
19.30 (3). If a facility reimbursed under section 256B.434 or chapter 256R completes a moratorium
19.31 exception project after its base year, the base year property rate shall be the moratorium
19.32 project property rate. The base year rate shall be inflated by the factors in Minnesota Statutes
19.33 2024, section 256B.434, subdivision 4, paragraph (e). The property payment rate increase

shall be effective the first day of the month of January or July, whichever occurs first following the date on which the layaway of the beds becomes effective.

(c) If a nursing facility removes a bed from layaway status in accordance with section 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the number of licensed and certified beds in the facility not on layaway and shall reduce the nursing facility's property payment rate in accordance with paragraph (b).

(d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under that section or chapter that has delicensed beds after July 1, 2000, by giving notice of the delicensure to the commissioner of health according to the notice requirements in section 144A.071, subdivision 4b, shall be allowed to:

(1) aggregate the applicable investment per bed limits based on the number of beds licensed immediately prior to entering the alternative payment system;

(2) retain ~~or change~~ the facility's single bed election for use in calculating capacity days under Minnesota Rules, part 9549.0060, subpart 11; and

(3) establish capacity days based on the number of beds immediately prior to the delicensure and the number of beds after the delicensure.

The commissioner shall increase the facility's property payment rate by the incremental increase in the rental per diem resulting from the recalculation of the facility's rental per diem applying only the changes resulting from the delicensure of beds and clauses (1), (2), and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception project after its base year, the base year property rate shall be the moratorium project property rate. The base year rate shall be inflated by the factors in Minnesota Statutes 2024, section 256B.434, subdivision 4, ~~paragraph (c)~~. The property payment rate increase shall be effective the first day of the month of January or July, whichever occurs first following the date on which the delicensure of the beds becomes effective.

(e) For nursing facilities reimbursed under this section, section 256B.434, or chapter 256R, any beds placed on layaway shall not be included in calculating facility occupancy as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

(f) For nursing facilities reimbursed under this section, section 256B.434, or chapter 256R, the rental rate calculated after placing beds on layaway may not be less than the rental rate prior to placing beds on layaway.

21.1 (g) A nursing facility receiving a rate adjustment as a result of this section shall comply
21.2 with section 256R.06, subdivision 5.

21.3 (h) A facility that does not utilize the space made available as a result of bed layaway
21.4 or delicensure under this subdivision to reduce the number of beds per room or provide
21.5 more common space for nursing facility uses or perform other activities related to the
21.6 operation of the nursing facility shall have its property rate increase calculated under this
21.7 subdivision reduced by the ratio of the square footage made available that is not used for
21.8 these purposes to the total square footage made available as a result of bed layaway or
21.9 delicensure.

21.10 (i) The commissioner must not increase the property payment rates under this subdivision
21.11 for beds placed in or removed from layaway on or after July 1, 2025.

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

21.13 Sec. 10. Minnesota Statutes 2024, section 256B.434, subdivision 4, is amended to read:

21.14 Subd. 4. **Alternate rates for nursing facilities.** Effective for the rate years beginning
21.15 on and after January 1, ~~2019~~ 2026, a nursing facility's property payment rate ~~for the second~~
21.16 ~~and subsequent years of a facility's contract~~ under this section ~~are~~ is the facility's previous
21.17 ~~rate year's property payment rate plus an inflation adjustment. The index for the inflation~~
21.18 ~~adjustment must be based on the change in the Consumer Price Index-All Items (United~~
21.19 ~~States City average) (CPI-U) forecasted by the Reports and Forecasts Division of the~~
21.20 ~~Department of Human Services, as forecasted in the fourth quarter of the calendar year~~
21.21 ~~preceding the rate year. The inflation adjustment must be based on the 12-month period~~
21.22 ~~from the midpoint of the previous rate year to the midpoint of the rate year for which the~~
21.23 ~~rate is being determined~~ as provided in the facility's contract under this section.

21.24 Sec. 11. Minnesota Statutes 2024, section 256R.02, subdivision 18, is amended to read:

21.25 Subd. 18. **Employer health insurance costs.** "Employer health insurance costs" means:

21.26 (1) premium expenses for group coverage;

21.27 (2) actual expenses incurred for self-insured plans, including actual claims paid, stop-loss
21.28 premiums, and plan fees. Actual expenses incurred for self-insured plans does not include
21.29 allowances for future funding unless the plan meets the Medicare provider reimbursement
21.30 manual requirements for reporting on a premium basis when the Medicare provider
21.31 reimbursement manual regulations define the actual costs; and

22.1 (3) employer contributions to employer-sponsored individual coverage health
22.2 reimbursement arrangements as provided by Code of Federal Regulations, title 45, section
22.3 146.123, employee health reimbursement accounts, and health savings accounts.

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

22.5 Sec. 12. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

22.6 Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing
22.7 home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122;
22.8 family advisory council fee under section 144A.33; scholarships under section 256R.37;
22.9 ~~planned closure rate adjustments under section 256R.40;~~ consolidation rate adjustments
22.10 under section 144A.071, subdivisions 4c, paragraph (a), clauses ~~(5)~~ (1) and ~~(6)~~ (2), and 4d;
22.11 ~~single-bed room incentives under section 256R.41;~~ property taxes, special assessments, and
22.12 payments in lieu of taxes; employer health insurance costs; quality improvement incentive
22.13 payment rate adjustments under section 256R.39; performance-based incentive payments
22.14 under section 256R.38; special dietary needs under section 256R.51; and Public Employees
22.15 Retirement Association employer costs; ~~and border city rate adjustments under section~~
22.16 ~~256R.481.~~

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

22.18 Sec. 13. Minnesota Statutes 2024, section 256R.02, subdivision 22, is amended to read:

22.19 Subd. 22. **Fringe benefit costs.** "Fringe benefit costs" means the costs for group life;₂
22.20 dental;₂ workers' compensation;₂ short- and long-term disability;₂ long-term care insurance;₂
22.21 accident insurance;₂ supplemental insurance;₂ legal assistance insurance;₂ profit sharing;₂
22.22 child care costs;₂ health insurance costs not covered under subdivision 18, including costs
22.23 associated with eligible part-time employee family members or retirees;₂ and pension and
22.24 retirement plan contributions, except for the Public Employees Retirement Association
22.25 costs.

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

22.27 Sec. 14. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision
22.28 to read:

22.29 Subd. 36a. **Patient driven payment model or PDPM.** "Patient driven payment model"
22.30 or "PDPM" has the meaning given in section 144.0724, subdivision 2.

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

23.1 Sec. 15. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision
23.2 to read:

23.3 Subd. 45a. **Resource utilization group or RUG.** "Resource utilization group" or "RUG"
23.4 has the meaning given in section 144.0724, subdivision 2.

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

23.6 Sec. 16. Minnesota Statutes 2024, section 256R.10, subdivision 8, is amended to read:

23.7 Subd. 8. **Employer health insurance costs.** (a) Employer health insurance costs are
23.8 allowable for (1) all nursing facility employees and (2) the spouse and dependents of those
23.9 nursing facility employees who are employed on average at least 30 hours per week.

23.10 (b) Effective for the rate year beginning on January 1, 2026, the annual reimbursement
23.11 cap for health insurance costs is \$14,703, as adjusted according to paragraph (c). The
23.12 allowable costs for health insurance must not exceed the reimbursement cap multiplied by
23.13 the annual average month end number of allowed enrolled nursing facility employees from
23.14 the applicable cost report period. For shared employees, the allowable number of enrolled
23.15 employees includes only the nursing facility percentage of any shared allowed enrolled
23.16 employees. The allowable number of enrolled employees must not include non-nursing
23.17 facility employees or individuals who elect COBRA continuation coverage.

23.18 (c) Effective for rate years beginning on or after January 1, 2026, the commissioner shall
23.19 adjust the annual reimbursement cap for employer health insurance costs by the previous
23.20 year's cap plus an inflation adjustment. The commissioner must index for the inflation based
23.21 on the change in the Consumer Price Index (all items-urban) (CPI-U) forecasted by the
23.22 Reports and Forecast Division of the Department of Human Services in the fourth quarter
23.23 of the calendar year preceding the rate year. The commissioner must base the inflation
23.24 adjustment on the 12-month period from the second quarter of the previous cost report year
23.25 to the second quarter of the cost report year for which the cap is being applied.

23.26 ~~(b)~~ (d) The commissioner must not treat employer contributions to employer-sponsored
23.27 individual coverage health reimbursement arrangements as allowable costs if the facility
23.28 does not provide the commissioner copies of the employer-sponsored individual coverage
23.29 health reimbursement arrangement plan documents and documentation of any health
23.30 insurance premiums and associated co-payments reimbursed under the arrangement.
23.31 Documentation of reimbursements must denote any reimbursements for health insurance
23.32 premiums or associated co-payments incurred by the spouses or dependents of nursing
23.33 facility employees who work on average less than 30 hours per week.

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

24.2 Sec. 17. Minnesota Statutes 2024, section 256R.23, subdivision 5, is amended to read:

24.3 Subd. 5. **Determination of total care-related payment rate limits.** The commissioner
24.4 must determine each facility's total care-related payment rate limit by:

24.5 (1) multiplying the facility's quality score, as determined under section 256R.16,
24.6 subdivision 1, by ~~0.5625~~ 2.0;

24.7 (2) ~~adding 89.375 to~~ subtracting 40 from the amount determined in clause (1), and
24.8 dividing the total by 100; and

24.9 (3) multiplying the amount determined in clause (2) by the median total care-related
24.10 cost per day.

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

24.12 Sec. 18. Minnesota Statutes 2024, section 256R.23, subdivision 7, is amended to read:

24.13 Subd. 7. **Determination of direct care payment rates.** A facility's direct care payment
24.14 rate equals the lesser of (1) the facility's direct care costs per standardized day, ~~or~~ (2) the
24.15 facility's direct care costs per standardized day divided by its cost to limit ratio, or (3) 104
24.16 percent of the previous year's other care-related payment rate.

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

24.18 Sec. 19. Minnesota Statutes 2024, section 256R.23, subdivision 8, is amended to read:

24.19 Subd. 8. **Determination of other care-related payment rates.** A facility's other
24.20 care-related payment rate equals the lesser of (1) the facility's other care-related cost per
24.21 resident day, ~~or~~ (2) the facility's other care-related cost per resident day divided by its cost
24.22 to limit ratio, or (3) 104 percent of the previous year's other care-related payment rate.

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

24.24 Sec. 20. Minnesota Statutes 2024, section 256R.24, subdivision 3, is amended to read:

24.25 Subd. 3. **Determination of the other operating payment rate.** A facility's other
24.26 operating payment rate equals the lesser of 105 percent of the median other operating cost
24.27 per day or 104 percent of the previous year's other operating payment rate.

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

25.1 Sec. 21. Minnesota Statutes 2024, section 256R.25, is amended to read:

25.2 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

25.3 Subdivision 1. Determination of external fixed cost payment rate. (a) The payment
25.4 rate for external fixed costs is the sum of the amounts in paragraphs (b) to (p) subdivisions
25.5 2 to 13.

25.6 Subd. 2. Provider surcharges. (b) For a facility licensed as a nursing home, the portion
25.7 related to the provider surcharge under section 256.9657 is equal to \$8.86 per resident day.
25.8 For a facility licensed as both a nursing home and a boarding care home, the portion related
25.9 to the provider surcharge under section 256.9657 is equal to \$8.86 per resident day multiplied
25.10 by the result of its number of nursing home beds divided by its total number of licensed
25.11 beds.

25.12 Subd. 3. Licensure fees. (c) The portion related to the licensure fee under section 144.122,
25.13 paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

25.14 Subd. 4. Advisory councils. (d) The portion related to development and education of
25.15 resident and family advisory councils under section 144A.33 is \$5 per resident day divided
25.16 by 365.

25.17 Subd. 5. Scholarships. (e) The portion related to scholarships is determined under section
25.18 256R.37.

25.19 ~~(f) The portion related to planned closure rate adjustments is as determined under section~~
25.20 ~~256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.~~

25.21 Subd. 6. Consultations. (g) The portion related to consolidation rate adjustments shall
25.22 be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses ~~(5)~~ (1)
25.23 and ~~(6)~~ (2), and 4d.

25.24 ~~(h) The portion related to single-bed room incentives is as determined under section~~
25.25 ~~256R.41.~~

25.26 Subd. 7. Taxes. (i) The portions related to real estate taxes, special assessments, and
25.27 payments made in lieu of real estate taxes directly identified or allocated to the nursing
25.28 facility are the allowable amounts divided by the sum of the facility's resident days. Allowable
25.29 costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu
25.30 of real estate taxes shall not exceed the amount which the nursing facility would have paid
25.31 to a city or township and county for fire, police, sanitation services, and road maintenance
25.32 costs had real estate taxes been levied on that property for those purposes.

26.1 Subd. 8. **Health insurance.** ~~(j)~~ The portion related to employer health insurance costs
 26.2 is the allowable costs divided by the sum of the facility's resident days.

26.3 Subd. 9. **Public employees retirement.** ~~(k)~~ The portion related to the Public Employees
 26.4 Retirement Association is the allowable costs divided by the sum of the facility's resident
 26.5 days.

26.6 Subd. 10. **Quality improvement incentives.** ~~(l)~~ The portion related to quality
 26.7 improvement incentive payment rate adjustments is the amount determined under section
 26.8 256R.39.

26.9 Subd. 11. **Performance-based incentives.** ~~(m)~~ The portion related to performance-based
 26.10 incentive payments is the amount determined under section 256R.38.

26.11 Subd. 12. **Special diets.** ~~(n)~~ The portion related to special dietary needs is the amount
 26.12 determined under section 256R.51.

26.13 ~~(o) The portion related to the rate adjustments for border city facilities is the amount~~
 26.14 ~~determined under section 256R.481.~~

26.15 Subd. 13. **Critical access facilities.** ~~(p)~~ The portion related to the rate adjustment for
 26.16 critical access nursing facilities is the amount determined under section 256R.47.

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

26.18 Sec. 22. Minnesota Statutes 2024, section 256R.26, subdivision 9, is amended to read:

26.19 Subd. 9. **Transition period.** (a) A facility's property payment rate is the property rate
 26.20 established for the facility under sections 256B.431 and 256B.434 until the facility's property
 26.21 rate is transitioned upon completion of any project authorized under section 144A.071,
 26.22 subdivision 3 or 4d; or 144A.073, subdivision 3, to the fair rental value property rate
 26.23 calculated under this chapter.

26.24 (b) Effective the first day of the first month of the calendar quarter after the completion
 26.25 of the project described in paragraph (a), the commissioner shall transition a facility to the
 26.26 property payment rate calculated under this chapter. The initial rate year ends on December
 26.27 31 and may be less than a full 12-month period. The commissioner shall schedule an appraisal
 26.28 within 90 days of the commissioner receiving notification from the facility that the project
 26.29 is completed. The commissioner shall apply the property payment rate determined after the
 26.30 appraisal retroactively to the first day of the first month of the calendar quarter after the
 26.31 completion of the project.

(c) Upon a facility's transition to the fair rental value property rates calculated under this chapter, the facility's total property payment rate under subdivision 8 shall be the only payment for costs related to capital assets, including depreciation, interest and lease expenses for all depreciable assets, including movable equipment, land improvements, and land. Facilities with property payment rates established under subdivisions 1 to 8 are not eligible for planned closure rate adjustments under Minnesota Statutes 2024, section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses ~~(5)~~ (1) and ~~(6)~~ (2), and 4d; single-bed room incentives under Minnesota Statutes 2024, section 256R.41; and the property rate inflation adjustment under Minnesota Statutes 2024, section 256B.434, subdivision 4. The commissioner shall remove any of these incentives from the facility's existing rate upon the facility transitioning to the fair rental value property rates calculated under this chapter.

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

Sec. 23. Minnesota Statutes 2024, section 256R.27, subdivision 2, is amended to read:

Subd. 2. Determination of interim payment rates. (a) The nursing facility shall submit an interim cost report in a format similar to the Minnesota Statistical and Cost Report and other supporting information as required by this chapter for the reporting year in which the nursing facility plans to begin operation at least 60 days before the first day a resident is admitted to the newly constructed nursing facility bed. The interim cost report must include the nursing facility's anticipated interim costs and anticipated interim resident days for each resident class in the interim cost report. The anticipated interim resident days for each resident class is multiplied by the weight for that resident class to determine the anticipated interim standardized days as defined in section 256R.02, subdivision 50, and resident days as defined in section 256R.02, subdivision 45, for the reporting period.

(b) The interim payment rates are determined according to sections 256R.21 to 256R.25, except that:

(1) the anticipated interim costs and anticipated interim resident days reported on the interim cost report and the anticipated interim standardized days as defined by section 256R.02, subdivision 50, must be used for the interim;

(2) the commissioner shall use anticipated interim costs and anticipated interim standardized days in determining the allowable historical direct care cost per standardized day as determined under section 256R.23, subdivision 2;

28.1 (3) the commissioner shall use anticipated interim costs and anticipated interim resident
28.2 days in determining the allowable historical other care-related cost per resident day as
28.3 determined under section 256R.23, subdivision 3;

28.4 (4) the commissioner shall use anticipated interim costs and anticipated interim resident
28.5 days to determine the allowable historical external fixed costs per day under section 256R.25,
28.6 ~~paragraphs (b) to (k)~~ subdivisions 2 to 9;

28.7 (5) the total care-related payment rate limits established in section 256R.23, subdivision
28.8 5, and in effect at the beginning of the interim period must be increased by ten percent; and

28.9 (6) the other operating payment rate as determined under section 256R.24 in effect for
28.10 the rate year must be used for the other operating cost per day.

28.11 Sec. 24. Minnesota Statutes 2024, section 256R.27, subdivision 3, is amended to read:

28.12 Subd. 3. **Determination of settle-up payment rates.** (a) When the interim payment
28.13 rates begin between May 1 and September 30, the nursing facility shall file settle-up cost
28.14 reports for the period from the beginning of the interim payment rates through September
28.15 30 of the following year.

28.16 (b) When the interim payment rates begin between October 1 and April 30, the nursing
28.17 facility shall file settle-up cost reports for the period from the beginning of the interim
28.18 payment rates to the first September 30 following the beginning of the interim payment
28.19 rates.

28.20 (c) The settle-up payment rates are determined according to sections 256R.21 to 256R.25,
28.21 except that:

28.22 (1) the allowable costs and resident days reported on the settle-up cost report and the
28.23 standardized days as defined by section 256R.02, subdivision 50, must be used for the
28.24 interim and settle-up period;

28.25 (2) the commissioner shall use the allowable costs and standardized days in clause (1)
28.26 to determine the allowable historical direct care cost per standardized day as determined
28.27 under section 256R.23, subdivision 2;

28.28 (3) the commissioner shall use the allowable costs and the allowable resident days to
28.29 determine both the allowable historical other care-related cost per resident day as determined
28.30 under section 256R.23, subdivision 3;

(4) the commissioner shall use the allowable costs and the allowable resident days to determine the allowable historical external fixed costs per day under section 256R.25, ~~paragraphs (b) to (k)~~ subdivisions 2 to 9;

(5) the total care-related payment limits established in section 256R.23, subdivision 5, are the limits for the settle-up reporting periods. If the interim period includes more than one July 1 date, the commissioner shall use the total care-related payment rate limit established in section 256R.23, subdivision 5, increased by ten percent for the second July 1 date; and

(6) the other operating payment rate as determined under section 256R.24 in effect for the rate year must be used for the other operating cost per day.

Sec. 25. Minnesota Statutes 2024, section 256R.43, is amended to read:

256R.43 BED HOLDS.

The commissioner shall limit payment for leave days in a nursing facility to 30 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 96 percent, notwithstanding Minnesota Rules, part 9505.0415. For the purpose of establishing leave day payments, the commissioner shall determine occupancy based on the number of licensed and certified beds in the facility that are not in layaway status.

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

Sec. 26. [256R.531] PATIENT DRIVEN PAYMENT MODEL PHASE-IN.

Subdivision 1. PDPM phase-in. From September 30, 2025, to December 31, 2028, for each facility, the commissioner shall determine an adjustment to its total payment rate as determined under sections 256R.21 and 256R.27 to phase in the transition from the RUG-IV case mix classification system to the patient driven payment model (PDPM) case mix classification system.

Subd. 2. PDPM phase-in rate adjustment. A facility's PDPM phase-in rate adjustment to its total payment rate is equal to:

(1) the blended case mix adjusted direct care payment rate determined in subdivision 6; minus

30.1 (2) the PDPM case mix adjusted direct care payment rate determined in section 256R.23,
30.2 subdivision 7.

30.3 Subd. 3. **RUG-IV standardized days and RUG-IV facility case mix index.** (a) The
30.4 commissioner must determine the RUG-IV standardized days and RUG-IV facility average
30.5 case mix using the sum of the resident days by case mix classification.

30.6 (b) For the rate year beginning January 1, 2028, only:

30.7 (1) the commissioner must determine the RUG-IV facility average case mix using the
30.8 sum of the resident days by the case mix classification as reported by the facility on its
30.9 September 30, 2025, Minnesota Statistical and Cost Report; and

30.10 (2) the commissioner must determine the RUG-IV standardized days by multiplying the
30.11 resident days as reported by the facility on its September 30, 2026, Minnesota Statistical
30.12 and Cost Report by the RUG-IV facility average case mix index determined under clause
30.13 (1).

30.14 Subd. 4. **RUG-IV case mix adjusted direct care payment rate.** The commissioner
30.15 must determine a facility's RUG-IV case mix adjusted direct care payment rate as the product
30.16 of:

30.17 (1) the facility's RUG-IV direct care payment rate determined in section 256R.23,
30.18 subdivision 7, using the RUG-IV standardized days determined in subdivision 3; and

30.19 (2) the corresponding RUG-IV facility average case mix index for medical assistance
30.20 days determined in subdivision 3.

30.21 Subd. 5. **PDPM case mix adjusted direct care payment rate.** The commissioner must
30.22 determine a facility's PDPM case mix adjusted direct care payment rate as the product of:

30.23 (1) the facility's direct care payment rate determined in section 256R.23, subdivision 7;
30.24 and

30.25 (2) the corresponding facility average case mix index.

30.26 Subd. 6. **Blended case mix adjusted direct care payment rate.** The commissioner
30.27 must determine a facility's blended case mix adjusted direct care payment rate as the sum
30.28 of:

30.29 (1) the RUG-IV case mix adjusted direct care payment rate determined in subdivision
30.30 4 multiplied by the following percentages:

30.31 (i) after September 30, 2025, through December 31, 2026, 75 percent;

(ii) after December 31, 2026, through December 31, 2027, 50 percent; and

(iii) after December 31, 2027, through December 31, 2028, 25 percent; and

(2) the PDPM case mix adjusted direct care payment rate determined in subdivision 5 multiplied by the following percentages:

(i) after September 30, 2025, through December 31, 2026, 25 percent;

(ii) after December 31, 2026, through December 31, 2027, 50 percent; and

(iii) after December 31, 2027, through December 31, 2028, 75 percent.

Subd. 7. **Expiration.** This section expires January 1, 2029.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 27. [256R.532] NURSING FACILITY RATE ADD-ON FOR WORKFORCE STANDARDS.

(a) Effective for rate years beginning on and after January 1, 2028, or upon federal approval, whichever is later, the commissioner shall annually provide a rate add-on amount for nursing facilities reimbursed under this chapter for the initial standards for wages for nursing home workers adopted by the Nursing Home Workforce Standards Board in Minnesota Rules, parts 5200.2060 to 5200.2090, pursuant to section 181.213, subdivision 2, paragraph (c). The add-on amount is equal to:

(1) \$3.93 per resident day, effective January 1, 2028; and

(2) \$8.55 per resident day, effective January 1, 2029.

(b) Effective upon federal approval, the commissioner must determine the add-on amount for subsequent rate years in consultation with the commissioner of labor and industry.

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

Sec. 28. Laws 2021, chapter 30, article 12, section 5, as amended by Laws 2021, First Special Session chapter 7, article 17, section 2, and Laws 2023, chapter 61, article 2, section 35, is amended to read:

Sec. 5. GOVERNOR'S COUNCIL ON AN AGE-FRIENDLY MINNESOTA.

The Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall: (1) work to advance age-friendly policies; and (2) coordinate state, local, and private partners' collaborative work on emergency preparedness, with a focus on older

32.1 adults, communities, and persons in zip codes most impacted by the COVID-19 pandemic.
32.2 The Governor's Council on an Age-Friendly Minnesota is extended and expires June 30,
32.3 2027 2025.

32.4 Sec. 29. **AGE-FRIENDLY MINNESOTA COUNCIL; CONTINUATION OF**
32.5 **APPOINTMENTS AND DESIGNATION OF INITIAL TERMS.**

32.6 Subdivision 1. Continuation of appointments. Each member of the Governor's Council
32.7 on an Age-Friendly Minnesota, established in Executive Order 19-38, serving on June 30,
32.8 2025, shall be deemed appointed to the Age-Friendly Minnesota Council by the applicable
32.9 appointing authority under Minnesota Statutes, section 256.9746, effective July 1, 2025.

32.10 Subd. 2. First meeting. The individual who was serving as chairperson of the Governor's
32.11 Council on an Age-Friendly Minnesota, established in Executive Order 19-38, as of June
32.12 30, 2025, must convene the first meeting of the Age-Friendly Minnesota Council no later
32.13 than July 9, 2025. The former chairperson of the Governor's Council on an Age-Friendly
32.14 Minnesota shall preside over the first meeting until the Age-Friendly Minnesota Council
32.15 elects a chairperson.

32.16 Subd. 3. Designation of initial terms. The governor must notify the secretary of state
32.17 which initial public members of the Age-Friendly Minnesota Council will have terms
32.18 coterminous with that of the governor or request that the secretary of state randomly
32.19 determine which initial public members will have terms coterminous with the governor's
32.20 term.

32.21 Sec. 30. **REPEALER.**

32.22 (a) Minnesota Statutes 2024, sections 256R.02, subdivision 38; 256R.40; 256R.41; and
32.23 256R.481, are repealed.

32.24 (b) Minnesota Statutes 2024, sections 256R.12, subdivision 10; and 256R.36, are repealed.

32.25 (c) Minnesota Statutes 2024, section 256R.23, subdivision 6, is repealed.

32.26 **EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2026. Paragraph (b) is
32.27 effective the day following final enactment. Paragraph (c) is effective October 1, 2025.

ARTICLE 2

DISABILITY SERVICES

Section 1. Minnesota Statutes 2024, section 144A.351, subdivision 1, is amended to read:

Subdivision 1. **Report requirements.** (a) The commissioners of health and human services, with the cooperation of counties and in consultation with stakeholders, including persons who need or are using long-term care services and supports, lead agencies, regional entities, senior, disability, and mental health organization representatives, service providers, and community members shall compile data regarding the status of the full range of long-term care services and supports for the elderly and children and adults with disabilities and mental illnesses in Minnesota. The compiled data shall include:

(1) demographics and need for long-term care services and supports in Minnesota;

(2) summary of county and regional reports on long-term care gaps, surpluses, imbalances, and corrective action plans;

(3) status of long-term care services and related mental health services, housing options, and supports by county and region including:

(i) changes in availability of the range of long-term care services and housing options;

(ii) access problems, including access to the least restrictive and most integrated services and settings, regarding long-term care services; and

(iii) comparative measures of long-term care services availability, including serving people in their home areas near family, and changes over time; ~~and~~

(4) recommendations regarding goals for the future of long-term care services and supports, policy and fiscal changes, and resource development and transition needs; and

(5) the following information on the availability of integrated community supports, updated within 30 days of the end of each of four three-month reporting periods, which begin on January 1 of each year:

(i) the average number of integrated community supports beds occupied, per month, for the preceding reporting period;

(ii) the average number of integrated community supports beds available, per month, for the preceding reporting period;

(iii) the number of integrated community supports setting applications being reviewed by the commissioner of human services as of the final day of the reporting period; and

34.1 (vi) the average time of review for integrated community supports setting applications
34.2 submitted during the preceding quarter.

34.3 (b) The commissioners of health and human services shall make the compiled data
34.4 available on at least one of the department's websites.

34.5 Sec. 2. Minnesota Statutes 2024, section 179A.54, is amended by adding a subdivision to
34.6 read:

34.7 Subd. 12. **Minnesota Caregiver Retirement Fund Trust.** (a) The state and an exclusive
34.8 representative certified pursuant to this section may establish a joint labor and management
34.9 trust, referred to as the Minnesota Caregiver Retirement Fund Trust, for the exclusive
34.10 purpose of creating, implementing, and administering a retirement program for individual
34.11 providers of direct support services who are represented by the exclusive representative.

34.12 (b) The state must make financial contributions to the Minnesota Caregiver Retirement
34.13 Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The
34.14 financial contributions by the state must be held in trust for the purpose of paying, from
34.15 principal, income, or both, the costs associated with creating, implementing, and
34.16 administering a defined contribution or other individual account retirement program for
34.17 individual providers of direct support services working under a collective bargaining
34.18 agreement and providing services through a covered program under section 256B.0711. A
34.19 board of trustees composed of an equal number of trustees appointed by the governor and
34.20 trustees appointed by the exclusive representative under this section must administer, manage,
34.21 and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust
34.22 must not be an agent of either the state or the exclusive representative.

34.23 (c) A third-party administrator, financial management institution, other appropriate
34.24 entity, or any combination thereof may provide trust administrative, management, legal,
34.25 and financial services to the board of trustees as designated by the board of trustees from
34.26 time to time. The services must be paid from the money held in trust and created by the
34.27 state's financial contributions to the Minnesota Caregiver Retirement Fund Trust.

34.28 (d) The state is authorized to purchase liability insurance for members of the board of
34.29 trustees appointed by the governor.

34.30 (e) Financial contributions to or participation in the management or administration of
34.31 the Minnesota Caregiver Retirement Fund Trust must not be considered an unfair labor
34.32 practice under section 179A.13, or a violation of Minnesota law.

(f) Nothing in this section shall be construed to authorize the creation of a defined benefit retirement plan or program.

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

Sec. 3. **[245A.142] EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION PROVISIONAL LICENSURE.**

Subdivision 1. **Regulatory powers.** The commissioner shall regulate early intensive developmental and behavioral intervention (EIDBI) agencies pursuant to this section.

Subd. 2. **Provisional license.** (a) Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies while permanent licensing standards are developed. Beginning January 1, 2026, no new EIDBI agencies shall be enrolled to provide EIDBI services. EIDBI agencies enrolled prior to January 1, 2026, have until April 1, 2026, to submit an application for provisional licensure on the forms and in the manner prescribed by the commissioner.

(b) Beginning April 2, 2026, an EIDBI agency must not operate if it has not submitted an application for provisional licensure under this section. The commissioner shall disenroll an EIDBI agency from providing EIDBI services if the EIDBI agency fails to submit an application for provisional licensure by April 1, 2026.

(c) A provisional license is effective until comprehensive EIDBI agency licensure standards are in effect unless the provisional license is revoked. An applicant whose application for provisional licensure under this section has been denied may request reconsideration under subdivision 8.

(d) Beginning January 1, 2027, an agency providing EIDBI services must not operate in Minnesota unless licensed under this section.

Subd. 3. **Provisional license regulatory functions.** The commissioner may:

(1) enter the physical premises of the program without advance notice in accordance with section 245A.04, subdivision 5;

(2) investigate reports of maltreatment;

(3) investigate complaints against EIDBI agencies limited to the provisions of this section;

(4) take action on a license pursuant to sections 245A.06 and 245A.07;

(5) deny an application for provisional licensure; and

(6) take other action reasonably required to accomplish the purposes of this section.

Subd. 4. Provisional license requirements. A provisional license holder must:

(1) identify all controlling individuals, as defined in section 245A.02, subdivision 5a, for the agency;

(2) provide documented disclosures surrounding the use of billing agencies or other consultants, available to the department upon request;

(3) establish provider policies and procedures related to staff training, staff qualifications, quality assurance, and service activities;

(4) document contracts with independent contractors for qualified supervising professionals, including the number of hours contracted and responsibilities, available to the department upon request; and

(5) comply with section 256B.0949, subdivisions 2, 3a, 6, 7, 14, 15, 16, and 16a, and exceptions to qualifications, standards, and requirements granted by the commissioner under section 256B.0949, subdivision 17.

Subd. 5. Reporting of maltreatment. EIDBI agencies must comply with the requirements of reporting of maltreatment of vulnerable adults and minors under section 626.557 and chapter 260E.

Subd. 6. Background studies. A provisional license holder must initiate a background study through the commissioner's NETStudy 2.0 system as provided under section 245C.03.

Subd. 7. Revocations. The commissioner may revoke a provisional license if the provisional license holder is not in substantial compliance with the requirements in this section.

Subd. 8. Reconsideration. (a) If a provisional license holder disagrees with a sanction under subdivision 7 or a denial of a provisional license application, the provisional license holder may request reconsideration by the commissioner. The reconsideration request process must be conducted internally by the commissioner and is not an administrative appeal under chapter 14 or section 256.045.

(b) The provisional licensee requesting the reconsideration must make the request on the forms and in the manner prescribed by the commissioner.

(c) A complete reconsideration request and supporting documentation must be received by the commissioner within 15 calendar days after the date the provisional license holder receives notice of the sanction under subdivision 7.

37.1 Subd. 9. **Continued operation.** A provisional license holder may continue to operate
37.2 after receiving notice of denial of a provisional license application or revocation:

37.3 (1) during the 15 calendar day reconsideration window; or

37.4 (2) during the pendency of a reconsideration.

37.5 Subd. 10. **Disenrollment.** The commissioner shall disenroll an EIDBI agency from
37.6 providing EIDBI services if the EIDBI agency's application has been denied under
37.7 subdivision 2 or the agency's provisional license has been revoked under subdivision 7.

37.8 Subd. 11. **Transition to nonprovisional EIDBI license; future licensure standards.** (a)
37.9 The commissioner must develop a process and transition plan for comprehensive EIDBI
37.10 agency licensure by July 1, 2027.

37.11 (b) By January 1, 2028, the commissioner shall establish standards for nonprovisional
37.12 EIDBI agency licensure and submit proposed legislation to the chairs and ranking minority
37.13 members of the legislative committees with jurisdiction over human services licensing.

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

37.15 Sec. 4. Minnesota Statutes 2024, section 245C.16, subdivision 1, is amended to read:

37.16 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines
37.17 that the individual studied has a disqualifying characteristic, the commissioner shall review
37.18 the information immediately available and make a determination as to the subject's immediate
37.19 risk of harm to persons served by the program where the individual studied will have direct
37.20 contact with, or access to, people receiving services.

37.21 (b) The commissioner shall consider all relevant information available, including the
37.22 following factors in determining the immediate risk of harm:

37.23 (1) the recency of the disqualifying characteristic;

37.24 (2) the recency of discharge from probation for the crimes;

37.25 (3) the number of disqualifying characteristics;

37.26 (4) the intrusiveness or violence of the disqualifying characteristic;

37.27 (5) the vulnerability of the victim involved in the disqualifying characteristic;

37.28 (6) the similarity of the victim to the persons served by the program where the individual
37.29 studied will have direct contact;

(7) whether the individual has a disqualification from a previous background study that has not been set aside;

(8) if the individual has a disqualification which may not be set aside because it is a permanent bar under section 245C.24, subdivision 1, or the individual is a child care background study subject who has a felony-level conviction for a drug-related offense in the last five years, the commissioner may order the immediate removal of the individual from any position allowing direct contact with, or access to, persons receiving services from the program and from working in a children's residential facility or foster residence setting; and

(9) if the individual has a disqualification which may not be set aside because it is a permanent bar under section 245C.24, subdivision 2, or the individual is a child care background study subject who has a felony-level conviction for a drug-related offense during the last five years, the commissioner may order the immediate removal of the individual from any position allowing direct contact with or access to persons receiving services from the center and from working in a licensed child care center or certified license-exempt child care center.

(c) This section does not apply when the subject of a background study is regulated by a health-related licensing board as defined in chapter 214, and the subject is determined to be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

(d) This section does not apply to a background study related to an initial application for a child foster family setting license.

(e) Except for paragraph (f), this section does not apply to a background study that is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a personal care assistant or a qualified professional as defined in section 256B.0659, subdivision 1, or to a background study for an individual providing early intensive developmental and behavioral intervention services under section 245A.142 or 256B.0949.

(f) If the commissioner has reason to believe, based on arrest information or an active maltreatment investigation, that an individual poses an imminent risk of harm to persons receiving services, the commissioner may order that the person be continuously supervised or immediately removed pending the conclusion of the maltreatment investigation or criminal proceedings.

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

39.1 Sec. 5. Minnesota Statutes 2024, section 245D.091, subdivision 2, is amended to read:

39.2 Subd. 2. **Positive support professional qualifications.** A positive support professional
39.3 providing positive support services as identified in section 245D.03, subdivision 1, paragraph
39.4 (c), clause (1), item (i), must have competencies in the following areas as required under
39.5 the brain injury, community access for disability inclusion, community alternative care, and
39.6 developmental disabilities waiver plans or successor plans:

39.7 (1) ethical considerations;

39.8 (2) functional assessment;

39.9 (3) functional analysis;

39.10 (4) measurement of behavior and interpretation of data;

39.11 (5) selecting intervention outcomes and strategies;

39.12 (6) behavior reduction and elimination strategies that promote least restrictive approved
39.13 alternatives;

39.14 (7) data collection;

39.15 (8) staff and caregiver training;

39.16 (9) support plan monitoring;

39.17 (10) co-occurring mental disorders or neurocognitive disorder;

39.18 (11) demonstrated expertise with populations being served; and

39.19 (12) must be a:

39.20 (i) psychologist licensed under sections 148.88 to 148.98, who has stated to the Board
39.21 of Psychology competencies in the above identified areas;

39.22 (ii) clinical social worker licensed as an independent clinical social worker under chapter
39.23 148D, or a person with a master's degree in social work from an accredited college or
39.24 university, with at least 4,000 hours of post-master's supervised experience in the delivery
39.25 of clinical services in the areas identified in clauses (1) to (11);

39.26 (iii) physician licensed under chapter 147 and certified by the American Board of
39.27 Psychiatry and Neurology or eligible for board certification in psychiatry with competencies
39.28 in the areas identified in clauses (1) to (11);

(iv) licensed professional clinical counselor licensed under sections 148B.29 to 148B.39 with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services who has demonstrated competencies in the areas identified in clauses (1) to (11);

(v) person with a master's degree from an accredited college or university in one of the behavioral sciences or related fields, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services with demonstrated competencies in the areas identified in clauses (1) to (11);

(vi) person with a master's degree or PhD in one of the behavioral sciences or related fields with demonstrated expertise in positive support services, as determined by the person's needs as outlined in the person's assessment summary; ~~or~~

(vii) registered nurse who is licensed under sections 148.171 to 148.285, and who is certified as a clinical specialist or as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization, or who has a master's degree in nursing or one of the behavioral sciences or related fields from an accredited college or university or its equivalent, with at least 4,000 hours of post-master's supervised experience in the delivery of clinical services; or

(viii) person who has completed a competency-based training program as determined by the commissioner.

Sec. 6. Minnesota Statutes 2024, section 245D.091, subdivision 3, is amended to read:

Subd. 3. Positive support analyst qualifications. (a) A positive support analyst providing positive support services as identified in section 245D.03, subdivision 1, paragraph (c), clause (1), item (i), ~~must have competencies in one of the following areas~~ satisfy one of the following requirements as required under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans or successor plans:

(1) have obtained a baccalaureate degree, master's degree, or PhD in either a social services discipline or nursing;

(2) meet the qualifications of a mental health practitioner as defined in section 245.462, subdivision 17; ~~or~~

(3) be a board-certified behavior analyst or board-certified assistant behavior analyst by the Behavior Analyst Certification Board, Incorporated; or

41.1 (4) have completed a competency-based training program as determined by the
41.2 commissioner.

41.3 (b) In addition, a positive support analyst must:

41.4 (1) either have two years of supervised experience conducting functional behavior
41.5 assessments and designing, implementing, and evaluating effectiveness of positive practices
41.6 behavior support strategies for people who exhibit challenging behaviors as well as
41.7 co-occurring mental disorders and neurocognitive disorder, or for those who have obtained
41.8 a baccalaureate degree in one of the behavioral sciences or related fields, demonstrated
41.9 expertise in positive support services;

41.10 (2) have received training prior to hire or within 90 calendar days of hire that includes:

41.11 (i) ten hours of instruction in functional assessment and functional analysis;

41.12 (ii) 20 hours of instruction in the understanding of the function of behavior;

41.13 (iii) ten hours of instruction on design of positive practices behavior support strategies;

41.14 (iv) 20 hours of instruction preparing written intervention strategies, designing data
41.15 collection protocols, training other staff to implement positive practice strategies,
41.16 summarizing and reporting program evaluation data, analyzing program evaluation data to
41.17 identify design flaws in behavioral interventions or failures in implementation fidelity, and
41.18 recommending enhancements based on evaluation data; and

41.19 (v) eight hours of instruction on principles of person-centered thinking;

41.20 (3) be determined by a positive support professional to have the training and prerequisite
41.21 skills required to provide positive practice strategies as well as behavior reduction approved
41.22 and permitted intervention to the person who receives positive support; and

41.23 (4) be under the direct supervision of a positive support professional.

41.24 (c) Meeting the qualifications for a positive support professional under subdivision 2
41.25 shall substitute for meeting the qualifications listed in paragraph (b).

41.26 Sec. 7. Minnesota Statutes 2024, section 245D.12, is amended to read:

41.27 **245D.12 INTEGRATED COMMUNITY SUPPORTS; ~~SETTING CAPACITY~~**
41.28 **REPORT.**

41.29 Subdivision 1. Setting capacity report. (a) The license holder providing integrated
41.30 community support, as defined in section 245D.03, subdivision 1, paragraph (c), clause (8),
41.31 must submit a setting capacity report to the commissioner to ensure the identified location

42.1 of service delivery meets the criteria of the home and community-based service requirements
42.2 as specified in section 256B.492.

42.3 (b) The license holder shall provide the setting capacity report on the forms and in the
42.4 manner prescribed by the commissioner. The report must include:

42.5 (1) the address of the multifamily housing building where the license holder delivers
42.6 integrated community supports and owns, leases, or has a direct or indirect financial
42.7 relationship with the property owner;

42.8 (2) the total number of living units in the multifamily housing building described in
42.9 clause (1) where integrated community supports are delivered;

42.10 (3) the total number of living units in the multifamily housing building described in
42.11 clause (1), including the living units identified in clause (2);

42.12 (4) the total number of people who could reside in the living units in the multifamily
42.13 housing building described in clause (2) and receive integrated community supports; and

42.14 (5) the percentage of living units that are controlled by the license holder in the
42.15 multifamily housing building by dividing clause (2) by clause (3).

42.16 (c) Only one license holder may deliver integrated community supports at the address
42.17 of the multifamily housing building.

42.18 Subd. 2. **Setting approval moratorium.** (a) The commissioner must not approve an
42.19 integrated community supports setting for which a setting capacity report was submitted
42.20 between July 1, 2025, and June 30, 2027.

42.21 (b) The commissioner may approve exceptions to the approval moratorium under this
42.22 subdivision if the commissioner determines:

42.23 (1) a new integrated community supports setting is needed to provide integrated
42.24 community supports for a person requiring hospital-level care;

42.25 (2) a new integrated community supports setting is needed for a licensed assisted living
42.26 facility that is closing or converting from an assisted living facility license to a licensed
42.27 integrated community supports provider; or

42.28 (3) a new integrated community supports setting with specialized qualities, including
42.29 wheelchair accessible units, specialized equipment, or other unique qualities is needed to
42.30 meet the needs of a client identified by the local county board.

42.31 (c) When approving an exception under this subdivision, the commissioner shall consider:
42.32 the availability of approved integrated community supports settings in the geographic area

where the licensee seeks to operate, including the number of living units approved and the total number of people who could reside in the approved living units while receiving integrated community services; the results of a person's choices during the person's annual assessment and service plan review; and the recommendation of the local county board. The approval or denial of an exception by the commissioner is final and is not subject to appeal.

Sec. 8. **[245D.13] OUT-OF-HOME RESPITE CARE SERVICES FOR CHILDREN.**

Subdivision 1. Licensed setting required. A license holder with a home and community-based services license providing out-of-home respite care services for children may do so only in a licensed setting, unless exempt under subdivision 2. For the purposes of this section, "respite care services" has the meaning given in section 245A.02, subdivision 15.

Subd. 2. Exemption from licensed setting requirement. (a) The exemption under this subdivision does not apply to the provision of respite care services to a child in foster care under chapter 260C or 260D.

(b) A license holder with a home and community-based services license may provide out-of-home respite care services for children in an unlicensed residential setting if:

(1) all background studies are completed according to the requirements in chapter 245C;

(2) a child's case manager conducts and documents an assessment of the residential setting and its environment before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence. The assessment must ensure that the setting is suitable for the child receiving respite care services. The assessment must be conducted and documented in the manner prescribed by the commissioner;

(3) the child's legal representative visits the residence and signs and dates a statement authorizing services in the residence before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence;

(4) the services are provided in a residential setting that is not licensed to provide any other licensed services;

(5) the services are provided to no more than four children at any one time. Each child must have an individual bedroom, except two siblings may share a bedroom;

(6) the services are not provided to children and adults over the age of 21 in the same residence at the same time;

(7) the services are not provided to a single family for more than 46 calendar days in a calendar year and no more than ten consecutive days;

(8) the license holder's license was not made conditional, suspended, or revoked during the previous 24 months; and

(9) each individual in the residence at the time services are provided, other than individuals receiving services, is an employee, as defined under section 245C.02, of the license holder and has had a background study completed under chapter 245C. No other household members or other individuals may be present in the residence while services are provided.

(c) A child may not receive out-of-home respite care services in more than two unlicensed residential settings in a calendar year.

(d) The license holder must ensure the requirements in this section are met.

Subd. 3. **Documentation requirements.** The license holder must maintain documentation of the following:

(1) background studies completed under chapter 245C;

(2) service recipient records indicating the calendar dates and times when services were provided;

(3) the case manager's initial residential setting assessment and each residential assessment completed thereafter; and

(4) the legal representative's approval of the residential setting before services are provided and each year thereafter.

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

Sec. 9. **[256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY EXPANSION GRANT.**

Subdivision 1. **Establishment.** (a) A disability services technology and advocacy expansion grant is established to:

(1) support the expansion of assistive technology and remote support services for people with disabilities; and

(2) strengthen advocacy efforts for individuals with disabilities and the providers who serve individuals with disabilities.

(b) The commissioner of human services must award the grant to an eligible grantee.

Subd. 2. **Eligible grantee.** An eligible grantee must:

(1) be a nonprofit organization with a statewide reach;

(2) have demonstrated knowledge of various forms of assistive technology and remote support for people with disabilities; and

(3) have proven capacity to provide education and training to multiple constituencies.

Subd. 3. **Allowable uses of grant money.** Grant money must be used to:

(1) develop and deliver comprehensive training programs for lead agencies, disability service providers, schools, employment support agencies, and individuals with disabilities and their families to ensure effective use of assistive technology and remote support tools. Training must address specific challenges faced by individuals with disabilities, such as accessibility, independence, and health monitoring;

(2) provide resources and support to advocacy organizations that work with individuals with disabilities and service providers. Resources and support must be used to promote the use of assistive technology to increase self-determination and community participation;

(3) maintain, distribute, and create accessible resources related to assistive technology and remote support. Materials must be tailored to address the unique needs of individuals with disabilities and the people and organizations who support individuals with disabilities;

(4) conduct research to explore new and emerging assistive technology solutions that address the evolving needs of individuals with disabilities. The research must emphasize the role of technology in promoting independence, improving quality of life, and ensuring safety; and

(5) conduct outreach initiatives to engage disability communities, service providers, and advocacy groups across Minnesota to promote awareness of assistive technology and remote support services. Outreach initiatives must focus on reaching underserved and rural populations.

Subd. 4. **Evaluation and reporting requirements.** (a) The grant recipient must submit an annual report by June 30 each year to the legislative committees with jurisdiction over disability services. The annual report must include:

(1) the number of individuals with disabilities and service providers who received training during the reporting year;

(2) data on the impact of assistive technology and remote support in improving quality of life, safety, and independence for individuals with disabilities; and

(3) recommendations for further advancing technology-driven disability advocacy efforts based on feedback and research findings.

(b) No later than three months after the grant period has ended, a final evaluation must be submitted to the legislative committees with jurisdiction over disability services to assess the overall impact on expanding access to assistive technology and remote support, with a focus on lessons learned and future opportunities for Minnesota's disability communities and service providers.

Subd. 5. **Grant period.** The grant period under this section is from July 1, 2025, to June 30, 2030.

Sec. 10. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate ~~each~~:

(1) each provider under this subdivision at least once every five years; ~~and~~

(2) each personal care assistance agency under this subdivision once every three years; and

(3) at the commissioner's discretion, any other Medicaid-only provider type the commissioner deems "high risk" under this subdivision.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

48.1 (5) promptly report to the commissioner any identified violations of medical assistance
48.2 laws or regulations; and

48.3 (6) within 60 days of discovery by the provider of a medical assistance reimbursement
48.4 overpayment, report the overpayment to the commissioner and make arrangements with
48.5 the commissioner for the commissioner's recovery of the overpayment.

48.6 The commissioner may require, as a condition of enrollment in medical assistance, that a
48.7 provider within a particular industry sector or category establish a compliance program that
48.8 contains the core elements established by the Centers for Medicare and Medicaid Services.

48.9 (h) The commissioner may revoke the enrollment of an ordering or rendering provider
48.10 for a period of not more than one year, if the provider fails to maintain and, upon request
48.11 from the commissioner, provide access to documentation relating to written orders or requests
48.12 for payment for durable medical equipment, certifications for home health services, or
48.13 referrals for other items or services written or ordered by such provider, when the
48.14 commissioner has identified a pattern of a lack of documentation. A pattern means a failure
48.15 to maintain documentation or provide access to documentation on more than one occasion.
48.16 Nothing in this paragraph limits the authority of the commissioner to sanction a provider
48.17 under the provisions of section 256B.064.

48.18 (i) The commissioner shall terminate or deny the enrollment of any individual or entity
48.19 if the individual or entity has been terminated from participation in Medicare or under the
48.20 Medicaid program or Children's Health Insurance Program of any other state. The
48.21 commissioner may exempt a rehabilitation agency from termination or denial that would
48.22 otherwise be required under this paragraph, if the agency:

48.23 (1) is unable to retain Medicare certification and enrollment solely due to a lack of billing
48.24 to the Medicare program;

48.25 (2) meets all other applicable Medicare certification requirements based on an on-site
48.26 review completed by the commissioner of health; and

48.27 (3) serves primarily a pediatric population.

48.28 (j) As a condition of enrollment in medical assistance, the commissioner shall require
48.29 that a provider designated "moderate" or "high-risk" by the Centers for Medicare and
48.30 Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid
48.31 Services, its agents, or its designated contractors and the state agency, its agents, or its
48.32 designated contractors to conduct unannounced on-site inspections of any provider location.
48.33 The commissioner shall publish in the Minnesota Health Care Program Provider Manual a

list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the commissioner or the Centers for Medicare and Medicaid Services that a provider is designated high-risk for fraud, waste, or abuse.

(l)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers meeting the durable medical equipment provider and supplier definition in clause (3), operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is annually renewed and designates the Minnesota Department of Human Services as the obligee, and must be submitted in a form approved by the commissioner. For purposes of this clause, the following medical suppliers are not required to obtain a surety bond: a federally qualified health center, a home health agency, the Indian Health Service, a pharmacy, and a rural health clinic.

(2) At the time of initial enrollment or reenrollment, durable medical equipment providers and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and fees in pursuing a claim on the bond.

(3) "Durable medical equipment provider or supplier" means a medical supplier that can purchase medical equipment or supplies for sale or rental to the general public and is able to perform or arrange for necessary repairs to and maintenance of equipment offered for sale or rental.

(m) The Department of Human Services may require a provider to purchase a surety bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment if: (1) the provider fails to demonstrate financial viability, (2) the department determines there is significant evidence of or potential for fraud and abuse by the provider, or (3) the

provider or category of providers is designated high-risk pursuant to paragraph (f) and as per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an amount of \$100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. The surety bond must name the Department of Human Services as an obligee and must allow for recovery of costs and fees in pursuing a claim on the bond. This paragraph does not apply if the provider currently maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

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

Sec. 11. Minnesota Statutes 2024, section 256B.0659, subdivision 17a, is amended to read:

Subd. 17a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for personal care assistance services shall be paid for services provided to persons who qualify for ten or more hours of personal care assistance services per day when provided by a personal care assistant who meets the requirements of subdivision 11, paragraph (d). This paragraph expires upon the effective date of paragraph (b).

(b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced rate of 112.5 percent of the rate paid for personal care assistance services shall be paid for services provided to persons who qualify for ten or more hours of personal care assistance services per day when provided by a personal care assistant who meets the requirements of subdivision 11, paragraph (d).

~~(b)~~ (c) A personal care assistance provider must use all additional revenue attributable to the rate enhancements under this subdivision for the wages and wage-related costs of the personal care assistants, including any corresponding increase in the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums. The agency must not use the additional revenue attributable to any enhanced rate under this subdivision to pay for mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, contributions to employee retirement accounts, or any other employee benefits.

~~(c)~~ (d) Any change in the eligibility criteria for the enhanced rate for personal care assistance services as described in this subdivision and referenced in subdivision 11, paragraph (d), does not constitute a change in a term or condition for individual providers as defined in section 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

51.2 Sec. 12. Minnesota Statutes 2024, section 256B.0911, subdivision 24, is amended to read:

51.3 Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions
51.4 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the
51.5 requirements of this subdivision. Remote reassessments conducted by interactive video or
51.6 telephone may substitute for in-person reassessments.

51.7 (b) For services provided by the developmental disabilities waiver under section
51.8 256B.092, and the community access for disability inclusion, community alternative care,
51.9 and brain injury waiver programs under section 256B.49, remote reassessments may be
51.10 substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

51.11 (c) For services provided by alternative care under section 256B.0913, essential
51.12 community supports under section 256B.0922, and the elderly waiver under chapter 256S,
51.13 remote reassessments may be substituted for one reassessment if followed by an in-person
51.14 reassessment.

51.15 (d) For personal care assistance provided under section 256B.0659 and community first
51.16 services and supports provided under section 256B.85, remote reassessments may be
51.17 substituted for two consecutive reassessments if followed by an in-person reassessment.

51.18 (e) A remote reassessment is permitted only if the lead agency provides informed choice
51.19 and the person being reassessed or the person's legal representative provides informed
51.20 consent for a remote assessment. Lead agencies must document that informed choice was
51.21 offered.

51.22 (f) The person being reassessed, or the person's legal representative, may refuse a remote
51.23 reassessment at any time.

51.24 (g) During a remote reassessment, if the certified assessor determines an in-person
51.25 reassessment is necessary in order to complete the assessment, the lead agency shall schedule
51.26 an in-person reassessment.

51.27 (h) All other requirements of an in-person reassessment apply to a remote reassessment,
51.28 including updates to a person's support plan.

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

52.1 Sec. 13. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision
52.2 to read:

52.3 Subd. 24a. **Verbal attestation to replace required reassessment signatures.** Effective
52.4 January 1, 2026, or upon federal approval, whichever is later, the commissioner shall allow
52.5 for verbal attestation to replace required reassessment signatures.

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

52.7 Sec. 14. Minnesota Statutes 2024, section 256B.0911, is amended by adding a subdivision
52.8 to read:

52.9 Subd. 25a. **Attesting to no changes in needs or services.** (a) A person who is 22 to 64
52.10 years of age and receiving home and community-based waiver services under the
52.11 developmental disabilities waiver program under section 256B.092; community access for
52.12 disability inclusion, community alternative care, and brain injury waiver programs under
52.13 section 256B.49; and community first services and supports under section 256B.85 may
52.14 attest that they have unchanged needs from the most recent prior assessment or reassessment
52.15 for up to two consecutive reassessments if the lead agency provides informed choice and
52.16 the person being reassessed or the person's legal representative provides informed consent.
52.17 Lead agencies must document that informed choice was offered.

52.18 (b) The person or person's legal representative must attest, verbally or through alternative
52.19 communications, that the information provided in the previous assessment or reassessment
52.20 is still accurate and applicable and that no changes in the person's circumstances have
52.21 occurred that would require changes from the most recent prior assessment or reassessment.
52.22 The person or the person's legal representative may request a full reassessment at any time.

52.23 (c) The assessor must review the most recent prior assessment or reassessment as required
52.24 in subdivision 22, paragraphs (a) and (b), clause (1), before conducting the interview. The
52.25 certified assessor must confirm that the information from the previous assessment or
52.26 reassessment is current.

52.27 (d) The assessment conducted under this section must:

52.28 (1) verify current assessed support needs;

52.29 (2) confirm continued need for the currently assessed level of care;

52.30 (3) inform the person of alternative long-term services and supports available;

52.31 (4) provide informed choice of institutional or home and community-based services;

52.32 and

53.1 (5) identify changes in need that may require a full reassessment.

53.2 (e) The assessor must ensure that any new assessment items or requirements mandated
53.3 by federal or state authority are addressed and the person must provide required information.

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

53.7 Sec. 15. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

53.8 Subd. 26. **Determination of institutional level of care.** (a) The determination of need
53.9 for hospital and intermediate care facility levels of care must be made according to criteria
53.10 developed by the commissioner, and in section 256B.092, using forms developed by the
53.11 commissioner.

53.12 (b) Except as provided in paragraph (c), the determination of need for nursing facility
53.13 level of care must be made based on criteria in section 144.0724, subdivision 11.

53.14 (c) Effective for determinations of need for nursing level of care made on or after January
53.15 1, 2027, for the purposes of waiver services provided under section 256B.49, the
53.16 commissioner must make the determination of need for nursing facility level of care based
53.17 on the criteria in section 144.0724, subdivision 11, paragraph (a), clauses (1) to (6).

53.18 Sec. 16. Minnesota Statutes 2024, section 256B.0924, subdivision 6, is amended to read:

53.19 Subd. 6. **Payment for targeted case management.** (a) Medical assistance and
53.20 MinnesotaCare payment for targeted case management shall be made on a monthly basis.
53.21 In order to receive payment for an eligible adult, the provider must document at least one
53.22 contact per month and not more than two consecutive months without a face-to-face contact
53.23 either in person or by interactive video that meets the requirements in section 256B.0625,
53.24 subdivision 20b, with the adult or the adult's legal representative, family, primary caregiver,
53.25 or other relevant persons identified as necessary to the development or implementation of
53.26 the goals of the personal service plan.

53.27 (b) Except as provided under paragraph (m), payment for targeted case management
53.28 provided by county staff under this subdivision shall be based on the monthly rate
53.29 methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one
53.30 combined average rate together with adult mental health case management under section
53.31 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate
53.32 for case management under this section shall be the same as the rate for adult mental health

54.1 case management in effect as of December 31, 2001. Billing and payment must identify the
54.2 recipient's primary population group to allow tracking of revenues.

54.3 (c) Payment for targeted case management provided by county-contracted vendors shall
54.4 be based on a monthly rate calculated in accordance with section 256B.076, subdivision 2.
54.5 The rate must not exceed the rate charged by the vendor for the same service to other payers.
54.6 If the service is provided by a team of contracted vendors, the team shall determine how to
54.7 distribute the rate among its members. No reimbursement received by contracted vendors
54.8 shall be returned to the county, except to reimburse the county for advance funding provided
54.9 by the county to the vendor.

54.10 (d) If the service is provided by a team that includes contracted vendors and county staff,
54.11 the costs for county staff participation on the team shall be included in the rate for
54.12 county-provided services. In this case, the contracted vendor and the county may each
54.13 receive separate payment for services provided by each entity in the same month. In order
54.14 to prevent duplication of services, the county must document, in the recipient's file, the need
54.15 for team targeted case management and a description of the different roles of the team
54.16 members.

54.17 (e) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
54.18 targeted case management shall be provided by the recipient's county of responsibility, as
54.19 defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
54.20 used to match other federal funds.

54.21 (f) The commissioner may suspend, reduce, or terminate reimbursement to a provider
54.22 that does not meet the reporting or other requirements of this section. The county of
54.23 responsibility, as defined in sections 256G.01 to 256G.12, is responsible for any federal
54.24 disallowances. The county may share this responsibility with its contracted vendors.

54.25 (g) The commissioner shall set aside five percent of the federal funds received under
54.26 this section for use in reimbursing the state for costs of developing and implementing this
54.27 section.

54.28 (h) Payments to counties for targeted case management expenditures under this section
54.29 shall only be made from federal earnings from services provided under this section. Payments
54.30 to contracted vendors shall include both the federal earnings and the county share.

54.31 (i) Notwithstanding section 256B.041, county payments for the cost of case management
54.32 services provided by county staff shall not be made to the commissioner of management
54.33 and budget. For the purposes of targeted case management services provided by county

55.1 staff under this section, the centralized disbursement of payments to counties under section
55.2 256B.041 consists only of federal earnings from services provided under this section.

55.3 (j) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
55.4 and the recipient's institutional care is paid by medical assistance, payment for targeted case
55.5 management services under this subdivision is limited to the lesser of:

55.6 (1) the last 180 days of the recipient's residency in that facility; or

55.7 (2) the limits and conditions which apply to federal Medicaid funding for this service.

55.8 (k) Payment for targeted case management services under this subdivision shall not
55.9 duplicate payments made under other program authorities for the same purpose.

55.10 (l) Any growth in targeted case management services and cost increases under this
55.11 section shall be the responsibility of the counties.

55.12 (m) The commissioner may make payments for Tribes according to section 256B.0625,
55.13 subdivision 34, or other relevant federally approved rate setting methodologies for vulnerable
55.14 adult and developmental disability targeted case management provided by Indian health
55.15 services and facilities operated by a Tribe or Tribal organization.

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

55.17 Sec. 17. Minnesota Statutes 2024, section 256B.0949, subdivision 2, is amended to read:

55.18 Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given in this
55.19 subdivision.

55.20 (b) "Advanced certification" means a person who has completed advanced certification
55.21 in an approved modality under subdivision 13, paragraph (b).

55.22 (c) "Agency" means the legal entity that is enrolled with Minnesota health care programs
55.23 as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide
55.24 EIDBI services and that has the legal responsibility to ensure that its employees or contractors
55.25 carry out the responsibilities defined in this section. Agency includes a licensed individual
55.26 professional who practices independently and acts as an agency.

55.27 (d) "Autism spectrum disorder or a related condition" or "ASD or a related condition"
55.28 means either autism spectrum disorder (ASD) as defined in the current version of the
55.29 Diagnostic and Statistical Manual of Mental Disorders (DSM) or a condition that is found
55.30 to be closely related to ASD, as identified under the current version of the DSM, and meets
55.31 all of the following criteria:

- 56.1 (1) is severe and chronic;
- 56.2 (2) results in impairment of adaptive behavior and function similar to that of a person
56.3 with ASD;
- 56.4 (3) requires treatment or services similar to those required for a person with ASD; and
- 56.5 (4) results in substantial functional limitations in three core developmental deficits of
56.6 ASD: social or interpersonal interaction; functional communication, including nonverbal
56.7 or social communication; and restrictive or repetitive behaviors or hyperreactivity or
56.8 hyporeactivity to sensory input; and may include deficits or a high level of support in one
56.9 or more of the following domains:
- 56.10 (i) behavioral challenges and self-regulation;
- 56.11 (ii) cognition;
- 56.12 (iii) learning and play;
- 56.13 (iv) self-care; or
- 56.14 (v) safety.
- 56.15 (e) "Person" means a person under 21 years of age.
- 56.16 (f) "Clinical supervision" means the overall responsibility for the control and direction
56.17 of EIDBI service delivery, including individual treatment planning, staff supervision,
56.18 individual treatment plan progress monitoring, and treatment review for each person. Clinical
56.19 supervision is provided by a qualified supervising professional (QSP) who takes full
56.20 professional responsibility for the service provided by each supervisee.
- 56.21 (g) "Commissioner" means the commissioner of human services, unless otherwise
56.22 specified.
- 56.23 (h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive
56.24 evaluation of a person to determine medical necessity for EIDBI services based on the
56.25 requirements in subdivision 5.
- 56.26 (i) "Department" means the Department of Human Services, unless otherwise specified.
- 56.27 (j) "Early intensive developmental and behavioral intervention benefit" or "EIDBI
56.28 benefit" means a variety of individualized, intensive treatment modalities approved and
56.29 published by the commissioner that are based in behavioral and developmental science
56.30 consistent with best practices on effectiveness.

57.1 (k) "Employee" means any person who is employed by an agency, including temporary
57.2 and part-time employees, and who performs work for at least 80 hours in a year for that
57.3 agency in Minnesota. Employee does not include an independent contractor.

57.4 ~~(k)~~ (l) "Generalizable goals" means results or gains that are observed during a variety
57.5 of activities over time with different people, such as providers, family members, other adults,
57.6 and people, and in different environments including, but not limited to, clinics, homes,
57.7 schools, and the community.

57.8 ~~(l)~~ (m) "Incident" means when any of the following occur:

57.9 (1) an illness, accident, or injury that requires first aid treatment;

57.10 (2) a bump or blow to the head; or

57.11 (3) an unusual or unexpected event that jeopardizes the safety of a person or staff,
57.12 including a person leaving the agency unattended.

57.13 ~~(m)~~ (n) "Individual treatment plan" or "ITP" means the person-centered, individualized
57.14 written plan of care that integrates and coordinates person and family information from the
57.15 CMDE for a person who meets medical necessity for the EIDBI benefit. An individual
57.16 treatment plan must meet the standards in subdivision 6.

57.17 ~~(n)~~ (o) "Legal representative" means the parent of a child who is under 18 years of age,
57.18 a court-appointed guardian, or other representative with legal authority to make decisions
57.19 about service for a person. For the purpose of this subdivision, "other representative with
57.20 legal authority to make decisions" includes a health care agent or an attorney-in-fact
57.21 authorized through a health care directive or power of attorney.

57.22 ~~(o)~~ (p) "Mental health professional" means a staff person who is qualified according to
57.23 section 245I.04, subdivision 2.

57.24 ~~(p)~~ (q) "Person-centered" means a service that both responds to the identified needs,
57.25 interests, values, preferences, and desired outcomes of the person or the person's legal
57.26 representative and respects the person's history, dignity, and cultural background and allows
57.27 inclusion and participation in the person's community.

57.28 ~~(q)~~ (r) "Qualified EIDBI provider" means a person who is a QSP or a level I, level II,
57.29 or level III treatment provider.

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

58.1 Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

58.2 Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be ~~employed by~~ an employee
58.3 of an agency and be:

58.4 (1) a licensed mental health professional who has at least 2,000 hours of supervised
58.5 clinical experience or training in examining or treating people with ASD or a related condition
58.6 or equivalent documented coursework at the graduate level by an accredited university in
58.7 ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child
58.8 development; or

58.9 (2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised
58.10 clinical experience or training in examining or treating people with ASD or a related condition
58.11 or equivalent documented coursework at the graduate level by an accredited university in
58.12 the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and
58.13 typical child development.

58.14 (b) A level I treatment provider must be ~~employed by~~ an employee of an agency and:

58.15 (1) have at least 2,000 hours of supervised clinical experience or training in examining
58.16 or treating people with ASD or a related condition or equivalent documented coursework
58.17 at the graduate level by an accredited university in ASD diagnostics, ASD developmental
58.18 and behavioral treatment strategies, and typical child development or an equivalent
58.19 combination of documented coursework or hours of experience; and

58.20 (2) have or be at least one of the following:

58.21 (i) a master's degree in behavioral health or child development or related fields including,
58.22 but not limited to, mental health, special education, social work, psychology, speech
58.23 pathology, or occupational therapy from an accredited college or university;

58.24 (ii) a bachelor's degree in a behavioral health, child development, or related field
58.25 including, but not limited to, mental health, special education, social work, psychology,
58.26 speech pathology, or occupational therapy, from an accredited college or university, and
58.27 advanced certification in a treatment modality recognized by the department;

58.28 (iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification
58.29 Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis
58.30 Credentialing Board; or

58.31 (iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical
58.32 experience that meets all registration, supervision, and continuing education requirements
58.33 of the certification.

59.1 (c) A level II treatment provider must be ~~employed by~~ an employee of an agency and
59.2 must be:

59.3 (1) a person who has a bachelor's degree from an accredited college or university in a
59.4 behavioral or child development science or related field including, but not limited to, mental
59.5 health, special education, social work, psychology, speech pathology, or occupational
59.6 therapy; and meets at least one of the following:

59.7 (i) has at least 1,000 hours of supervised clinical experience or training in examining or
59.8 treating people with ASD or a related condition or equivalent documented coursework at
59.9 the graduate level by an accredited university in ASD diagnostics, ASD developmental and
59.10 behavioral treatment strategies, and typical child development or a combination of
59.11 coursework or hours of experience;

59.12 (ii) has certification as a board-certified assistant behavior analyst from the Behavior
59.13 Analyst Certification Board or a qualified autism service practitioner from the Qualified
59.14 Applied Behavior Analysis Credentialing Board;

59.15 (iii) is a registered behavior technician as defined by the Behavior Analyst Certification
59.16 Board or an applied behavior analysis technician as defined by the Qualified Applied
59.17 Behavior Analysis Credentialing Board; or

59.18 (iv) is certified in one of the other treatment modalities recognized by the department;
59.19 or

59.20 (2) a person who has:

59.21 (i) an associate's degree in a behavioral or child development science or related field
59.22 including, but not limited to, mental health, special education, social work, psychology,
59.23 speech pathology, or occupational therapy from an accredited college or university; and

59.24 (ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people
59.25 with ASD or a related condition. Hours worked as a mental health behavioral aide or level
59.26 III treatment provider may be included in the required hours of experience; or

59.27 (3) a person who has at least 4,000 hours of supervised clinical experience in delivering
59.28 treatment to people with ASD or a related condition. Hours worked as a mental health
59.29 behavioral aide or level III treatment provider may be included in the required hours of
59.30 experience; or

59.31 (4) a person who is a graduate student in a behavioral science, child development science,
59.32 or related field and is receiving clinical supervision by a QSP affiliated with an agency to

60.1 meet the clinical training requirements for experience and training with people with ASD
60.2 or a related condition; or

60.3 (5) a person who is at least 18 years of age and who:

60.4 (i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

60.5 (ii) completed the level III EIDBI training requirements; and

60.6 (iii) receives observation and direction from a QSP or level I treatment provider at least
60.7 once a week until the person meets 1,000 hours of supervised clinical experience.

60.8 (d) A level III treatment provider must be ~~employed by~~ an employee of an agency, have
60.9 completed the level III training requirement, be at least 18 years of age, and have at least
60.10 one of the following:

60.11 (1) a high school diploma or commissioner of education-selected high school equivalency
60.12 certification;

60.13 (2) fluency in a non-English language or Tribal Nation certification;

60.14 (3) one year of experience as a primary personal care assistant, community health worker,
60.15 waiver service provider, or special education assistant to a person with ASD or a related
60.16 condition within the previous five years; or

60.17 (4) completion of all required EIDBI training within six months of employment.

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

60.19 Sec. 19. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

60.20 Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section
60.21 must:

60.22 (1) enroll as a medical assistance Minnesota health care program provider according to
60.23 Minnesota Rules, part 9505.0195, and section 256B.04, subdivision 21, and meet all
60.24 applicable provider standards and requirements;

60.25 (2) demonstrate compliance with federal and state laws for EIDBI service;

60.26 (3) verify and maintain records of a service provided to the person or the person's legal
60.27 representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

60.28 (4) demonstrate that while enrolled or seeking enrollment as a Minnesota health care
60.29 program provider the agency did not have a lead agency contract or provider agreement
60.30 discontinued because of a conviction of fraud; or did not have an owner, board member, or

61.1 manager fail a state or federal criminal background check or appear on the list of excluded
61.2 individuals or entities maintained by the federal Department of Human Services Office of
61.3 Inspector General;

61.4 (5) have established business practices including written policies and procedures, internal
61.5 controls, and a system that demonstrates the organization's ability to deliver quality EIDBI
61.6 services;

61.7 (6) have an office located in Minnesota or a border state;

61.8 (7) conduct a criminal background check on an individual who has direct contact with
61.9 the person or the person's legal representative;

61.10 (8) report maltreatment according to section 626.557 and chapter 260E;

61.11 (9) comply with any data requests consistent with the Minnesota Government Data
61.12 Practices Act, sections 256B.064 and 256B.27;

61.13 (10) provide training for all agency staff on the requirements and responsibilities listed
61.14 in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act,
61.15 section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's
61.16 policy for all staff on how to report suspected abuse and neglect;

61.17 (11) have a written policy to resolve issues collaboratively with the person and the
61.18 person's legal representative when possible. The policy must include a timeline for when
61.19 the person and the person's legal representative will be notified about issues that arise in
61.20 the provision of services;

61.21 (12) provide the person's legal representative with prompt notification if the person is
61.22 injured while being served by the agency. An incident report must be completed by the
61.23 agency staff member in charge of the person. A copy of all incident and injury reports must
61.24 remain on file at the agency for at least five years from the report of the incident; ~~and~~

61.25 (13) before starting a service, provide the person or the person's legal representative a
61.26 description of the treatment modality that the person shall receive, including the staffing
61.27 certification levels and training of the staff who shall provide a treatment-;

61.28 (14) provide clinical supervision by a qualified supervising professional for a minimum
61.29 of one hour of supervision for every ten hours of direct treatment per person that meets
61.30 clinical licensure requirements for quality supervision and effective intervention; and

61.31 (15) provide clinical, in-person supervision sessions by a qualified supervising
61.32 professional at least once per month for intervention, observation, and direction.

(b) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 20. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to read:

Subd. 16a. **Background studies.** An early intensive developmental and behavioral intervention services agency must fulfill any background studies requirements under this section by initiating a background study through the commissioner's NETStudy 2.0 system as provided under sections 245C.03, subdivision 15, and 245C.10, subdivision 17.

Sec. 21. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

Subd. 18. **Provisional licensure.** Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies pursuant to section 245A.142.

Sec. 22. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. **Division of cost.** (a) The state and county share of medical assistance costs not paid by federal funds shall be as follows:

(1) beginning January 1, 1992, 50 percent state funds and 50 percent county funds for the cost of placement of severely emotionally disturbed children in regional treatment centers;

(2) beginning January 1, 2003, 80 percent state funds and 20 percent county funds for the costs of nursing facility placements of persons with disabilities under the age of 65 that have exceeded 90 days. This clause shall be subject to chapter 256G and shall not apply to placements in facilities not certified to participate in medical assistance;

(3) beginning July 1, 2004, 90 percent state funds and ten percent county funds for the costs of placements that have exceeded 90 days in intermediate care facilities for persons with developmental disabilities that have seven or more beds. This provision includes pass-through payments made under section 256B.5015; ~~and~~

(4) beginning July 1, 2004, when state funds are used to pay for a nursing facility placement due to the facility's status as an institution for mental diseases (IMD), the county shall pay 20 percent of the nonfederal share of costs that have exceeded 90 days. This clause is subject to chapter 256G; and

(5) beginning July 1, 2026, or upon federal approval, whichever is later, 98 percent state funds and two percent county funds for the costs of services for all people receiving community residential services, family residential services, customized living services, or integrated community supports under section 256B.4914.

(b) For counties that participate in a Medicaid demonstration project under sections 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses for payments made to prepaid health plans or for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility.

(c) In counties where prepaid health plans are under contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment ordered without consulting the prepaid health plan that does not include diagnostic evaluation, recommendation, and referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

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

Sec. 23. Minnesota Statutes 2024, section 256B.4914, subdivision 3, is amended to read:

Subd. 3. **Applicable services.** ~~(a)~~ Applicable services are those authorized under the state's home and community-based services waivers under sections 256B.092 and 256B.49, including the following, as defined in the federally approved home and community-based services plan:

(1) 24-hour customized living;

(2) adult day services;

(3) adult day services bath;

- 64.1 (4) community residential services;
- 64.2 (5) customized living;
- 64.3 (6) day support services;
- 64.4 (7) employment development services;
- 64.5 (8) employment exploration services;
- 64.6 (9) employment support services;
- 64.7 (10) family residential services;
- 64.8 (11) individualized home supports;
- 64.9 (12) individualized home supports with family training;
- 64.10 (13) individualized home supports with training;
- 64.11 (14) integrated community supports;
- 64.12 (15) life sharing;
- 64.13 (16) effective until the effective date of clauses (17) and (18), night supervision;
- 64.14 (17) effective January 1, 2026, or upon federal approval, whichever is later, awake night
- 64.15 supervision;
- 64.16 (18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night
- 64.17 supervision;
- 64.18 ~~(17)~~ (19) positive support services;
- 64.19 ~~(18)~~ (20) prevocational services;
- 64.20 ~~(19)~~ (21) residential support services;
- 64.21 ~~(20) respite services;~~
- 64.22 ~~(21)~~ (22) transportation services; and
- 64.23 ~~(22)~~ (23) other services as approved by the federal government in the state home and
- 64.24 community-based services waiver plan.
- 64.25 ~~(b) Effective January 1, 2024, or upon federal approval, whichever is later, respite~~
- 64.26 ~~services under paragraph (a), clause (20), are not an applicable service under this section.~~
- 64.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 24. Minnesota Statutes 2024, section 256B.4914, subdivision 5, is amended to read:

Subd. 5. **Base wage index; establishment and updates.** (a) The base wage index is established to determine staffing costs associated with providing services to individuals receiving home and community-based services. For purposes of calculating the base wage, Minnesota-specific wages taken from job descriptions and standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the Occupational Handbook must be used.

(b) The commissioner shall ~~update~~ establish the base wage index in subdivision 5a, publish these updated values, and load them into the rate management system ~~as follows~~:

~~(1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics available as of December 31, 2019;~~

~~(2) on January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics published in March 2022; and.~~

~~(3) on January 1, 2026, and every two years thereafter, based on wage data by SOC from the Bureau of Labor Statistics published in the spring approximately 21 months prior to the scheduled update.~~

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

Sec. 25. Minnesota Statutes 2024, section 256B.4914, subdivision 5a, is amended to read:

Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as follows:

(1) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of positive supports professional, positive supports analyst, and positive supports specialist, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141);

(3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061);

(4) for residential asleep-overnight staff, the minimum wage in Minnesota for large employers;

66.1 (5) for residential direct care staff, the sum of:

66.2 (i) 15 percent of the subtotal of 50 percent of the median wage for home health and
66.3 personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant
66.4 (SOC code 31-1131); and 20 percent of the median wage for social and human services
66.5 aide (SOC code 21-1093); and

66.6 (ii) 85 percent of the subtotal of 40 percent of the median wage for home health and
66.7 personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant
66.8 (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code
66.9 29-2053); and 20 percent of the median wage for social and human services aide (SOC code
66.10 21-1093);

66.11 (6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC
66.12 code 31-1131); and 30 percent of the median wage for home health and personal care aide
66.13 (SOC code 31-1120);

66.14 (7) for day support services staff and prevocational services staff, 20 percent of the
66.15 median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for
66.16 psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social
66.17 and human services aide (SOC code 21-1093);

66.18 (8) for positive supports analyst staff, 100 percent of the median wage for substance
66.19 abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

66.20 (9) for positive supports professional staff, 100 percent of the median wage for clinical
66.21 counseling and school psychologist (SOC code 19-3031);

66.22 (10) for positive supports specialist staff, 100 percent of the median wage for psychiatric
66.23 technicians (SOC code 29-2053);

66.24 (11) for individualized home supports with family training staff, 20 percent of the median
66.25 wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community
66.26 social service specialist (SOC code 21-1099); 40 percent of the median wage for social and
66.27 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
66.28 technician (SOC code 29-2053);

66.29 (12) for individualized home supports with training services staff, 40 percent of the
66.30 median wage for community social service specialist (SOC code 21-1099); 50 percent of
66.31 the median wage for social and human services aide (SOC code 21-1093); and ten percent
66.32 of the median wage for psychiatric technician (SOC code 29-2053);

(13) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(14) for employment exploration services staff, 50 percent of the median wage for education, guidance, school, and vocational counselor (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for individualized home support without training staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the median wage for nursing assistant (SOC code 31-1131); ~~and~~

(17) effective until the effective date of clauses (18) and (19), for night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(18) effective January 1, 2026, or upon federal approval, whichever is later, for awake night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aid (SOC code 21-1093); and

(19) effective January 1, 2026, or upon federal approval, whichever is later, for asleep night supervision staff, the minimum wage in Minnesota for large employers.

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

Sec. 26. Minnesota Statutes 2024, section 256B.4914, subdivision 5b, is amended to read:

Subd. 5b. **Standard component value adjustments.** The commissioner shall update the base wage index under subdivision 5a; the client and programming support, transportation, and program facility cost component values as required in subdivisions 6 to 9; and the rates identified in subdivision 19 for changes in the Consumer Price Index. The commissioner shall adjust these values higher or lower, publish these updated values, and load them into the rate management system ~~as follows:~~

~~(1) on January 1, 2022, by the percentage change in the CPI-U from the date of the previous update to the data available on December 31, 2019;~~

~~(2) on January 1, 2024, by the percentage change in the CPI-U from the date of the previous update to the data available as of December 31, 2022; and~~

(3) on January 1, 2026, and every two years thereafter, by the percentage change in the CPI-U from the date of the previous update to the data available 24 months and one day prior to the scheduled update.

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

Sec. 27. Minnesota Statutes 2024, section 256B.4914, subdivision 6a, is amended to read:

Subd. 6a. **Community residential services; component values and calculation of payment rates.** (a) Component values for community residential services are:

(1) competitive workforce factor: ~~6.7 percent;~~

(i) 6.7 percent. This item expires upon the effective date of item (ii);

(ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.

This item expires upon the effective date of item (iii); and

(iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

(2) supervisory span of control ratio: 11 percent;

(3) employee vacation, sick, and training allowance ratio: 8.71 percent;

(4) employee-related cost ratio: 23.6 percent;

(5) general administrative support ratio: 13.25 percent;

(6) program-related expense ratio: 1.3 percent; and

(7) absence and utilization factor ratio: 3.9 percent.

(b) Payments for community residential services must be calculated as follows:

(1) determine the number of shared direct staffing and individual direct staffing hours to meet a recipient's needs provided on site or through monitoring technology;

(2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;

69.1 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
69.2 product of one plus the competitive workforce factor;

69.3 (4) for a recipient requiring customization for deaf and hard-of-hearing language
69.4 accessibility under subdivision 12, add the customization rate provided in subdivision 12
69.5 to the result of clause (3);

69.6 (5) multiply the number of shared direct staffing and individual direct staffing hours
69.7 provided on site or through monitoring technology and nursing hours by the appropriate
69.8 staff wages;

69.9 (6) multiply the number of shared direct staffing and individual direct staffing hours
69.10 provided on site or through monitoring technology and nursing hours by the product of the
69.11 supervision span of control ratio and the appropriate supervisory staff wage in subdivision
69.12 5a, clause (1);

69.13 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and
69.14 individual direct staffing hours provided through monitoring technology, and multiply the
69.15 result by one plus the employee vacation, sick, and training allowance ratio. This is defined
69.16 as the direct staffing cost;

69.17 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
69.18 direct staffing and individual hours provided through monitoring technology, by one plus
69.19 the employee-related cost ratio;

69.20 (9) for client programming and supports, add \$2,260.21 divided by 365. The
69.21 commissioner shall update the amount in this clause as specified in subdivision 5b;

69.22 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
69.23 by 365 if customized for adapted transport, based on the resident with the highest assessed
69.24 need. The commissioner shall update the amounts in this clause as specified in subdivision
69.25 5b;

69.26 (11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing
69.27 and individual direct staffing hours provided through monitoring technology that was
69.28 excluded in clause (8);

69.29 (12) sum the standard general administrative support ratio, the program-related expense
69.30 ratio, and the absence and utilization factor ratio;

69.31 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
69.32 total payment amount; and

70.1 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
70.2 to adjust for regional differences in the cost of providing services.

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

70.4 Sec. 28. Minnesota Statutes 2024, section 256B.4914, subdivision 6b, is amended to read:

70.5 Subd. 6b. **Family residential services; component values and calculation of payment**
70.6 **rates.** (a) Component values for family residential services are:

70.7 (1) competitive workforce factor: ~~6.7 percent;~~

70.8 (i) 6.7 percent. This item expires upon the effective date of item (ii);

70.9 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.

70.10 This item expires upon the effective date of item (iii); and

70.11 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

70.12 (2) supervisory span of control ratio: 11 percent;

70.13 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

70.14 (4) employee-related cost ratio: 23.6 percent;

70.15 (5) general administrative support ratio: 3.3 percent;

70.16 (6) program-related expense ratio: 1.3 percent; and

70.17 (7) absence factor: 1.7 percent.

70.18 (b) Payments for family residential services must be calculated as follows:

70.19 (1) determine the number of shared direct staffing and individual direct staffing hours
70.20 to meet a recipient's needs provided on site or through monitoring technology;

70.21 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
70.22 provided in subdivisions 5 and 5a;

70.23 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
70.24 product of one plus the competitive workforce factor;

70.25 (4) for a recipient requiring customization for deaf and hard-of-hearing language
70.26 accessibility under subdivision 12, add the customization rate provided in subdivision 12
70.27 to the result of clause (3);

71.1 (5) multiply the number of shared direct staffing and individual direct staffing hours
71.2 provided on site or through monitoring technology and nursing hours by the appropriate
71.3 staff wages;

71.4 (6) multiply the number of shared direct staffing and individual direct staffing hours
71.5 provided on site or through monitoring technology and nursing hours by the product of the
71.6 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
71.7 5a, clause (1);

71.8 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and
71.9 individual direct staffing hours provided through monitoring technology, and multiply the
71.10 result by one plus the employee vacation, sick, and training allowance ratio. This is defined
71.11 as the direct staffing cost;

71.12 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
71.13 and individual direct staffing hours provided through monitoring technology, by one plus
71.14 the employee-related cost ratio;

71.15 (9) for client programming and supports, add \$2,260.21 divided by 365. The
71.16 commissioner shall update the amount in this clause as specified in subdivision 5b;

71.17 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
71.18 by 365 if customized for adapted transport, based on the resident with the highest assessed
71.19 need. The commissioner shall update the amounts in this clause as specified in subdivision
71.20 5b;

71.21 (11) subtotal clauses (8) to (10) and the direct staffing cost of any shared direct staffing
71.22 and individual direct staffing hours provided through monitoring technology that was
71.23 excluded in clause (8);

71.24 (12) sum the standard general administrative support ratio, the program-related expense
71.25 ratio, and the absence and utilization factor ratio;

71.26 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
71.27 total payment rate; and

71.28 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
71.29 to adjust for regional differences in the cost of providing services.

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

- 72.1 Sec. 29. Minnesota Statutes 2024, section 256B.4914, subdivision 6c, is amended to read:
- 72.2 Subd. 6c. **Integrated community supports; component values and calculation of**
- 72.3 **payment rates.** (a) Component values for integrated community supports are:
- 72.4 (1) competitive workforce factor: ~~6.7 percent~~;
- 72.5 (i) 6.7 percent. This item expires upon the effective date of item (ii);
- 72.6 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.
- 72.7 This item expires upon the effective date of item (iii); and
- 72.8 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;
- 72.9 (2) supervisory span of control ratio: 11 percent;
- 72.10 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 72.11 (4) employee-related cost ratio: 23.6 percent;
- 72.12 (5) general administrative support ratio: 13.25 percent;
- 72.13 (6) program-related expense ratio: 1.3 percent; and
- 72.14 (7) absence and utilization factor ratio: 3.9 percent.
- 72.15 (b) Payments for integrated community supports must be calculated as follows:
- 72.16 (1) determine the number of shared direct staffing and individual direct staffing hours
- 72.17 to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided
- 72.18 by the number of people receiving support in the integrated community support setting, and
- 72.19 the individual direct staffing hours must be the average number of direct support hours
- 72.20 provided directly to the service recipient;
- 72.21 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 72.22 provided in subdivisions 5 and 5a;
- 72.23 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 72.24 product of one plus the competitive workforce factor;
- 72.25 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 72.26 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 72.27 to the result of clause (3);
- 72.28 (5) multiply the number of shared direct staffing and individual direct staffing hours in
- 72.29 clause (1) by the appropriate staff wages;

73.1 (6) multiply the number of shared direct staffing and individual direct staffing hours in
73.2 clause (1) by the product of the supervisory span of control ratio and the appropriate
73.3 supervisory staff wage in subdivision 5a, clause (1);

73.4 (7) combine the results of clauses (5) and (6) and multiply the result by one plus the
73.5 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
73.6 cost;

73.7 (8) for employee-related expenses, multiply the direct staffing cost by one plus the
73.8 employee-related cost ratio;

73.9 (9) for client programming and supports, add \$2,260.21 divided by 365. The
73.10 commissioner shall update the amount in this clause as specified in subdivision 5b;

73.11 (10) add the results of clauses (8) and (9);

73.12 (11) add the standard general administrative support ratio, the program-related expense
73.13 ratio, and the absence and utilization factor ratio;

73.14 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
73.15 total payment amount; and

73.16 (13) adjust the result of clause (12) by a factor to be determined by the commissioner
73.17 to adjust for regional differences in the cost of providing services.

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

73.19 Sec. 30. Minnesota Statutes 2024, section 256B.4914, subdivision 7a, is amended to read:

73.20 Subd. 7a. **Adult day services; component values and calculation of payment rates.** (a)
73.21 Component values for adult day services are:

73.22 (1) competitive workforce factor: ~~6.7 percent~~;

73.23 (i) 6.7 percent. This item expires upon the effective date of item (ii);

73.24 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.

73.25 This item expires upon the effective date of item (iii); and

73.26 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

73.27 (2) supervisory span of control ratio: 11 percent;

73.28 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

73.29 (4) employee-related cost ratio: 23.6 percent;

73.30 (5) program plan support ratio: 5.6 percent;

- 74.1 (6) client programming and support ratio: 7.4 percent, updated as specified in subdivision
74.2 5b;
- 74.3 (7) general administrative support ratio: 13.25 percent;
- 74.4 (8) program-related expense ratio: 1.8 percent; and
- 74.5 (9) absence and utilization factor ratio: ~~9.4~~ 3.9 percent.
- 74.6 (b) A unit of service for adult day services is either a day or 15 minutes. A day unit of
74.7 service is six or more hours of time spent providing direct service.
- 74.8 (c) Payments for adult day services must be calculated as follows:
- 74.9 (1) determine the number of units of service and the staffing ratio to meet a recipient's
74.10 needs;
- 74.11 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
74.12 provided in subdivisions 5 and 5a;
- 74.13 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
74.14 product of one plus the competitive workforce factor;
- 74.15 (4) for a recipient requiring customization for deaf and hard-of-hearing language
74.16 accessibility under subdivision 12, add the customization rate provided in subdivision 12
74.17 to the result of clause (3);
- 74.18 (5) multiply the number of day program direct staffing hours and nursing hours by the
74.19 appropriate staff wage;
- 74.20 (6) multiply the number of day program direct staffing hours by the product of the
74.21 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
74.22 5a, clause (1);
- 74.23 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
74.24 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
74.25 rate;
- 74.26 (8) for program plan support, multiply the result of clause (7) by one plus the program
74.27 plan support ratio;
- 74.28 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
74.29 employee-related cost ratio;
- 74.30 (10) for client programming and supports, multiply the result of clause (9) by one plus
74.31 the client programming and support ratio;

75.1 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
75.2 to meet individual needs, updated as specified in subdivision 5b;

75.3 (12) for adult day bath services, add \$7.01 per 15 minute unit;

75.4 (13) this is the subtotal rate;

75.5 (14) sum the standard general administrative rate support ratio, the program-related
75.6 expense ratio, and the absence and utilization factor ratio;

75.7 (15) divide the result of clause (13) by one minus the result of clause (14). This is the
75.8 total payment amount; and

75.9 (16) adjust the result of clause (15) by a factor to be determined by the commissioner
75.10 to adjust for regional differences in the cost of providing services.

75.11 **EFFECTIVE DATE.** The amendments to paragraph (a), clause (1), are effective the
75.12 day following final enactment. The amendment to paragraph (a), clause (9), is effective
75.13 January 1, 2026.

75.14 Sec. 31. Minnesota Statutes 2024, section 256B.4914, subdivision 7b, is amended to read:

75.15 Subd. 7b. **Day support services; component values and calculation of payment**
75.16 **rates.** (a) Component values for day support services are:

75.17 (1) competitive workforce factor: ~~6.7 percent;~~

75.18 (i) 6.7 percent. This item expires upon the effective date of item (ii);

75.19 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.

75.20 This item expires upon the effective date of item (iii); and

75.21 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

75.22 (2) supervisory span of control ratio: 11 percent;

75.23 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

75.24 (4) employee-related cost ratio: 23.6 percent;

75.25 (5) program plan support ratio: 5.6 percent;

75.26 (6) client programming and support ratio: 10.37 percent, updated as specified in
75.27 subdivision 5b;

75.28 (7) general administrative support ratio: 13.25 percent;

75.29 (8) program-related expense ratio: 1.8 percent; and

- 76.1 (9) absence and utilization factor ratio: ~~9.4~~ 3.9 percent.
- 76.2 (b) A unit of service for day support services is 15 minutes.
- 76.3 (c) Payments for day support services must be calculated as follows:
- 76.4 (1) determine the number of units of service and the staffing ratio to meet a recipient's
- 76.5 needs;
- 76.6 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 76.7 provided in subdivisions 5 and 5a;
- 76.8 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 76.9 product of one plus the competitive workforce factor;
- 76.10 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 76.11 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 76.12 to the result of clause (3);
- 76.13 (5) multiply the number of day program direct staffing hours and nursing hours by the
- 76.14 appropriate staff wage;
- 76.15 (6) multiply the number of day program direct staffing hours by the product of the
- 76.16 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
- 76.17 5a, clause (1);
- 76.18 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 76.19 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 76.20 rate;
- 76.21 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 76.22 plan support ratio;
- 76.23 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 76.24 employee-related cost ratio;
- 76.25 (10) for client programming and supports, multiply the result of clause (9) by one plus
- 76.26 the client programming and support ratio;
- 76.27 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
- 76.28 to meet individual needs, updated as specified in subdivision 5b;
- 76.29 (12) this is the subtotal rate;
- 76.30 (13) sum the standard general administrative rate support ratio, the program-related
- 76.31 expense ratio, and the absence and utilization factor ratio;

77.1 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
77.2 total payment amount; and

77.3 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
77.4 to adjust for regional differences in the cost of providing services.

77.5 **EFFECTIVE DATE.** The amendments to paragraph (a), clause (1), are effective the
77.6 day following final enactment. The amendment to paragraph (a), clause (9), is effective
77.7 January 1, 2026.

77.8 Sec. 32. Minnesota Statutes 2024, section 256B.4914, subdivision 7c, is amended to read:

77.9 Subd. 7c. **Prevocational services; component values and calculation of payment**
77.10 **rates.** (a) Component values for prevocational services are:

77.11 (1) competitive workforce factor: ~~6.7 percent~~;

77.12 (i) 6.7 percent. This item expires upon the effective date of item (ii);

77.13 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.

77.14 This item expires upon the effective date of item (iii); and

77.15 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

77.16 (2) supervisory span of control ratio: 11 percent;

77.17 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

77.18 (4) employee-related cost ratio: 23.6 percent;

77.19 (5) program plan support ratio: 5.6 percent;

77.20 (6) client programming and support ratio: 10.37 percent, updated as specified in
77.21 subdivision 5b;

77.22 (7) general administrative support ratio: 13.25 percent;

77.23 (8) program-related expense ratio: 1.8 percent; and

77.24 (9) absence and utilization factor ratio: ~~9.4~~ 3.9 percent.

77.25 (b) A unit of service for prevocational services is either a day or 15 minutes. A day unit
77.26 of service is six or more hours of time spent providing direct service.

77.27 (c) Payments for prevocational services must be calculated as follows:

77.28 (1) determine the number of units of service and the staffing ratio to meet a recipient's
77.29 needs;

78.1 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
78.2 provided in subdivisions 5 and 5a;

78.3 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
78.4 product of one plus the competitive workforce factor;

78.5 (4) for a recipient requiring customization for deaf and hard-of-hearing language
78.6 accessibility under subdivision 12, add the customization rate provided in subdivision 12
78.7 to the result of clause (3);

78.8 (5) multiply the number of day program direct staffing hours and nursing hours by the
78.9 appropriate staff wage;

78.10 (6) multiply the number of day program direct staffing hours by the product of the
78.11 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
78.12 5a, clause (1);

78.13 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
78.14 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
78.15 rate;

78.16 (8) for program plan support, multiply the result of clause (7) by one plus the program
78.17 plan support ratio;

78.18 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
78.19 employee-related cost ratio;

78.20 (10) for client programming and supports, multiply the result of clause (9) by one plus
78.21 the client programming and support ratio;

78.22 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
78.23 to meet individual needs, updated as specified in subdivision 5b;

78.24 (12) this is the subtotal rate;

78.25 (13) sum the standard general administrative rate support ratio, the program-related
78.26 expense ratio, and the absence and utilization factor ratio;

78.27 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
78.28 total payment amount; and

78.29 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
78.30 to adjust for regional differences in the cost of providing services.

79.1 **EFFECTIVE DATE.** The amendments to paragraph (a), clause (1), are effective the
79.2 day following final enactment. The amendment to paragraph (a), clause (9), is effective
79.3 January 1, 2026.

79.4 Sec. 33. Minnesota Statutes 2024, section 256B.4914, subdivision 8, is amended to read:

79.5 Subd. 8. **Unit-based services with programming; component values and calculation**
79.6 **of payment rates.** (a) For the purpose of this section, unit-based services with programming
79.7 include employment exploration services, employment development services, employment
79.8 support services, individualized home supports with family training, individualized home
79.9 supports with training, and positive support services provided to an individual outside of
79.10 any service plan for a day program or residential support service.

79.11 (b) Component values for unit-based services with programming are:

79.12 (1) competitive workforce factor: ~~6.7 percent~~;

79.13 (i) 6.7 percent. This item expires upon the effective date of item (ii);

79.14 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.

79.15 This item expires upon the effective date of item (iii); and

79.16 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

79.17 (2) supervisory span of control ratio: 11 percent;

79.18 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

79.19 (4) employee-related cost ratio: 23.6 percent;

79.20 (5) program plan support ratio: 15.5 percent;

79.21 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision
79.22 5b;

79.23 (7) general administrative support ratio: 13.25 percent;

79.24 (8) program-related expense ratio: 6.1 percent; and

79.25 (9) absence and utilization factor ratio: 3.9 percent.

79.26 (c) A unit of service for unit-based services with programming is 15 minutes.

79.27 (d) Payments for unit-based services with programming must be calculated as follows,
79.28 unless the services are reimbursed separately as part of a residential support services or day
79.29 program payment rate:

79.30 (1) determine the number of units of service to meet a recipient's needs;

80.1 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
80.2 provided in subdivisions 5 and 5a;

80.3 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
80.4 product of one plus the competitive workforce factor;

80.5 (4) for a recipient requiring customization for deaf and hard-of-hearing language
80.6 accessibility under subdivision 12, add the customization rate provided in subdivision 12
80.7 to the result of clause (3);

80.8 (5) multiply the number of direct staffing hours by the appropriate staff wage;

80.9 (6) multiply the number of direct staffing hours by the product of the supervisory span
80.10 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);

80.11 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
80.12 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
80.13 rate;

80.14 (8) for program plan support, multiply the result of clause (7) by one plus the program
80.15 plan support ratio;

80.16 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
80.17 employee-related cost ratio;

80.18 (10) for client programming and supports, multiply the result of clause (9) by one plus
80.19 the client programming and support ratio;

80.20 (11) this is the subtotal rate;

80.21 (12) sum the standard general administrative support ratio, the program-related expense
80.22 ratio, and the absence and utilization factor ratio;

80.23 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
80.24 total payment amount;

80.25 (14) for services provided in a shared manner, divide the total payment in clause (13)
80.26 as follows:

80.27 (i) for employment exploration services, divide by the number of service recipients, not
80.28 to exceed five;

80.29 (ii) for employment support services, divide by the number of service recipients, not to
80.30 exceed six;

81.1 (iii) for individualized home supports with training and individualized home supports
81.2 with family training, divide by the number of service recipients, not to exceed three; and

81.3 (iv) for night supervision, divide by the number of service recipients, not to exceed two;
81.4 and

81.5 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
81.6 to adjust for regional differences in the cost of providing services.

81.7 (e) Effective January 1, 2026, or upon federal approval, whichever is later, the
81.8 commissioner must bill individualized home supports with training and individualized home
81.9 supports with family training at a maximum of eight hours per day.

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

81.11 Sec. 34. Minnesota Statutes 2024, section 256B.4914, subdivision 9, is amended to read:

81.12 Subd. 9. **Unit-based services without programming; component values and**
81.13 **calculation of payment rates.** (a) For the purposes of this section, unit-based services
81.14 without programming include individualized home supports without training and night
81.15 supervision provided to an individual outside of any service plan for a day program or
81.16 residential support service. Unit-based services without programming do not include respite.
81.17 This paragraph expires upon the effective date of paragraph (b).

81.18 (b) Effective January 1, 2026, or upon federal approval, whichever is later, for the
81.19 purposes of this section, unit-based services without programming include individualized
81.20 home supports without training, awake night supervision, and asleep night supervision
81.21 provided to an individual outside of any service plan for a day program or residential support
81.22 service.

81.23 ~~(b)~~ (c) Component values for unit-based services without programming are:

81.24 (1) competitive workforce factor: ~~6.7 percent~~;

81.25 (i) 6.7 percent. This item expires upon the effective date of item (ii);

81.26 (ii) effective January 1, 2026, or upon federal approval, whichever is later, 9.71 percent.
81.27 This item expires upon the effective date of item (iii); and

81.28 (iii) effective January 1, 2028, or upon federal approval, whichever is later, 21.79 percent;

81.29 (2) supervisory span of control ratio: 11 percent;

81.30 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

81.31 (4) employee-related cost ratio: 23.6 percent;

- 82.1 (5) program plan support ratio: 7.0 percent;
- 82.2 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision
- 82.3 5b;
- 82.4 (7) general administrative support ratio: 13.25 percent;
- 82.5 (8) program-related expense ratio: 2.9 percent; and
- 82.6 (9) absence and utilization factor ratio: 3.9 percent.
- 82.7 ~~(e)~~ (d) A unit of service for unit-based services without programming is 15 minutes.
- 82.8 ~~(d)~~ (e) Payments for unit-based services without programming must be calculated as
- 82.9 follows unless the services are reimbursed separately as part of a residential support services
- 82.10 or day program payment rate:
- 82.11 (1) determine the number of units of service to meet a recipient's needs;
- 82.12 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 82.13 provided in subdivisions 5 to 5a;
- 82.14 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 82.15 product of one plus the competitive workforce factor;
- 82.16 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 82.17 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 82.18 to the result of clause (3);
- 82.19 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 82.20 (6) multiply the number of direct staffing hours by the product of the supervisory span
- 82.21 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 82.22 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 82.23 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 82.24 rate;
- 82.25 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 82.26 plan support ratio;
- 82.27 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 82.28 employee-related cost ratio;
- 82.29 (10) for client programming and supports, multiply the result of clause (9) by one plus
- 82.30 the client programming and support ratio;

83.1 (11) this is the subtotal rate;

83.2 (12) sum the standard general administrative support ratio, the program-related expense
83.3 ratio, and the absence and utilization factor ratio;

83.4 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
83.5 total payment amount;

83.6 (14) for individualized home supports without training provided in a shared manner,
83.7 divide the total payment amount in clause (13) by the number of service recipients, not to
83.8 exceed three; and

83.9 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
83.10 to adjust for regional differences in the cost of providing services.

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

83.12 Sec. 35. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
83.13 to read:

83.14 **Subd. 14a. Limitations on rate exceptions for residential services.** (a) Effective July
83.15 1, 2026, the commissioner must implement limitations on the size and number of rate
83.16 exceptions for community residential services, customized living services, family residential
83.17 services, and integrated community supports.

83.18 **(b) The commissioner must restrict rate exceptions to the absence and utilization factor**
83.19 **ratio to people temporarily receiving hospital or crisis respite services.**

83.20 **(c) For rate exceptions related to behavioral needs, the commissioner must include:**

83.21 **(1) a documented behavioral diagnosis; or**

83.22 **(2) determined assessed needs for behavioral supports as identified in the person's most**
83.23 **recent assessment.**

83.24 **(d) Community residential services rate exceptions must not include positive supports**
83.25 **costs.**

83.26 **(e) The commissioner must not approve rate exception requests related to increased**
83.27 **community time or transportation.**

83.28 **(f) For the commissioner to approve a rate exception annual renewal, the person's most**
83.29 **recent assessment must indicate continued extraordinary needs in the areas cited in the**
83.30 **exception request. If a person's assessment continues to identify these extraordinary needs,**

84.1 lead agencies requesting an annual renewal of rate exceptions must submit provider-created
84.2 documentation supporting the continuation of the exception, including but not limited to:

84.3 (1) payroll records for direct care wages cited in the request;

84.4 (2) payment records or receipts for other costs cited in the request; and

84.5 (3) documentation of expenses paid that were identified as necessary for the initial rate
84.6 exception.

84.7 (g) The commissioner must not increase rate exception annual renewals that request an
84.8 exception to direct care or supervision wages more than the most recently implemented
84.9 base wage index determined under subdivision 5.

84.10 (h) The commissioner must publish online an annual report detailing the impact of the
84.11 limitations under this subdivision on home and community-based services spending, including
84.12 but not limited to:

84.13 (1) the number and percentage of rate exceptions granted and denied;

84.14 (2) total spending on community residential setting services and rate exceptions;

84.15 (3) trends in the percentage of spending attributable to rate exceptions; and

84.16 (4) an evaluation of the effectiveness of the limitations in controlling spending growth.

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

84.18 Sec. 36. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
84.19 to read:

84.20 Subd. 20. **Sanctions and monetary recovery.** Payments under this section are subject
84.21 to the sanctions and monetary recovery requirements under section 256B.064.

84.22 Sec. 37. Minnesota Statutes 2024, section 256B.85, subdivision 7a, is amended to read:

84.23 Subd. 7a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for
84.24 CFSS must be paid for services provided to persons who qualify for ten or more hours of
84.25 CFSS per day when provided by a support worker who meets the requirements of subdivision
84.26 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

84.27 (b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced
84.28 rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons
84.29 who qualify for ten or more hours of CFSS per day when provided by a support worker

85.1 who meets the requirements of subdivision 16, paragraph (e). This paragraph expires upon
85.2 the effective date of paragraph (c).

85.3 (c) Effective January 1, 2027, or upon federal approval, whichever is later, an enhanced
85.4 rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons
85.5 who qualify for ten or more hours of CFSS per day.

85.6 ~~(b)~~ (d) An agency provider must use all additional revenue attributable to the rate
85.7 enhancements under this subdivision for the wages and wage-related costs of the support
85.8 workers, including any corresponding increase in the employer's share of FICA taxes,
85.9 Medicare taxes, state and federal unemployment taxes, and workers' compensation premiums.
85.10 The agency provider must not use the additional revenue attributable to any enhanced rate
85.11 under this subdivision to pay for mileage reimbursement, health and dental insurance, life
85.12 insurance, disability insurance, long-term care insurance, uniform allowance, contributions
85.13 to employee retirement accounts, or any other employee benefits.

85.14 ~~(e)~~ (e) Any change in the eligibility criteria for the enhanced rate for CFSS as described
85.15 in this subdivision and referenced in subdivision 16, paragraph (e), does not constitute a
85.16 change in a term or condition for individual providers as defined in section 256B.0711, and
85.17 is not subject to the state's obligation to meet and negotiate under chapter 179A.

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

85.19 Sec. 38. Minnesota Statutes 2024, section 256B.85, subdivision 8, is amended to read:

85.20 Subd. 8. **Determination of CFSS service authorization amount.** (a) All community
85.21 first services and supports must be authorized by the commissioner or the commissioner's
85.22 designee before services begin. The authorization for CFSS must be completed as soon as
85.23 possible following an assessment but no later than 40 calendar days from the date of the
85.24 assessment.

85.25 (b) The amount of CFSS authorized must be based on the participant's home care rating
85.26 described in paragraphs (d) and (e) and any additional service units for which the participant
85.27 qualifies as described in paragraph (f).

85.28 (c) The home care rating shall be determined by the commissioner or the commissioner's
85.29 designee based on information submitted to the commissioner identifying the following for
85.30 a participant:

85.31 (1) the total number of dependencies of activities of daily living;

85.32 (2) the presence of complex health-related needs; and

86.1 (3) the presence of Level I behavior.

86.2 (d) The methodology to determine the total service units for CFSS for each home care
86.3 rating is based on the median paid units per day for each home care rating from fiscal year
86.4 2007 data for the PCA program.

86.5 (e) Each home care rating is designated by the letters P through Z and EN and has the
86.6 following base number of service units assigned:

86.7 (1) P home care rating requires Level I behavior or one to three dependencies in ADLs
86.8 and qualifies the person for five service units;

86.9 (2) Q home care rating requires Level I behavior and one to three dependencies in ADLs
86.10 and qualifies the person for six service units;

86.11 (3) R home care rating requires a complex health-related need and one to three
86.12 dependencies in ADLs and qualifies the person for seven service units;

86.13 (4) S home care rating requires four to six dependencies in ADLs and qualifies the person
86.14 for ten service units;

86.15 (5) T home care rating requires four to six dependencies in ADLs and Level I behavior
86.16 and qualifies the person for 11 service units;

86.17 (6) U home care rating requires four to six dependencies in ADLs and a complex
86.18 health-related need and qualifies the person for 14 service units;

86.19 (7) V home care rating requires seven to eight dependencies in ADLs and qualifies the
86.20 person for 17 service units;

86.21 (8) W home care rating requires seven to eight dependencies in ADLs and Level I
86.22 behavior and qualifies the person for 20 service units;

86.23 (9) Z home care rating requires seven to eight dependencies in ADLs and a complex
86.24 health-related need and qualifies the person for 30 service units; and

86.25 (10) EN home care rating includes ventilator dependency as defined in section 256B.0651,
86.26 subdivision 1, paragraph (g). A person who meets the definition of ventilator-dependent
86.27 and the EN home care rating and utilize a combination of CFSS and home care nursing
86.28 services is limited to a total of 96 service units per day for those services in combination.
86.29 Additional units may be authorized when a person's assessment indicates a need for two
86.30 staff to perform activities. Additional time is limited to 16 service units per day.

86.31 (f) Additional service units are provided through the assessment and identification of
86.32 the following:

87.1 (1) 30 additional minutes per day for a dependency in each critical activity of daily
87.2 living;

87.3 (2) 30 additional minutes per day for each complex health-related need; and

87.4 (3) 30 additional minutes per day for each behavior under this clause that requires
87.5 assistance at least four times per week:

87.6 (i) level I behavior that requires the immediate response of another person;

87.7 (ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior;

87.8 or

87.9 (iii) increased need for assistance for participants who are verbally aggressive or resistive
87.10 to care so that the time needed to perform activities of daily living is increased.

87.11 (g) The service budget for budget model participants shall be based on:

87.12 (1) assessed units as determined by the home care rating; and

87.13 (2) an adjustment needed for administrative expenses. This paragraph expires upon the
87.14 effective date of paragraph (h).

87.15 (h) Effective January 1, 2026, or upon federal approval, whichever is later, the service
87.16 budget for budget model participants shall be based on:

87.17 (1) assessed units as determined by the home care rating and the payment methodologies
87.18 under section 256B.851; and

87.19 (2) an adjustment needed for administrative expenses.

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

87.21 Sec. 39. Minnesota Statutes 2024, section 256B.85, subdivision 16, is amended to read:

87.22 Subd. 16. **Support workers requirements.** (a) Support workers shall:

87.23 (1) enroll with the department as a support worker after a background study under chapter
87.24 245C has been completed and the support worker has received a notice from the
87.25 commissioner that the support worker:

87.26 (i) is not disqualified under section 245C.14; or

87.27 (ii) is disqualified, but has received a set-aside of the disqualification under section
87.28 245C.22;

87.29 (2) have the ability to effectively communicate with the participant or the participant's
87.30 representative;

88.1 (3) have the skills and ability to provide the services and supports according to the
88.2 participant's CFSS service delivery plan and respond appropriately to the participant's needs;

88.3 (4) complete the basic standardized CFSS training as determined by the commissioner
88.4 before completing enrollment. The training must be available in languages other than English
88.5 and to those who need accommodations due to disabilities. CFSS support worker training
88.6 must include successful completion of the following training components: basic first aid,
88.7 vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and
88.8 responsibilities of support workers including information about basic body mechanics,
88.9 emergency preparedness, orientation to positive behavioral practices, orientation to
88.10 responding to a mental health crisis, fraud issues, time cards and documentation, and an
88.11 overview of person-centered planning and self-direction. Upon completion of the training
88.12 components, the support worker must pass the certification test to provide assistance to
88.13 participants;

88.14 (5) complete employer-directed training and orientation on the participant's individual
88.15 needs;

88.16 (6) maintain the privacy and confidentiality of the participant; and

88.17 (7) not independently determine the medication dose or time for medications for the
88.18 participant.

88.19 (b) The commissioner may deny or terminate a support worker's provider enrollment
88.20 and provider number if the support worker:

88.21 (1) does not meet the requirements in paragraph (a);

88.22 (2) fails to provide the authorized services required by the employer;

88.23 (3) has been intoxicated by alcohol or drugs while providing authorized services to the
88.24 participant or while in the participant's home;

88.25 (4) has manufactured or distributed drugs while providing authorized services to the
88.26 participant or while in the participant's home; or

88.27 (5) has been excluded as a provider by the commissioner of human services, or by the
88.28 United States Department of Health and Human Services, Office of Inspector General, from
88.29 participation in Medicaid, Medicare, or any other federal health care program.

88.30 (c) A support worker may appeal in writing to the commissioner to contest the decision
88.31 to terminate the support worker's provider enrollment and provider number.

(d) A support worker must not provide or be paid for more than 310 hours of CFSS per month, regardless of the number of participants the support worker serves or the number of agency-providers or participant employers by which the support worker is employed. The department shall not disallow the number of hours per day a support worker works unless it violates other law.

(e) CFSS qualify for an enhanced rate or budget if the support worker providing the services:

(1) provides services, within the scope of CFSS described in subdivision 7, to a participant who qualifies for ten or more hours per day of CFSS; and

(2) satisfies the current requirements of Medicare for training and competency or competency evaluation of home health aides or nursing assistants, as provided in the Code of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved training or competency requirements. This paragraph expires December 31, 2026.

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

Sec. 40. Minnesota Statutes 2024, section 256B.851, subdivision 5, is amended to read:

Subd. 5. Payment rates; component values. (a) The commissioner must use the following component values:

(1) employee vacation, sick, and training factor, 8.71 percent;

(2) employer taxes and workers' compensation factor, 11.56 percent;

(3) employee benefits factor, 12.04 percent;

(4) client programming and supports factor, 2.30 percent;

(5) program plan support factor, 7.00 percent;

(6) general business and administrative expenses factor, 13.25 percent;

(7) program administration expenses factor, 2.90 percent; and

(8) absence and utilization factor, 3.90 percent.

(b) For purposes of implementation, the commissioner shall use the following implementation components:

(1) personal care assistance services and CFSS: 88.19 percent;

(2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19 percent; and

90.1 (3) qualified professional services and CFSS worker training and development: 88.19
90.2 percent.

90.3 (c) Effective January 1, 2025, for purposes of implementation, the commissioner shall
90.4 use the following implementation components:

90.5 (1) personal care assistance services and CFSS: 92.08 percent;

90.6 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08
90.7 percent; and

90.8 (3) qualified professional services and CFSS worker training and development: 92.08
90.9 percent. This paragraph expires upon the effective date of subdivision 5a.

90.10 (d) The commissioner shall use the following worker retention components:

90.11 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
90.12 assistance services or CFSS, the worker retention component is zero percent;

90.13 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
90.14 care assistance services or CFSS, the worker retention component is 2.17 percent;

90.15 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal
90.16 care assistance services or CFSS, the worker retention component is 4.36 percent;

90.17 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
90.18 personal care assistance services or CFSS, the worker retention component is 7.35 percent;
90.19 and

90.20 (5) for workers who have provided more than 10,000 cumulative hours in personal care
90.21 assistance services or CFSS, the worker retention component is 10.81 percent. This paragraph
90.22 expires upon the effective date of subdivision 5b.

90.23 (e) The commissioner shall define the appropriate worker retention component based
90.24 on the total number of units billed for services rendered by the individual provider since
90.25 July 1, 2017. The worker retention component must be determined by the commissioner
90.26 for each individual provider and is not subject to appeal.

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

91.1 Sec. 41. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
91.2 to read:

91.3 Subd. 5a. **Payment rates; implementation factor.** Effective January 1, 2026, or upon
91.4 federal approval, whichever is later, for purposes of implementation, the commissioner shall
91.5 use the following implementation components:

91.6 (1) personal care assistance services and CFSS: 92.20 percent;

91.7 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20
91.8 percent; and

91.9 (3) qualified professional services and CFSS worker training and development: 92.20
91.10 percent.

91.11 Sec. 42. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
91.12 to read:

91.13 Subd. 5b. **Payment rates; worker retention component.** Effective January 1, 2026,
91.14 or upon federal approval, whichever is later, the commissioner shall use the following
91.15 worker retention components:

91.16 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
91.17 assistance services or CFSS, the worker retention component is zero percent;

91.18 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
91.19 care assistance services or CFSS, the worker retention component is 4.05 percent;

91.20 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal
91.21 care assistance services or CFSS, the worker retention component is 6.24 percent;

91.22 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
91.23 personal care assistance services or CFSS, the worker retention component is 9.23 percent;
91.24 and

91.25 (5) for workers who have provided more than 10,000 cumulative hours in personal care
91.26 assistance services or CFSS, the worker retention component is 12.69 percent.

91.27 Sec. 43. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
91.28 to read:

91.29 Subd. 5c. **Payment rates; enhanced worker retention component.** Effective January
91.30 1, 2027, or upon federal approval, whichever is later, for purposes of implementation, the
91.31 commissioner shall use the following implementation components if a worker has completed

- 92.1 either the orientation for individual providers offered through the Home Care Orientation
92.2 Trust or an orientation defined and offered by the commissioner:
- 92.3 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
92.4 assistance services or CFSS, the worker retention component is 1.88 percent;
- 92.5 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
92.6 care assistance services or CFSS, the worker retention component is 5.92 percent;
- 92.7 (3) for workers who have provided between 2,001, and 6,000 cumulative hours in personal
92.8 care assistance services or CFSS, the worker retention component is 8.11 percent;
- 92.9 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
92.10 personal care assistance services or CFSS, the worker retention component is 11.10 percent;
92.11 and
- 92.12 (5) for workers who have provided more than 10,000 cumulative hours in personal care
92.13 assistance services or CFSS, the worker retention component is 14.56 percent.

92.14 Sec. 44. Minnesota Statutes 2024, section 256B.851, subdivision 6, is amended to read:

92.15 Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine
92.16 the rate for personal care assistance services, CFSS, extended personal care assistance
92.17 services, extended CFSS, enhanced rate personal care assistance services, enhanced rate
92.18 CFSS, qualified professional services, and CFSS worker training and development as
92.19 follows:

92.20 (1) multiply the appropriate total wage component value calculated in subdivision 4 by
92.21 one plus the employee vacation, sick, and training factor in subdivision 5;

92.22 (2) for program plan support, multiply the result of clause (1) by one plus the program
92.23 plan support factor in subdivision 5;

92.24 (3) for employee-related expenses, add the employer taxes and workers' compensation
92.25 factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is
92.26 employee-related expenses. Multiply the product of clause (2) by one plus the value for
92.27 employee-related expenses;

92.28 (4) for client programming and supports, multiply the product of clause (3) by one plus
92.29 the client programming and supports factor in subdivision 5;

92.30 (5) for administrative expenses, add the general business and administrative expenses
92.31 factor in subdivision 5, the program administration expenses factor in subdivision 5, and
92.32 the absence and utilization factor in subdivision 5;

93.1 (6) divide the result of clause (4) by one minus the result of clause (5). The quotient is
93.2 the hourly rate;

93.3 (7) multiply the hourly rate by the appropriate implementation component under
93.4 subdivision 5 or 5a. This is the adjusted hourly rate; and

93.5 (8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment
93.6 rate.

93.7 (b) In processing personal care assistance provider agency and CFSS provider agency
93.8 claims, the commissioner shall incorporate the applicable worker retention component
93.9 components specified in subdivision 5, 5b, or 5c, by multiplying one plus the total adjusted
93.10 payment rate by the appropriate worker retention component under subdivision 5, paragraph
93.11 (d) 5b, or 5c.

93.12 (c) The commissioner must publish the total final payment rates.

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

93.16 Sec. 45. Minnesota Statutes 2024, section 256B.851, subdivision 7, is amended to read:

93.17 Subd. 7. **Treatment of rate adjustments provided outside of cost components.** Any
93.18 rate adjustments applied to the service rates calculated under this section outside of the cost
93.19 components and rate methodology specified in this section, including but not limited to
93.20 those implemented to enable participant-employers and provider agencies to meet the terms
93.21 and conditions of any collective bargaining agreement negotiated under chapter 179A, shall
93.22 be applied as changes to the value of component values ~~or~~, implementation components,
93.23 or worker retention components in subdivisions 5 to 5c.

93.24 Sec. 46. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
93.25 to read:

93.26 Subd. 7a. **Budget determinations.** The commissioner shall increase the authorized
93.27 amount for the CFSS budget model of those CFSS participant-employers employing
93.28 individual providers who have provided more than 1,000 hours of services and individual
93.29 providers who have completed the orientation offered by the Home Care Orientation Trust
93.30 or an orientation defined and offered by the commissioner. The commissioner shall determine
93.31 the amount and method of the authorized amount increase.

94.1 Sec. 47. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

94.2 Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency
94.3 responsible for investigating allegations of maltreatment in child foster care, family child
94.4 care, legally nonlicensed child care, and reports involving children served by an unlicensed
94.5 personal care provider organization under section 256B.0659. Copies of findings related to
94.6 personal care provider organizations under section 256B.0659 must be forwarded to the
94.7 Department of Human Services provider enrollment.

94.8 (b) The Department of Children, Youth, and Families is the agency responsible for
94.9 screening and investigating allegations of maltreatment in juvenile correctional facilities
94.10 listed under section 241.021 located in the local welfare agency's county and in facilities
94.11 licensed or certified under chapters 245A and 245D.

94.12 (c) The Department of Health is the agency responsible for screening and investigating
94.13 allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43
94.14 to 144A.482 or chapter 144H.

94.15 (d) The Department of Education is the agency responsible for screening and investigating
94.16 allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,
94.17 and 13, and chapter 124E. The Department of Education's responsibility to screen and
94.18 investigate includes allegations of maltreatment involving students 18 through 21 years of
94.19 age, including students receiving special education services, up to and including graduation
94.20 and the issuance of a secondary or high school diploma.

94.21 (e) The Department of Human Services is the agency responsible for screening and
94.22 investigating allegations of maltreatment of minors in an EIDBI agency operating under
94.23 sections 245A.142 and 256B.0949.

94.24 ~~(e)~~ (f) A health or corrections agency receiving a report may request the local welfare
94.25 agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

94.26 ~~(f)~~ (g) The Department of Children, Youth, and Families is the agency responsible for
94.27 screening and investigating allegations of maltreatment in facilities or programs not listed
94.28 in paragraph (a) that are licensed or certified under chapters 142B and 142C.

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

94.30 Sec. 48. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

94.31 Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary
94.32 administrative agency responsible for investigating reports made under section 626.557.

(a) The Department of Health is the lead investigative agency for facilities or services licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding care homes, hospice providers, residential facilities that are also federally certified as intermediate care facilities that serve people with developmental disabilities, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Health for the care of vulnerable adults. "Home care provider" has the meaning provided in section 144A.43, subdivision 4, and applies when care or services are delivered in the vulnerable adult's home.

(b) The Department of Human Services is the lead investigative agency for facilities or services licensed or required to be licensed as adult day care, adult foster care, community residential settings, programs for people with disabilities, family adult day services, mental health programs, mental health clinics, substance use disorder programs, the Minnesota Sex Offender Program, or any other facility or service not listed in this subdivision that is licensed or required to be licensed by the Department of Human Services, including EIDBI agencies under sections 245A.142 and 256B.0949.

(c) The county social service agency or its designee is the lead investigative agency for all other reports, including, but not limited to, reports involving vulnerable adults receiving services from a personal care provider organization under section 256B.0659.

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

Sec. 49. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to read:

Sec. 73. WAIVER REIMAGINE PHASE II.

(a) Effective January 1, 2028, or upon federal approval, whichever is later, the commissioner of human services must implement a two-home and community-based services waiver program structure, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(b) The commissioner of human services must implement an individualized budget methodology, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(c) The commissioner must develop an individualized budget methodology exception to support access to home care nursing services. Lead agencies must submit budget exception requests to the commissioner in a manner identified by the commissioner. Eligibility for the budget exception in this paragraph is limited to persons meeting all of the following criteria in the person's most recent assessment:

(1) the person is assessed to need the level of care delivered in a hospital setting;

(2) the person is assessed to receive a support range budget of E; and

(3) the person does not receive community residential services, family residential services, integrated community supports services, or customized living services.

(d) Home care nursing services funded through the budget exception developed under paragraph (c) must be ordered by a physician, physician assistant, or advanced practice registered nurse. The home care nursing services must be performed by a registered nurse or licensed practical nurse employed by a provider enrolled in medical assistance and licensed under Minnesota Statutes, chapter 144A, to provide home care nursing services. The registered nurse or licensed practical nurse must provide home care nursing services within the registered nurse's or licensed practical nurse's scope of practice as defined under Minnesota Statutes, sections 148.171 to 148.285. If after a person's annual reassessment under Minnesota Statutes, section 256B.0911, any requirements of this paragraph or paragraph (c) are no longer met, the commissioner must terminate the budget exception. Lead agencies must require documentation to ensure all home care nursing services authorized under this budget exception are used for home care nursing services and not used to fund other types of services.

~~(e)~~ (e) The commissioner of human services may seek all federal authority necessary to implement this section.

~~(d)~~ (f) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice. The commissioner must ensure, within available resources and subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions.

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

97.1 Sec. 50. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6,
97.2 as amended by Laws 2024, chapter 108, article 1, section 28, subdivision 6, is amended to
97.3 read:

97.4 Subd. 6. **Online support planning tool.** The commissioner must develop an online
97.5 support planning and tracking tool for people using disability waiver services that allows
97.6 access to the total budget available to the person, the services for which they are eligible,
97.7 and the services they have chosen and used. The commissioner must explore operability
97.8 options that would facilitate real-time tracking of a person's remaining available budget
97.9 throughout the service year. The online support planning tool must provide information in
97.10 an accessible format to support the person's informed choice. The commissioner must seek
97.11 input from people with disabilities about the online support planning tool prior to its
97.12 implementation. The commissioner must implement the online support planning and tracking
97.13 tool no later than January 1, 2027.

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

97.15 Sec. 51. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY**
97.16 **SUPPORTS.**

97.17 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
97.18 of human services must increase the consumer-directed community support budgets identified
97.19 in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter
97.20 256S; and the alternative care program under Minnesota Statutes, section 256B.0913, by
97.21 0.13 percent.

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

97.23 Sec. 52. **ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED**
97.24 **COMMUNITY SUPPORTS.**

97.25 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
97.26 of human services must increase the consumer-directed community supports budget exception
97.27 percentage identified in the waiver plans under Minnesota Statutes, sections 256B.092 and
97.28 256B.49, and chapter 256S; and the alternative care program under Minnesota Statutes,
97.29 section 256B.0913, from 7.5 to 12.5.

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

98.1 Sec. 53. **STIPEND PAYMENTS TO SEIU HEALTHCARE MINNESOTA & IOWA**
98.2 **BARGAINING UNIT MEMBERS.**

98.3 (a) The commissioner of human services shall issue stipend payments to collective
98.4 bargaining unit members as required by the labor agreement between the state of Minnesota
98.5 and the Service Employees International Union (SEIU) Healthcare Minnesota & Iowa.

98.6 (b) The definitions in Minnesota Statutes, section 290.01, apply to this section.

98.7 (c) For the purposes of this section, "subtraction" has the meaning given in Minnesota
98.8 Statutes, section 290.0132, subdivision 1, and the rules in that subdivision apply to this
98.9 section.

98.10 (d) The amount of stipend payments received by SEIU Healthcare Minnesota & Iowa
98.11 collective bargaining unit members under this section is a subtraction.

98.12 (e) The amount of stipend payments received by SEIU Healthcare Minnesota & Iowa
98.13 collective bargaining unit members under this section is excluded from income as defined
98.14 in Minnesota Statutes, sections 290.0693, subdivision 1, paragraph (i), and 290A.03,
98.15 subdivision 3.

98.16 (f) Notwithstanding any law to the contrary, stipend payments under this section must
98.17 not be considered income, assets, or personal property for purposes of determining or
98.18 recertifying eligibility for:

98.19 (1) child care assistance programs under Minnesota Statutes, chapter 142E;

98.20 (2) general assistance, Minnesota supplemental aid, and food support under Minnesota
98.21 Statutes, chapter 256D;

98.22 (3) housing support under Minnesota Statutes, chapter 256I;

98.23 (4) the Minnesota family investment program under Minnesota Statutes, chapter 142G;
98.24 and

98.25 (5) economic assistance programs under Minnesota Statutes, chapter 256P.

98.26 (g) The commissioner of human services must not consider stipend payments under this
98.27 section as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a,
98.28 paragraph (a); 3; or 3c, or for persons with eligibility determined under Minnesota Statutes,
98.29 section 256B.057, subdivision 3, 3a, or 3b.

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

99.1 Sec. 54. **DIRECTION TO COMMISSIONER; COST REPORTING IMPROVEMENT**
99.2 **AND DIRECT CARE STAFF REVIEW.**

99.3 (a) The commissioner of human services must consult with interested parties and make
99.4 recommendations to the legislature to clarify provider cost reporting obligations to promote
99.5 more uniform and meaningful data collection under Minnesota Statutes, section 256B.4914.
99.6 By February 15, 2026, the commissioner must submit to the chairs and ranking minority
99.7 members of the legislative committees with jurisdiction over health and human services
99.8 policy and finance draft legislation required to implement the commissioner's
99.9 recommendations.

99.10 (b) The commissioner of human services must consult with interested parties and, based
99.11 on the results of the cost reporting completed for calendar year 2026, recommend what, if
99.12 any, encumbrance of medical assistance reimbursement is appropriate to support direct care
99.13 staff retention and the provision of quality services under Minnesota Statutes, section
99.14 256B.4914. By January 15, 2028, the commissioner must submit to the chairs and ranking
99.15 minority members of the legislative committees with jurisdiction over health and human
99.16 services policy and finance draft legislation required to implement the commissioner's
99.17 recommendations.

99.18 Sec. 55. **COMMUNITY FIRST SERVICES AND SUPPORTS REIMBURSEMENT**
99.19 **DURING ACUTE CARE HOSPITAL STAYS.**

99.20 (a) The commissioner of human services must seek to amend Minnesota's federally
99.21 approved community first services and supports program, authorized under United States
99.22 Code, title 42, sections 1915(i) and 1915(k), to reimburse for delivery of community first
99.23 services and supports under Minnesota Statutes, sections 256B.85 and 256B.851, during
99.24 an acute care stay in an acute care hospital setting that does not have the effect of isolating
99.25 individuals receiving community first services and supports from the broader community
99.26 of individuals not receiving community first services and supports, as permitted under Code
99.27 of Federal Regulations, title 42, section 441.530.

99.28 (b) Reimbursed services must:

99.29 (1) be identified in an individual's person-centered support plan as required under
99.30 Minnesota Statutes, section 256B.0911;

99.31 (2) be provided to meet the needs of the person that are not met through the provision
99.32 of hospital services;

(3) not substitute services that the hospital is obligated to provide as required under state and federal law; and

(4) be designed to preserve the person's functional abilities during a hospital stay for acute care and to ensure smooth transitions between acute care settings and home and community-based settings.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment. Paragraph (b) 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. 56. **POSITIVE SUPPORTS COMPETENCY PROGRAM.**

(a) The commissioner shall establish a positive supports competency program with the money appropriated for this purpose.

(b) When establishing the positive supports competency program, the commissioner must use a community-partner-driven process to:

(1) define the core activities associated with effective intervention services at the levels of positive support specialist, positive support analyst, and positive support professional;

(2) create tools providers may use to track whether their positive supports specialists, positive support analysts, and positive support professionals are competently performing the core activities associated with effective intervention services;

(3) align existing training systems funded through the Department of Human Services and develop free online modules for competency-based training to prepare positive support specialists, positive support analysts, and positive support professionals to provide effective intervention services;

(4) assist providers interested in utilizing a competency-based training model to create a career pathway for the positive support analysts and positive support specialists within their organizations by using experienced professionals;

(5) create written guidelines, stories, and examples for providers that will be placed on Department of Human Services websites promoting capacity building; and

(6) disseminate resources and guidance to providers interested in meeting competency-based qualifications for positive supports through existing regional networks of experts, including communities of practice, and develop new avenues for disseminating these resources and guidance, including through implementation of ECHO models.

101.1 Sec. 57. **DIRECTION TO COMMISSIONER; INTEGRATED COMMUNITY**
101.2 **SUPPORTS CODIFICATION.**

101.3 (a) The commissioner of human services must develop draft language to codify in
101.4 Minnesota Statutes the standards and requirements for integrated community supports as
101.5 specified in the federally approved brain injury, community access for disability inclusion,
101.6 community alternative care, and developmental disabilities waiver plans.

101.7 (b) When developing and drafting the proposed legislative language, the commissioner
101.8 must consult with interested parties, including the Association of Residential Resources in
101.9 Minnesota, the Residential Providers Association of Minnesota, the Minnesota Association
101.10 of County Social Service Administrators, and people with disabilities currently or potentially
101.11 receiving integrated community supports. The commissioner must ensure that the interested
101.12 parties with whom the commissioner consults represent a broad spectrum of active and
101.13 potential providers and service recipients. The commissioner's consultation with interested
101.14 parties must be transparent and provide the opportunity for meaningful input from active
101.15 and potential providers and service recipients.

101.16 (c) The commissioner must submit the draft legislation to the chairs and ranking minority
101.17 members of the legislative committees with jurisdiction over health and human services
101.18 policy and finance by January 1, 2026.

101.19 Sec. 58. **DIRECTION TO COMMISSIONER; PROVISIONAL OR TRANSITIONAL**
101.20 **APPROVAL OF INTEGRATED COMMUNITY SERVICES SETTINGS.**

101.21 (a) The commissioner of human services must develop draft language to improve the
101.22 process for approving integrated community supports settings, including a process for issuing
101.23 provisional or transitional licenses to allow applicants to obtain an initial approval to operate
101.24 prior to securing control of the approved setting. This process must also allow applicants
101.25 to change the approved setting during the application review period when needed to ensure
101.26 an available setting.

101.27 (b) The commissioner must submit the draft legislation to the chairs and ranking minority
101.28 members of the legislative committees with jurisdiction over health and human services
101.29 policy and finance by January 1, 2026.

101.30 Sec. 59. **REPEALER.**

101.31 Laws 2024, chapter 127, article 46, section 39, is repealed.

ARTICLE 3**SUBSTANCE USE DISORDER TREATMENT**

Section 1. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

Subd. 13b. **Guest speaker.** "Guest speaker" means an individual who is not an alcohol and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified according to the commissioner's list of professionals under section 245G.07, subdivision 3, clause (1); and who works under the direct observation of an alcohol and drug counselor to present to clients on topics in which the guest speaker has expertise and that the license holder has determined to be beneficial to a client's recovery. Tribally licensed programs have autonomy to identify the qualifications of their guest speakers.

Sec. 2. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one setting or in a setting with the client and the client's family and other natural supports.

Sec. 3. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section 245G.07, subdivision 1a, clause (2).

Sec. 4. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means the services described in section 245G.07, subdivision 1a.

Sec. 5. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20h. **Recovery support services.** "Recovery support services" means the services described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

103.1 Sec. 6. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
103.2 read:

103.3 Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services
103.4 described in section 245G.07, subdivision 1b.

103.5 Sec. 7. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

103.6 Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county
103.7 or recovery community organization that is providing a service for which the county or
103.8 recovery community organization is an eligible vendor under section 254B.05. This chapter
103.9 does not apply to an organization whose primary functions are information, referral,
103.10 diagnosis, case management, and assessment for the purposes of client placement, education,
103.11 support group services, or self-help programs. This chapter does not apply to the activities
103.12 of a licensed professional in private practice. A license holder providing the initial set of
103.13 substance use disorder services allowable under section 254A.03, subdivision 3, paragraph
103.14 (c), to an individual referred to a licensed nonresidential substance use disorder treatment
103.15 program after a positive screen for alcohol or substance misuse is exempt from sections
103.16 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses~~
103.17 ~~(2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

103.18 **EFFECTIVE DATE.** This section is effective July 1, 2026.

103.19 Sec. 8. Minnesota Statutes 2024, section 245G.05, subdivision 1, is amended to read:

103.20 Subdivision 1. **Comprehensive assessment.** (a) A comprehensive assessment of the
103.21 client's substance use disorder must be administered face-to-face ~~by an alcohol and drug~~
103.22 ~~counselor~~ within five calendar days from the day of service initiation for a residential
103.23 program or by the end of the fifth day on which a treatment service is provided in a
103.24 nonresidential program. The number of days to complete the comprehensive assessment
103.25 excludes the day of service initiation.

103.26 (b) A comprehensive assessment must be administered by:

103.27 (1) an alcohol and drug counselor;

103.28 (2) a mental health professional who meets the qualifications under section 245I.04,
103.29 subdivision 2, practices within the scope of their professional licensure, and has training in
103.30 addiction, co-occurring disorders, and substance use disorder diagnosis and treatment
103.31 according to the requirements in section 245G.13, subdivision 2, paragraph (f);

(3) a clinical trainee who meets the qualifications under section 245I.04, subdivision 6, practicing under the supervision of a mental health professional who meets the requirements of clause (2); or

(4) an advanced practice registered nurse as defined in section 148.171, subdivision 3, who practices within the scope of their professional licensure and has training in addiction, co-occurring disorders, and substance use disorder diagnosis and treatment according to the requirements in section 245G.13, subdivision 2, paragraph (f).

(c) If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, ~~an alcohol and drug counselor~~ a staff member qualified under paragraph (b) may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~An alcohol and drug counselor~~ A staff member qualified under paragraph (b) must sign and date the comprehensive assessment review and update.

Sec. 9. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must offer the treatment services in ~~clauses (1) to (5)~~ subdivisions 1a and 1b and may offer the treatment services in subdivision 2 to each client, unless clinically inappropriate and the justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must ~~offer all treatment services in clauses (1) to (5) and~~ document in the individual treatment plan the specific services for which a client has an assessed need and the plan to provide the services.

~~(1) individual and group counseling to help the client identify and address needs related to substance use and develop strategies to avoid harmful substance use after discharge and to help the client obtain the services necessary to establish a lifestyle free of the harmful effects of substance use disorder;~~

~~(2) client education strategies to avoid inappropriate substance use and health problems related to substance use and the necessary lifestyle changes to regain and maintain health. Client education must include information on tuberculosis education on a form approved by the commissioner, the human immunodeficiency virus according to section 245A.19, other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

105.1 ~~(3) a service to help the client integrate gains made during treatment into daily living~~
105.2 ~~and to reduce the client's reliance on a staff member for support;~~

105.3 ~~(4) a service to address issues related to co-occurring disorders, including client education~~
105.4 ~~on symptoms of mental illness, the possibility of comorbidity, and the need for continued~~
105.5 ~~medication compliance while recovering from substance use disorder. A group must address~~
105.6 ~~co-occurring disorders, as needed. When treatment for mental health problems is indicated,~~
105.7 ~~the treatment must be integrated into the client's individual treatment plan; and~~

105.8 ~~(5) treatment coordination provided one-to-one by an individual who meets the staff~~
105.9 ~~qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

105.10 ~~(i) assistance in coordination with significant others to help in the treatment planning~~
105.11 ~~process whenever possible;~~

105.12 ~~(ii) assistance in coordination with and follow up for medical services as identified in~~
105.13 ~~the treatment plan;~~

105.14 ~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's~~
105.15 ~~medical provider, comprehensive assessment, or treatment plan;~~

105.16 ~~(iv) facilitation of referrals to mental health services as identified by a client's~~
105.17 ~~comprehensive assessment or treatment plan;~~

105.18 ~~(v) assistance with referrals to economic assistance, social services, housing resources,~~
105.19 ~~and prenatal care according to the client's needs;~~

105.20 ~~(vi) life skills advocacy and support accessing treatment follow-up, disease management,~~
105.21 ~~and education services, including referral and linkages to long-term services and supports~~
105.22 ~~as needed; and~~

105.23 ~~(vii) documentation of the provision of treatment coordination services in the client's~~
105.24 ~~file.~~

105.25 (b) A treatment service provided to a client must be provided according to the individual
105.26 treatment plan and must consider cultural differences and special needs of a client.

105.27 (c) A supportive service alone does not constitute a treatment service. Supportive services
105.28 include:

105.29 (1) milieu management or supervising or monitoring clients without also providing a
105.30 treatment service identified in subdivision 1a, 1b, or 2a;

105.31 (2) transporting clients;

106.1 (3) waiting with clients for appointments at social service agencies, court hearings, and
106.2 similar activities; and

106.3 (4) collecting urinalysis samples.

106.4 (d) A treatment service provided in a group setting must be provided in a cohesive
106.5 manner and setting that allows every client receiving the service to interact and receive the
106.6 same service at the same time.

106.7 Sec. 10. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
106.8 to read:

106.9 Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be
106.10 provided according to the hours identified in section 254B.19 for the ASAM level of care
106.11 provided to the client. A license holder must provide the following psychosocial treatment
106.12 services as a part of the client's individual treatment:

106.13 (1) counseling services that provide a client with professional assistance in managing
106.14 substance use disorder and co-occurring conditions, either individually or in a group setting.
106.15 Counseling must:

106.16 (i) use evidence-based techniques to help a client modify behavior, overcome obstacles,
106.17 and achieve and sustain recovery through techniques such as active listening, guidance,
106.18 discussion, feedback, and clarification;

106.19 (ii) help the client to identify and address needs related to substance use, develop
106.20 strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects
106.21 of substance use disorder; and

106.22 (iii) work to improve well-being and mental health, resolve or mitigate symptomatic
106.23 behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and
106.24 social skills, while addressing client-centered psychological and emotional needs; and

106.25 (2) psychoeducation services to provide a client with information about substance use
106.26 and co-occurring conditions, either individually or in a group setting. Psychoeducation
106.27 includes structured presentations, interactive discussions, and practical exercises to help
106.28 clients understand and manage their conditions effectively. Topics include but are not limited
106.29 to:

106.30 (i) the causes of substance use disorder and co-occurring disorders;

106.31 (ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;

107.1 (iii) the importance of maintaining mental health, including understanding symptoms
107.2 of mental illness;

107.3 (iv) medications for addiction and psychiatric disorders and the importance of medication
107.4 adherence;

107.5 (v) the importance of maintaining physical health, health-related risk factors associated
107.6 with substance use disorder, and specific health education on tuberculosis, HIV, other
107.7 sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and

107.8 (vi) harm-reduction strategies.

107.9 Sec. 11. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
107.10 to read:

107.11 Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided to a
107.12 single client by an individual who meets the staff qualifications in section 245G.11,
107.13 subdivision 7. Treatment coordination services include:

107.14 (1) coordinating directly with others involved in the client's treatment and recovery,
107.15 including the referral source, family or natural supports, social services agencies, and external
107.16 care providers;

107.17 (2) providing clients with training and facilitating connections to community resources
107.18 that support recovery;

107.19 (3) assisting clients in obtaining necessary resources and services such as financial
107.20 assistance, housing, food, clothing, medical care, education, harm reduction services,
107.21 vocational support, and recreational services that promote recovery;

107.22 (4) helping clients connect and engage with self-help support groups and expand social
107.23 support networks with family, friends, and organizations; and

107.24 (5) assisting clients in transitioning between levels of care, including providing direct
107.25 connections to ensure continuity of care.

107.26 (b) Treatment coordination does not include coordinating services or communicating
107.27 with staff members within the licensed program.

107.28 (c) Treatment coordination may be provided in a setting with the individual client and
107.29 others involved in the client's treatment and recovery.

108.1 Sec. 12. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
108.2 to read:

108.3 Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary
108.4 services in addition to the hours of psychosocial treatment services identified in section
108.5 254B.19 for the ASAM level of care provided to the client.

108.6 (b) A license holder may provide the following ancillary treatment services as a part of
108.7 the client's individual treatment:

108.8 (1) recovery support services provided individually or in a group setting, that include:

108.9 (i) supporting clients in restoring daily living skills, such as health and health care
108.10 navigation and self-care to enhance personal well-being;

108.11 (ii) providing resources and assistance to help clients restore life skills, including effective
108.12 parenting, financial management, pro-social behavior, education, employment, and nutrition;

108.13 (iii) assisting clients in restoring daily functioning and routines affected by substance
108.14 use and supporting them in developing skills for successful community integration; and

108.15 (iv) helping clients respond to or avoid triggers that threaten their community stability,
108.16 assisting the client in identifying potential crises and developing a plan to address them,
108.17 and providing support to restore the client's stability and functioning; and

108.18 (2) peer recovery support services provided according to sections 254B.05, subdivision
108.19 5, and 254B.052.

108.20 Sec. 13. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

108.21 Subd. 3. **Counselors Treatment service providers.** (a) All treatment services, except
108.22 peer recovery support services and treatment coordination, must be provided by an alcohol
108.23 and drug counselor qualified according to section 245G.11, subdivision 5, unless the
108.24 individual providing the service is specifically qualified according to the accepted credential
108.25 required to provide the service. The commissioner shall maintain a current list of
108.26 professionals qualified to provide treatment services.

108.27 (b) Psychosocial treatment services must be provided by an alcohol and drug counselor
108.28 qualified according to section 245G.11, subdivision 5, unless the individual providing the
108.29 service is specifically qualified according to the accepted credential required to provide the
108.30 service. The commissioner shall maintain a current list of professionals qualified to provide
108.31 psychosocial treatment services.

109.1 (c) Treatment coordination must be provided by a treatment coordinator qualified
109.2 according to section 245G.11, subdivision 7.

109.3 (d) Recovery support services must be provided by a behavioral health practitioner
109.4 qualified according to section 245G.11, subdivision 12.

109.5 (e) Peer recovery support services must be provided by a recovery peer qualified
109.6 according to section 245I.04, subdivision 18.

109.7 Sec. 14. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

109.8 Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment
109.9 services a client receives at one of the license holder's substance use disorder treatment
109.10 licensed locations or at a location allowed under paragraphs (b) to (f). If the services are
109.11 provided at the locations in paragraphs (b) to (d), the license holder must document in the
109.12 client record the location services were provided.

109.13 (b) The license holder may provide nonresidential individual treatment services at a
109.14 client's home or place of residence.

109.15 (c) If the license holder provides treatment services by telehealth, the services must be
109.16 provided according to this paragraph:

109.17 (1) the license holder must maintain a licensed physical location in Minnesota where
109.18 the license holder must offer all treatment services in subdivision 4, ~~paragraph (a), clauses~~
109.19 ~~(1) to (4),~~ 1a physically in-person to each client;

109.20 (2) the license holder must meet all requirements for the provision of telehealth in sections
109.21 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder
109.22 must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client
109.23 receiving services by telehealth, regardless of payment type or whether the client is a medical
109.24 assistance enrollee;

109.25 (3) the license holder may provide treatment services by telehealth to clients individually;

109.26 (4) the license holder may provide treatment services by telehealth to a group of clients
109.27 that are each in a separate physical location;

109.28 (5) the license holder must not provide treatment services remotely by telehealth to a
109.29 group of clients meeting together in person, unless permitted under clause (7);

109.30 (6) clients and staff may join an in-person group by telehealth if a staff member qualified
109.31 to provide the treatment service is physically present with the group of clients meeting
109.32 together in person; and

(7) the qualified professional providing a residential group treatment service by telehealth must be physically present on-site at the licensed residential location while the service is being provided. If weather conditions or short-term illness prohibit a qualified professional from traveling to the residential program and another qualified professional is not available to provide the service, a qualified professional may provide a residential group treatment service by telehealth from a location away from the licensed residential location. In such circumstances, the license holder must ensure that a qualified professional does not provide a residential group treatment service by telehealth from a location away from the licensed residential location for more than one day at a time, must ensure that a staff person who qualifies as a paraprofessional is physically present with the group of clients, and must document the reason for providing the remote telehealth service in the records of clients receiving the service. The license holder must document the dates that residential group treatment services were provided by telehealth from a location away from the licensed residential location in a central log and must provide the log to the commissioner upon request.

(d) The license holder may provide the ~~additional~~ ancillary treatment services under subdivision 2, ~~clauses (2) to (6) and (8), 2a~~ away from the licensed location at a suitable location appropriate to the treatment service.

(e) Upon written approval from the commissioner for each satellite location, the license holder may provide nonresidential treatment services at satellite locations that are in a school, jail, or nursing home. A satellite location may only provide services to students of the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to document compliance with building codes, fire and safety codes, health rules, and zoning ordinances.

(f) The commissioner may approve other suitable locations as satellite locations for nonresidential treatment services. The commissioner may require satellite locations under this paragraph to meet all applicable licensing requirements. The license holder may not have more than two satellite locations per license under this paragraph.

(g) The license holder must provide the commissioner access to all files, documentation, staff persons, and any other information the commissioner requires at the main licensed location for all clients served at any location under paragraphs (b) to (f).

(h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a program abuse prevention plan is not required for satellite or other locations under paragraphs

111.1 (b) to (e). An individual abuse prevention plan is still required for any client that is a
111.2 vulnerable adult as defined in section 626.5572, subdivision 21.

111.3 Sec. 15. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

111.4 Subd. 6. **Paraprofessionals.** A paraprofessional who does not meet the qualifications
111.5 of the behavioral health practitioner as described in section 245G.11, subdivision 12, must
111.6 have knowledge of client rights, according to section 148F.165, and staff member
111.7 responsibilities. A paraprofessional may not make decisions to admit, transfer, or discharge
111.8 a client but may perform tasks related to intake and orientation. A paraprofessional may be
111.9 the responsible for the delivery of treatment service staff member according to section
111.10 245G.10, subdivision 3. A paraprofessional is not qualified to provide a treatment service
111.11 according to section 245G.07, subdivisions 1a, 1b, and 2a.

111.12 Sec. 16. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

111.13 Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination
111.14 must be provided by qualified staff. An individual is qualified to provide treatment
111.15 coordination if the individual meets the qualifications of an alcohol and drug counselor
111.16 under subdivision 5 or if the individual:

111.17 (1) is skilled in the process of identifying and assessing a wide range of client needs;

111.18 (2) is knowledgeable about local community resources and how to use those resources
111.19 for the benefit of the client;

111.20 (3) has ~~successfully completed 30 hours of classroom instruction on treatment~~
111.21 ~~coordination for an individual with substance use disorder~~ specific training on substance
111.22 use disorder and co-occurring disorders that is consistent with national evidence-based
111.23 practices; and

111.24 (4) ~~has either~~ meets one of the following criteria:

111.25 (i) has a bachelor's degree in one of the behavioral sciences or related fields and at least
111.26 1,000 hours of supervised experience working with individuals with substance use disorder;

111.27 ~~or~~

111.28 (ii) has current certification as an alcohol and drug counselor, level I, by the Upper
111.29 Midwest Indian Council on Addictive Disorders; ~~and~~ or

111.30 (iii) is a mental health practitioner who meets the qualifications under section 245I.04,
111.31 subdivision 4.

112.1 ~~(5) has at least 2,000 hours of supervised experience working with individuals with~~
112.2 ~~substance use disorder.~~

112.3 (b) A treatment coordinator must receive at least one hour of supervision regarding
112.4 individual service delivery from an alcohol and drug counselor, or a mental health
112.5 professional who has substance use treatment and assessments within the scope of their
112.6 practice, on a monthly basis.

112.7 Sec. 17. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision
112.8 to read:

112.9 Subd. 12. **Behavioral health practitioners.** (a) A behavioral health practitioner must
112.10 meet the qualifications in section 245I.04, subdivision 4.

112.11 (b) A behavioral health practitioner working within a substance use disorder treatment
112.12 program licensed under this chapter has the following scope of practice:

112.13 (1) a behavioral health practitioner may provide clients with recovery support services,
112.14 as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

112.15 (2) a behavioral health practitioner must not provide treatment supervision to other staff
112.16 persons.

112.17 (c) A behavioral health practitioner working within a substance use disorder treatment
112.18 program licensed under this chapter must receive at least one hour of supervision per month
112.19 on individual service delivery from an alcohol and drug counselor or a mental health
112.20 professional who has substance use treatment and assessments within the scope of their
112.21 practice.

112.22 Sec. 18. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

112.23 Subd. 11. **Waiting list.** An opioid treatment program must have a waiting list system.
112.24 If the person seeking admission cannot be admitted within 14 days of the date of application,
112.25 each person seeking admission must be placed on the waiting list, unless the person seeking
112.26 admission is assessed by the program and found ineligible for admission according to this
112.27 chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e),
112.28 and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each
112.29 person seeking treatment while awaiting admission. A person seeking admission on a waiting
112.30 list who receives no services under section 245G.07, subdivision ~~1~~ 1a or 1b, must not be
112.31 considered a client as defined in section 245G.01, subdivision 9.

113.1 Sec. 19. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

113.2 Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must
113.3 offer at least 50 consecutive minutes of individual or group therapy treatment services as
113.4 defined in section 245G.07, subdivision 1, ~~paragraph (a) 1a~~, clause (1), per week, for the
113.5 first ten weeks following the day of service initiation, and at least 50 consecutive minutes
113.6 per month thereafter. As clinically appropriate, the program may offer these services
113.7 cumulatively and not consecutively in increments of no less than 15 minutes over the required
113.8 time period, and for a total of 60 minutes of treatment services over the time period, and
113.9 must document the reason for providing services cumulatively in the client's record. The
113.10 program may offer additional levels of service when deemed clinically necessary.

113.11 (b) Notwithstanding the requirements of comprehensive assessments in section 245G.05,
113.12 the assessment must be completed within 21 days from the day of service initiation.

113.13 Sec. 20. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

113.14 Subd. 4. **Civil commitments.** For the purposes of determining level of care, a
113.15 comprehensive assessment does not need to be completed for an individual being committed
113.16 as a chemically dependent person, as defined in section 253B.02, and for the duration of a
113.17 civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual
113.18 to access be eligible for the behavioral health fund under section 254B.04. The ~~county~~
113.19 commissioner must determine if the individual meets the financial eligibility requirements
113.20 for the behavioral health fund under section 254B.04.

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

113.22 Sec. 21. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

113.23 Subd. 10. **Skilled Psychosocial treatment services.** "Skilled Psychosocial treatment
113.24 services" includes the treatment services described in section 245G.07, ~~subdivisions 1,~~
113.25 ~~paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6).~~ Skilled subdivision 1a. Psychosocial
113.26 treatment services must be provided by qualified professionals as identified in section
113.27 245G.07, subdivision 3, paragraph (b).

113.28 Sec. 22. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

113.29 Subd. 5. **Local agency Tribal allocation.** The commissioner may make payments to
113.30 ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to
113.31 support individuals with substance use disorders and determine eligibility for behavioral
113.32 health fund payments. The payment must not be less than 133 percent of the ~~local agency~~

114.1 Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to
114.2 the statewide change in the appropriation for this chapter.

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

114.4 Sec. 23. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

114.5 Subdivision 1. ~~Local agency duties~~ **Financial eligibility determinations.** (a) ~~Every~~
114.6 ~~local agency~~ The commissioner of human services or Tribal Nation servicing agencies must
114.7 determine financial eligibility for substance use disorder services and provide substance
114.8 use disorder services to persons residing within its jurisdiction who meet criteria established
114.9 by the commissioner. Substance use disorder money must be administered by the local
114.10 agencies according to law and rules adopted by the commissioner under sections 14.001 to
114.11 14.69.

114.12 (b) In order to contain costs, the commissioner of human services shall select eligible
114.13 vendors of substance use disorder services who can provide economical and appropriate
114.14 treatment. ~~Unless the local agency is a social services department directly administered by~~
114.15 ~~a county or human services board, the local agency shall not be an eligible vendor under~~
114.16 ~~section 254B.05.~~ The commissioner may approve proposals from county boards to provide
114.17 services in an economical manner or to control utilization, with safeguards to ensure that
114.18 necessary services are provided. If a county implements a demonstration or experimental
114.19 medical services funding plan, the commissioner shall transfer the money as appropriate.

114.20 (c) An individual may choose to obtain a comprehensive assessment as provided in
114.21 section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled
114.22 provider that is licensed to provide the level of service authorized pursuant to section
114.23 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual
114.24 must comply with any provider network requirements or limitations.

114.25 ~~(d) Beginning July 1, 2022, local agencies shall not make placement location~~
114.26 ~~determinations.~~

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

114.28 Sec. 24. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

114.29 Subd. 3. ~~Local agencies~~ **Counties** to pay state for county share. ~~Local agencies~~
114.30 Counties shall pay the state for the county share of the services authorized by the ~~local~~
114.31 ~~agency commissioner~~, except when the payment is made according to section 254B.09,
114.32 subdivision 8.

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

115.2 Sec. 25. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

115.3 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
115.4 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
115.5 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
115.6 fund services. State money appropriated for this paragraph must be placed in a separate
115.7 account established for this purpose.

115.8 (b) Persons with dependent children who are determined to be in need of substance use
115.9 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
115.10 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
115.11 subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access
115.12 needed treatment services. Treatment services must be appropriate for the individual or
115.13 family, which may include long-term care treatment or treatment in a facility that allows
115.14 the dependent children to stay in the treatment facility. The county shall pay for out-of-home
115.15 placement costs, if applicable.

115.16 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
115.17 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision
115.18 5, paragraph (b), clause (9).

115.19 (d) A client is eligible to have substance use disorder treatment paid for with funds from
115.20 the behavioral health fund when the client:

115.21 (1) is eligible for MFIP as determined under chapter 142G;

115.22 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
115.23 9505.0010 to ~~9505.0150~~ 9505.140;

115.24 (3) is eligible for general assistance, general assistance medical care, or work readiness
115.25 as determined under Minnesota Rules, parts 9500.1200 to ~~9500.1318~~ 9500.1272; or

115.26 (4) has income that is within current household size and income guidelines for entitled
115.27 persons, as defined in this subdivision and subdivision 7.

115.28 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
115.29 a third-party payment source are eligible for the behavioral health fund if the third-party
115.30 payment source pays less than 100 percent of the cost of treatment services for eligible
115.31 clients.

116.1 (f) A client is ineligible to have substance use disorder treatment services paid for with
116.2 behavioral health fund money if the client:

116.3 (1) has an income that exceeds current household size and income guidelines for entitled
116.4 persons as defined in this subdivision and subdivision 7; or

116.5 (2) has an available third-party payment source that will pay the total cost of the client's
116.6 treatment.

116.7 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
116.8 is eligible for continued treatment service that is paid for by the behavioral health fund until
116.9 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
116.10 if the client:

116.11 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
116.12 medical care; or

116.13 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by ~~a local~~
116.14 ~~agency~~ the commissioner under section 254B.04.

116.15 (h) When a county commits a client under chapter 253B to a regional treatment center
116.16 for substance use disorder services and the client is ineligible for the behavioral health fund,
116.17 the county is responsible for the payment to the regional treatment center according to
116.18 section 254B.05, subdivision 4.

116.19 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
116.20 provided through intensive residential treatment services and residential crisis services under
116.21 section 256B.0622.

116.22 (j) A person is eligible for one 60-consecutive-calendar-day period per year. A person
116.23 may submit a request for additional eligibility to the commissioner. A person denied
116.24 additional eligibility under this paragraph may request a state agency hearing under section
116.25 256.045.

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

116.27 Sec. 26. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

116.28 Subd. 5. ~~Local agency~~ **Commissioner responsibility to provide administrative**
116.29 **services.** ~~The local agency~~ the commissioner of human services may employ individuals to
116.30 conduct administrative activities and facilitate access to substance use disorder treatment
116.31 services.

117.1 Sec. 27. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

117.2 Subd. 6. **Local agency Commissioner to determine client financial eligibility.** (a)

117.3 The ~~local agency commissioner~~ shall determine a client's financial eligibility for the
117.4 behavioral health fund according to section 254B.04, subdivision 1a, with the income
117.5 calculated prospectively for one year from the date of request. The ~~local agency commissioner~~
117.6 shall pay for eligible clients according to chapter 256G. Client eligibility must be determined
117.7 using only forms prescribed by the commissioner ~~unless the local agency has a reasonable~~
117.8 ~~basis for believing that the information submitted on a form is false.~~ To determine a client's
117.9 eligibility, the ~~local agency commissioner~~ must determine the client's income, the size of
117.10 the client's household, the availability of a third-party payment source, and a responsible
117.11 relative's ability to pay for the client's substance use disorder treatment.

117.12 (b) A client who is a minor child must not be deemed to have income available to pay
117.13 for substance use disorder treatment, unless the minor child is responsible for payment under
117.14 section 144.347 for substance use disorder treatment services sought under section 144.343,
117.15 subdivision 1.

117.16 (c) The ~~local agency commissioner~~ must determine the client's household size as follows:

117.17 (1) if the client is a minor child, the household size includes the following persons living
117.18 in the same dwelling unit:

117.19 (i) the client;

117.20 (ii) the client's birth or adoptive parents; and

117.21 (iii) the client's siblings who are minors; and

117.22 (2) if the client is an adult, the household size includes the following persons living in
117.23 the same dwelling unit:

117.24 (i) the client;

117.25 (ii) the client's spouse;

117.26 (iii) the client's minor children; and

117.27 (iv) the client's spouse's minor children.

117.28 For purposes of this paragraph, household size includes a person listed in clauses (1) and
117.29 (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing
117.30 to the cost of care of the person in out-of-home placement.

(d) The ~~local agency~~ commissioner must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.

~~(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.~~

~~(f)~~ (e) The ~~local agency~~ commissioner shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.

~~(g)~~ (f) The ~~local agency~~ commissioner must ~~redetermine~~ determine a client's eligibility for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period per calendar year.

~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.

Sec. 28. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

Subd. 6a. **Span of eligibility.** The ~~local agency~~ commissioner must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.

Sec. 29. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment provided according to section 254A.19, subdivision 3, and treatment services provided according to sections 245G.06 and 245G.07, ~~subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).~~ subdivisions 1, 1a, and 1b.

(c) A county is an eligible vendor for a comprehensive assessment when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 254A.19, subdivision 3. A county is an eligible vendor of ~~care~~ treatment coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, ~~paragraph (a), clause (5).~~ 1b. A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8, and according to section 254B.052.

(d) A recovery community organization that meets the requirements of clauses (1) to (14) and meets certification or accreditation requirements of the Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification or accreditation on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program development, peer recovery support services provided, and advocacy efforts for the purpose of supporting the recovery community organization's mission;

(2) be led and governed by individuals in the recovery community, with more than 50 percent of the board of directors or advisory board members self-identifying as people in personal recovery from substance use disorders;

(3) have a mission statement and conduct corresponding activities indicating that the organization's primary purpose is to support recovery from substance use disorder;

- 120.1 (4) demonstrate ongoing community engagement with the identified primary region and
120.2 population served by the organization, including individuals in recovery and their families,
120.3 friends, and recovery allies;
- 120.4 (5) be accountable to the recovery community through documented priority-setting and
120.5 participatory decision-making processes that promote the engagement of, and consultation
120.6 with, people in recovery and their families, friends, and recovery allies;
- 120.7 (6) provide nonclinical peer recovery support services, including but not limited to
120.8 recovery support groups, recovery coaching, telephone recovery support, skill-building,
120.9 and harm-reduction activities, and provide recovery public education and advocacy;
- 120.10 (7) have written policies that allow for and support opportunities for all paths toward
120.11 recovery and refrain from excluding anyone based on their chosen recovery path, which
120.12 may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based
120.13 paths;
- 120.14 (8) maintain organizational practices to meet the needs of Black, Indigenous, and people
120.15 of color communities, LGBTQ+ communities, and other underrepresented or marginalized
120.16 communities. Organizational practices may include board and staff training, service offerings,
120.17 advocacy efforts, and culturally informed outreach and services;
- 120.18 (9) use recovery-friendly language in all media and written materials that is supportive
120.19 of and promotes recovery across diverse geographical and cultural contexts and reduces
120.20 stigma;
- 120.21 (10) establish and maintain a publicly available recovery community organization code
120.22 of ethics and grievance policy and procedures;
- 120.23 (11) not classify or treat any recovery peer hired on or after July 1, 2024, as an
120.24 independent contractor;
- 120.25 (12) not classify or treat any recovery peer as an independent contractor on or after
120.26 January 1, 2025;
- 120.27 (13) provide an orientation for recovery peers that includes an overview of the consumer
120.28 advocacy services provided by the Ombudsman for Mental Health and Developmental
120.29 Disabilities and other relevant advocacy services; and
- 120.30 (14) provide notice to peer recovery support services participants that includes the
120.31 following statement: "If you have a complaint about the provider or the person providing
120.32 your peer recovery support services, you may contact the Minnesota Alliance of Recovery

121.1 Community Organizations. You may also contact the Office of Ombudsman for Mental
121.2 Health and Developmental Disabilities." The statement must also include:

121.3 (i) the telephone number, website address, email address, and mailing address of the
121.4 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman
121.5 for Mental Health and Developmental Disabilities;

121.6 (ii) the recovery community organization's name, address, email, telephone number, and
121.7 name or title of the person at the recovery community organization to whom problems or
121.8 complaints may be directed; and

121.9 (iii) a statement that the recovery community organization will not retaliate against a
121.10 peer recovery support services participant because of a complaint.

121.11 (e) A recovery community organization approved by the commissioner before June 30,
121.12 2023, must have begun the application process as required by an approved certifying or
121.13 accrediting entity and have begun the process to meet the requirements under paragraph (d)
121.14 by September 1, 2024, in order to be considered as an eligible vendor of peer recovery
121.15 support services.

121.16 (f) A recovery community organization that is aggrieved by an accreditation, certification,
121.17 or membership determination and believes it meets the requirements under paragraph (d)
121.18 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause
121.19 (14), for reconsideration as an eligible vendor. If the human services judge determines that
121.20 the recovery community organization meets the requirements under paragraph (d), the
121.21 recovery community organization is an eligible vendor of peer recovery support services.

121.22 (g) All recovery community organizations must be certified or accredited by an entity
121.23 listed in paragraph (d) by June 30, 2025.

121.24 (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to
121.25 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or
121.26 nonresidential substance use disorder treatment or withdrawal management program by the
121.27 commissioner or by tribal government or do not meet the requirements of subdivisions 1a
121.28 and 1b are not eligible vendors.

121.29 (i) Hospitals, federally qualified health centers, and rural health clinics are eligible
121.30 vendors of a comprehensive assessment when the comprehensive assessment is completed
121.31 according to section 254A.19, subdivision 3, and by an individual who meets the criteria
121.32 of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol

122.1 and drug counselor must be individually enrolled with the commissioner and reported on
122.2 the claim as the individual who provided the service.

122.3 (j) Any complaints about a recovery community organization or peer recovery support
122.4 services may be made to and reviewed or investigated by the ombudsperson for behavioral
122.5 health and developmental disabilities under sections 245.91 and 245.94.

122.6 Sec. 30. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

122.7 Subd. 5. **Rate requirements.** (a) Subject to the requirements of subdivision 6, the
122.8 commissioner shall establish rates for the following substance use disorder treatment services
122.9 ~~and service enhancements~~ funded under this chapter;

122.10 ~~(b) Eligible substance use disorder treatment services include:~~

122.11 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
122.12 and provided according to the following ASAM levels of care:

122.13 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,
122.14 subdivision 1, clause (1);

122.15 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,
122.16 subdivision 1, clause (2);

122.17 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
122.18 subdivision 1, clause (3);

122.19 (iv) ASAM level 2.5 partial hospitalization services provided according to section
122.20 254B.19, subdivision 1, clause (4);

122.21 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
122.22 according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the~~
122.23 ~~base payment rate of \$79.84 per day for services provided under this item;~~

122.24 (vi) ASAM level 3.1 clinically managed low-intensity residential services provided
122.25 according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled
122.26 treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13~~
122.27 ~~per day for services provided under this item;~~

122.28 (vii) ASAM level 3.3 clinically managed population-specific high-intensity residential
122.29 services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner~~
122.30 ~~shall use the specified base payment rate of \$224.06 per day for services provided under~~
122.31 ~~this item; and~~

123.1 (viii) ASAM level 3.5 clinically managed high-intensity residential services provided
123.2 according to section 254B.19, subdivision 1, clause (7).~~The commissioner shall use the~~
123.3 ~~specified base payment rate of \$224.06 per day for services provided under this item;~~

123.4 (2) comprehensive assessments provided according to section 254A.19, subdivision 3;

123.5 (3) treatment coordination services provided according to section 245G.07, subdivision
123.6 1, paragraph (a), clause (5);

123.7 (4) peer recovery support services provided according to section 245G.07, subdivision
123.8 2, clause (8);

123.9 (5) withdrawal management services provided according to chapter 245F;

123.10 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
123.11 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to
123.12 144.56;

123.13 (7) substance use disorder treatment services with medications for opioid use disorder
123.14 provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17
123.15 and 245G.22, or under an applicable Tribal license;

123.16 (8) medium-intensity residential treatment services that provide 15 hours of skilled
123.17 treatment services each week and are licensed according to sections 245G.01 to 245G.17
123.18 and 245G.21 or applicable Tribal license;

123.19 (9) adolescent treatment programs that are licensed as outpatient treatment programs
123.20 according to sections 245G.01 to 245G.18 or as residential treatment programs according
123.21 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
123.22 applicable Tribal license;

123.23 (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed
123.24 according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which
123.25 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
123.26 and are provided by a state-operated vendor or to clients who have been civilly committed
123.27 to the commissioner, present the most complex and difficult care needs, and are a potential
123.28 threat to the community; and

123.29 (11) room and board facilities that meet the requirements of subdivision 1a.

123.30 ~~(e)~~ (b) The commissioner shall establish higher rates for programs that meet the
123.31 requirements of paragraph ~~(b)~~ (a) and ~~one of the following additional requirements: the~~
123.32 requirements of one clause in this paragraph.

- 124.1 (1) Programs that serve parents with their children are eligible for an enhanced payment
124.2 rate if the program:
- 124.3 (i) provides on-site child care during the hours of treatment activity that:
- 124.4 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
124.5 9503; or
- 124.6 (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or
- 124.7 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
124.8 licensed under chapter 245A as:
- 124.9 (A) a child care center under Minnesota Rules, chapter 9503; or
- 124.10 (B) a family child care home under Minnesota Rules, chapter 9502;
- 124.11 In order to be eligible for a higher rate under this clause, a program that provides
124.12 arrangements for off-site child care must maintain current documentation at the substance
124.13 use disorder facility of the child care provider's current licensure to provide child care
124.14 services.
- 124.15 (2) Culturally specific or culturally responsive programs as defined in section 254B.01,
124.16 subdivision 4a; are eligible for an enhanced payment rate.
- 124.17 (3) Disability responsive programs as defined in section 254B.01, subdivision 4b; are
124.18 eligible for an enhanced payment rate.
- 124.19 (4) Programs that offer medical services delivered by appropriately credentialed health
124.20 care staff in an amount equal to one hour per client per week are eligible for an enhanced
124.21 payment rate if the medical needs of the client and the nature and provision of any medical
124.22 services provided are documented in the client file; or.
- 124.23 (5) Programs that offer services to individuals with co-occurring mental health and
124.24 substance use disorder problems are eligible for an enhanced payment rate if:
- 124.25 (i) the program meets the co-occurring requirements in section 245G.20;
- 124.26 (ii) the program employs a mental health professional as defined in section 245I.04,
124.27 subdivision 2;
- 124.28 (iii) clients scoring positive on a standardized mental health screen receive a mental
124.29 health diagnostic assessment within ten days of admission;

125.1 (iv) the program has standards for multidisciplinary case review that include a monthly
125.2 review for each client that, at a minimum, includes a licensed mental health professional
125.3 and licensed alcohol and drug counselor, and their involvement in the review is documented;

125.4 (v) family education is offered that addresses mental health and substance use disorder
125.5 and the interaction between the two; and

125.6 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
125.7 training annually.

125.8 ~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program~~
125.9 ~~that provides arrangements for off-site child care must maintain current documentation at~~
125.10 ~~the substance use disorder facility of the child care provider's current licensure to provide~~
125.11 ~~child care services.~~

125.12 ~~(e)~~ Adolescent residential programs that meet the requirements of Minnesota Rules, parts
125.13 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
125.14 in ~~paragraph (c), clause (5)~~, items (i) to (iv).

125.15 ~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face
125.16 services may be provided via telehealth as defined in section 256B.0625, subdivision 3b.
125.17 The use of telehealth to deliver services must be medically appropriate to the condition and
125.18 needs of the person being served. Reimbursement shall be at the same rates and under the
125.19 same conditions that would otherwise apply to direct face-to-face services.

125.20 ~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder
125.21 treatment services provided in a group setting without a group participant maximum or
125.22 maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of
125.23 48 to one. At least one of the attending staff must meet the qualifications as established
125.24 under this chapter for the type of treatment service provided. A recovery peer may not be
125.25 included as part of the staff ratio.

125.26 ~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according
125.27 to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless
125.28 prior authorization of a greater number of hours is obtained from the commissioner.

125.29 ~~(i)~~ (f) Payment for substance use disorder services under this section must start from the
125.30 day of service initiation, when the comprehensive assessment is completed within the
125.31 required timelines.

125.32 ~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because
125.33 a client missed services remains eligible to bill for the client's intensity level of services

126.1 under this paragraph if the license holder can document the reason the client missed services
126.2 and the interventions done to address the client's absence.

126.3 ~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized
126.4 holidays.

126.5 ~~(h)~~ (i) Eligible vendors of peer recovery support services must:

126.6 (1) submit to a review by the commissioner of up to ten percent of all medical assistance
126.7 and behavioral health fund claims to determine the medical necessity of peer recovery
126.8 support services for entities billing for peer recovery support services individually and not
126.9 receiving a daily rate; and

126.10 (2) limit an individual client to 14 hours per week for peer recovery support services
126.11 from an individual provider of peer recovery support services.

126.12 ~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052
126.13 are subject to monetary recovery under section 256B.064 as money improperly paid.

126.14 Sec. 31. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision
126.15 to read:

126.16 Subd. 6. **Rate adjustments.** (a) Effective for services rendered on or after January 1,
126.17 2026, the commissioner must implement the following base payment rates for substance
126.18 use disorder treatment services under subdivision 5, paragraph (a):

126.19 (1) for low-intensity residential, 100 percent of the modeled rate included in the final
126.20 report required by Laws 2021, First Special Session chapter 7, article 17, section 18;

126.21 (2) for high-intensity residential services, the rates in effect on December 31, 2025; and

126.22 (3) for all other services not included in clause (1) or (2), 55 percent of the modeled rate
126.23 included in the final report required by Laws 2021, First Special Session chapter 7, article
126.24 17, section 18.

126.25 (b) Effective January 1, 2028, and annually thereafter, the commissioner of human
126.26 services must adjust the payment rates under paragraph (a) according to the change from
126.27 the midpoint of the previous rate year to the midpoint of the rate year for which the rate is
126.28 being determined using the Centers for Medicare and Medicaid Services Medicare Economic
126.29 Index as forecasted in the fourth quarter of the calendar year before the rate year.

127.1 Sec. 32. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision
127.2 to read:

127.3 Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,
127.4 submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'
127.5 Healthcare Common Procedure Coding System and the American Medical Association's
127.6 Current Procedural Terminology to determine the appropriate units of time to report.

127.7 (b) More than half the duration of a time-based code must be spent performing the service
127.8 to be eligible under this section. Any provision of service during the remaining balance of
127.9 the unit of time is not eligible for any other claims submission and would be considered a
127.10 duplicative claim submission.

127.11 (c) A provider may only round up to the next whole number of service units on a
127.12 submitted claim when more than one and one-half times the defined value of the code has
127.13 occurred and no additional time increment code exists.

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

127.15 Sec. 33. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

127.16 Subd. 2. **American Indian agreements.** The commissioner may enter into agreements
127.17 with federally recognized Tribal units to pay for substance use disorder treatment services
127.18 provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how
127.19 the governing body of the Tribal unit fulfills ~~local agency~~ the Tribal unit's responsibilities
127.20 regarding the form and manner of invoicing.

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

127.22 Sec. 34. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

127.23 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level
127.24 of care, eligible vendors must implement the standards set by the ASAM for the respective
127.25 level of care. Additionally, vendors must meet the following requirements:

127.26 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of
127.27 developing a substance-related problem but may not have a diagnosed substance use disorder,
127.28 early intervention services may include individual or group counseling, treatment
127.29 coordination, peer recovery support, screening brief intervention, and referral to treatment
127.30 provided according to section 254A.03, subdivision 3, paragraph (c).

128.1 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per
128.2 week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five
128.3 hours per week. Services must be licensed according to section 245G.20 and meet
128.4 requirements under section 256B.0759. ~~Peer-recovery~~ Ancillary services and treatment
128.5 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
128.6 hours allowable per week.

128.7 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours
128.8 per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or
128.9 more hours per week. Vendors must be licensed according to section 245G.20 and must
128.10 meet requirements under section 256B.0759. ~~Peer-recovery~~ Ancillary services and treatment
128.11 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
128.12 hours allowable per week. If clinically indicated on the client's treatment plan, this service
128.13 may be provided in conjunction with room and board according to section 254B.05,
128.14 subdivision 1a.

128.15 (4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or
128.16 more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to
128.17 section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for
128.18 clients who need daily monitoring in a structured setting, as directed by the individual
128.19 treatment plan and in accordance with the limitations in section 254B.05, subdivision 5,
128.20 paragraph (h). If clinically indicated on the client's treatment plan, this service may be
128.21 provided in conjunction with room and board according to section 254B.05, subdivision
128.22 1a.

128.23 (5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs
128.24 must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according
128.25 to each client's specific treatment schedule, as directed by the individual treatment plan.
128.26 Programs must be licensed according to section 245G.20 and must meet requirements under
128.27 section 256B.0759.

128.28 (6) For ASAM level 3.3 clinically managed population-specific high-intensity residential
128.29 clients, programs must be licensed according to section 245G.20 and must meet requirements
128.30 under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must
128.31 be enrolled as a disability responsive program as described in section 254B.01, subdivision
128.32 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive
128.33 impairment so significant, and the resulting level of impairment so great, that outpatient or
128.34 other levels of residential care would not be feasible or effective. Programs must provide,

129.1 at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according
129.2 to each client's specific treatment schedule, as directed by the individual treatment plan.

129.3 (7) For ASAM level 3.5 clinically managed high-intensity residential clients, services
129.4 must be licensed according to section 245G.20 and must meet requirements under section
129.5 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum,
129.6 daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's
129.7 specific treatment schedule, as directed by the individual treatment plan.

129.8 (8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal
129.9 management must be provided according to chapter 245F.

129.10 (9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal
129.11 management must be provided according to chapter 245F.

129.12 (b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service
129.13 requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors
129.14 must provide each client at least 30 hours of treatment services per week for the period
129.15 between January 1, 2024, through June 30, 2024.

129.16 Sec. 35. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

129.17 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical
129.18 assistance covers services provided by a not-for-profit certified community behavioral health
129.19 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

129.20 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
129.21 eligible service is delivered using the CCBHC daily bundled rate system for medical
129.22 assistance payments as described in paragraph (c). The commissioner shall include a quality
129.23 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
129.24 There is no county share for medical assistance services when reimbursed through the
129.25 CCBHC daily bundled rate system.

129.26 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
129.27 payments under medical assistance meets the following requirements:

129.28 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
129.29 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable
129.30 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
129.31 payment rate, total annual visits include visits covered by medical assistance and visits not
129.32 covered by medical assistance. Allowable costs include but are not limited to the salaries
129.33 and benefits of medical assistance providers; the cost of CCBHC services provided under

130.1 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as
130.2 insurance or supplies needed to provide CCBHC services;

130.3 (2) payment shall be limited to one payment per day per medical assistance enrollee
130.4 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
130.5 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph
130.6 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or
130.7 licensed agency employed by or under contract with a CCBHC;

130.8 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,
130.9 subdivision 3, shall be established by the commissioner using a provider-specific rate based
130.10 on the newly certified CCBHC's audited historical cost report data adjusted for the expected
130.11 cost of delivering CCBHC services. Estimates are subject to review by the commissioner
130.12 and must include the expected cost of providing the full scope of CCBHC services and the
130.13 expected number of visits for the rate period;

130.14 (4) the commissioner shall rebase CCBHC rates once every two years following the last
130.15 rebasing and no less than 12 months following an initial rate or a rate change due to a change
130.16 in the scope of services. For CCBHCs certified after September 31, 2020, and before January
130.17 1, 2021, the commissioner shall rebase rates according to this clause for services provided
130.18 on or after January 1, 2024;

130.19 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
130.20 of the rebasing;

130.21 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal
130.22 Medicaid rate is not eligible for the CCBHC rate methodology;

130.23 (7) payments for CCBHC services to individuals enrolled in managed care shall be
130.24 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
130.25 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
130.26 of the CCBHC daily bundled rate system in the Medicaid Management Information System
130.27 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
130.28 due made payable to CCBHCs no later than 18 months thereafter;

130.29 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
130.30 provider-specific rate by the Medicare Economic Index for primary care services. This
130.31 update shall occur each year in between rebasing periods determined by the commissioner
130.32 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
130.33 annually using the CCBHC cost report established by the commissioner; and

131.1 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
131.2 services when such changes are expected to result in an adjustment to the CCBHC payment
131.3 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
131.4 regarding the changes in the scope of services, including the estimated cost of providing
131.5 the new or modified services and any projected increase or decrease in the number of visits
131.6 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
131.7 adjustments for changes in scope shall occur no more than once per year in between rebasing
131.8 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

131.9 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
131.10 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of
131.11 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
131.12 any contract year, federal approval is not received for this paragraph, the commissioner
131.13 must adjust the capitation rates paid to managed care plans and county-based purchasing
131.14 plans for that contract year to reflect the removal of this provision. Contracts between
131.15 managed care plans and county-based purchasing plans and providers to whom this paragraph
131.16 applies must allow recovery of payments from those providers if capitation rates are adjusted
131.17 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
131.18 to any increase in rates that results from this provision. This paragraph expires if federal
131.19 approval is not received for this paragraph at any time.

131.20 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
131.21 that meets the following requirements:

131.22 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
131.23 thresholds for performance metrics established by the commissioner, in addition to payments
131.24 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
131.25 paragraph (c);

131.26 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement
131.27 year to be eligible for incentive payments;

131.28 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
131.29 receive quality incentive payments at least 90 days prior to the measurement year; and

131.30 (4) a CCBHC must provide the commissioner with data needed to determine incentive
131.31 payment eligibility within six months following the measurement year. The commissioner
131.32 shall notify CCBHC providers of their performance on the required measures and the
131.33 incentive payment amount within 12 months following the measurement year.

132.1 (f) All claims to managed care plans for CCBHC services as provided under this section
132.2 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
132.3 than January 1 of the following calendar year, if:

132.4 (1) one or more managed care plans does not comply with the federal requirement for
132.5 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
132.6 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
132.7 days of noncompliance; and

132.8 (2) the total amount of clean claims not paid in accordance with federal requirements
132.9 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
132.10 eligible for payment by managed care plans.

132.11 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
132.12 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
132.13 the following year. If the conditions in this paragraph are met between July 1 and December
132.14 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
132.15 on July 1 of the following year.

132.16 (g) Peer services provided by a CCBHC certified under section 245.735 are a covered
132.17 service under medical assistance when a licensed mental health professional or alcohol and
132.18 drug counselor determines that peer services are medically necessary. Eligibility under this
132.19 subdivision for peer services provided by a CCBHC supersede eligibility standards under
132.20 sections 256B.0615, 256B.0616, and 245G.07, subdivision ~~2~~ 2a, paragraph (b), clause (8)
132.21 (2).

132.22 Sec. 36. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

132.23 Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health
132.24 home services provider must maintain staff with required professional qualifications
132.25 appropriate to the setting.

132.26 (b) If behavioral health home services are offered in a mental health setting, the
132.27 integration specialist must be a licensed nurse, as defined in section 148.171, subdivision
132.28 9.

132.29 (c) If behavioral health home services are offered in a primary care setting, the integration
132.30 specialist must be a mental health professional who is qualified according to section 245I.04,
132.31 subdivision 2.

132.32 (d) If behavioral health home services are offered in either a primary care setting or
132.33 mental health setting, the systems navigator must be a mental health practitioner who is

133.1 qualified according to section 245I.04, subdivision 4, or a community health worker as
133.2 defined in section 256B.0625, subdivision 49.

133.3 (e) If behavioral health home services are offered in either a primary care setting or
133.4 mental health setting, the qualified health home specialist must be one of the following:

133.5 (1) a mental health certified peer specialist who is qualified according to section 245I.04,
133.6 subdivision 10;

133.7 (2) a mental health certified family peer specialist who is qualified according to section
133.8 245I.04, subdivision 12;

133.9 (3) a case management associate as defined in section 245.462, subdivision 4, paragraph
133.10 (g), or 245.4871, subdivision 4, paragraph (j);

133.11 (4) a mental health rehabilitation worker who is qualified according to section 245I.04,
133.12 subdivision 14;

133.13 (5) a community paramedic as defined in section 144E.28, subdivision 9;

133.14 (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~
133.15 245G.11, subdivision 8; or

133.16 (7) a community health worker as defined in section 256B.0625, subdivision 49.

133.17 Sec. 37. Minnesota Statutes 2024, section 256B.761, is amended to read:

133.18 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

133.19 (a) Effective for services rendered on or after July 1, 2001, payment for medication
133.20 management provided to psychiatric patients, outpatient mental health services, day treatment
133.21 services, home-based mental health services, and family community support services shall
133.22 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of
133.23 1999 charges.

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

(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

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

(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, and 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.

Sec. 38. DIRECTION TO COMMISSIONER; SUBSTANCE USE DISORDER TREATMENT STAFF REPORT AND RECOMMENDATIONS.

The commissioner of human services must, in consultation with the Board of Nursing, Board of Behavioral Health and Therapy, and Board of Medical Practice, conduct a study and develop recommendations to the legislature for amendments to Minnesota Statutes, chapter 245G, that would eliminate any limitations on licensed health professionals' ability to provide substance use disorder treatment services while practicing within their licensed or statutory scopes of practice. The commissioner must submit a report on the study and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy by January 15, 2027.

Sec. 39. DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; SUBSTANCE USE DISORDER TREATMENT BILLING UNITS.

The commissioner of human services shall establish six new billing codes for counseling, psychoeducation, and recovery support services. The new billing codes must correspond to a 15-minute unit and become effective for services provided on or after July 1, 2026.

Sec. 40. REVISOR INSTRUCTION.

The revisor of statutes, in consultation with the House Research Department; the Office of Senate Counsel, Research and Fiscal Analysis; and the Department of Human Services shall make necessary cross-reference changes and remove statutory cross-references in Minnesota Statutes to conform with the renumbering in this act. The revisor may make

136.1 technical and other necessary changes to sentence structure to preserve the meaning of the
 136.2 text. The revisor may alter the coding in this act to incorporate statutory changes made by
 136.3 other law in the 2025 regular legislative session or a special session. If a provision stricken
 136.4 in this act is also amended in the 2025 regular legislative session or a special session by
 136.5 other law, the revisor shall merge the amendment into the numbering, notwithstanding
 136.6 Minnesota Statutes, section 645.30.

136.7 Sec. 41. **REVISOR INSTRUCTION.**

136.8 The revisor of statutes shall renumber each provision of Minnesota Statutes listed in
 136.9 column A as amended in this act to the number listed in column B. The revisor shall also
 136.10 make necessary cross-reference changes consistent with the renumbering.

136.11 <u>Column A</u>	<u>Column B</u>
136.12 <u>254B.05, subdivision 1, paragraph (a)</u>	<u>254B.0501, subdivision 1</u>
136.13 <u>254B.05, subdivision 1, paragraph (i)</u>	<u>254B.0501, subdivision 2</u>
136.14 <u>254B.05, subdivision 4</u>	<u>254B.0501, subdivision 3</u>
136.15 <u>254B.05, subdivision 1, paragraph (b)</u>	<u>254B.0501, subdivision 4</u>
136.16 <u>254B.05, subdivision 1, paragraph (c)</u>	<u>254B.0501, subdivision 5</u>
136.17 <u>254B.05, subdivision 1, paragraph (d)</u>	<u>254B.0501, subdivision 6, paragraph (a)</u>
136.18 <u>254B.05, subdivision 1, paragraph (e)</u>	<u>254B.0501, subdivision 6, paragraph (b)</u>
136.19 <u>254B.05, subdivision 1, paragraph (f)</u>	<u>254B.0501, subdivision 6, paragraph (c)</u>
136.20 <u>254B.05, subdivision 1, paragraph (g)</u>	<u>254B.0501, subdivision 6, paragraph (d)</u>
136.21 <u>254B.05, subdivision 1, paragraph (h)</u>	<u>254B.0501, subdivision 7</u>
136.22 <u>254B.05, subdivision 1b</u>	<u>254B.0501, subdivision 8</u>
136.23 <u>254B.05, subdivision 2</u>	<u>254B.0501, subdivision 9</u>
136.24 <u>254B.05, subdivision 3</u>	<u>254B.0501, subdivision 10</u>
136.25 <u>254B.05, subdivision 1a, paragraph (a)</u>	<u>254B.0503, subdivision 1, paragraph (a)</u>
136.26 <u>254B.05, subdivision 1a, paragraph (c)</u>	<u>254B.0503, subdivision 1, paragraph (b)</u>
136.27 <u>254B.05, subdivision 1a, paragraph (d)</u>	<u>254B.0503, subdivision 1, paragraph (c)</u>
136.28 <u>254B.05, subdivision 1a, paragraph (e)</u>	<u>254B.0503, subdivision 1, paragraph (d)</u>
136.29 <u>254B.05, subdivision 1a, paragraph (b)</u>	<u>254B.0503, subdivision 2, paragraph (a)</u>
136.30 <u>254B.05, subdivision 1a, paragraph (e)</u>	<u>254B.0503, subdivision 2, paragraph (b)</u>
136.31 <u>254B.05, subdivision 5, paragraph (a)</u>	<u>254B.0505, subdivision 1</u>
136.32 <u>254B.05, subdivision 5, paragraph (c)</u>	<u>254B.0505, subdivision 2</u>
136.33 <u>254B.05, subdivision 5, paragraph (d)</u>	<u>254B.0505, subdivision 3</u>
136.34 <u>254B.05, subdivision 5, paragraph (e)</u>	<u>254B.0505, subdivision 4</u>
136.35 <u>254B.05, subdivision 5, paragraph (f)</u>	<u>254B.0505, subdivision 5</u>
136.36 <u>254B.05, subdivision 5, paragraph (g)</u>	<u>254B.0505, subdivision 6</u>

137.1	<u>254B.05, subdivision 5, paragraph (h)</u>	<u>254B.0505, subdivision 7</u>
137.2	<u>254B.05, subdivision 5, paragraph (i)</u>	<u>254B.0505, subdivision 8</u>
137.3	<u>254B.05, subdivision 5, paragraph (b), first</u>	<u>254B.0507, subdivision 1</u>
137.4	<u>sentence</u>	
137.5	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 2, paragraph (a)</u>
137.6	<u>(1), items (i) and (ii)</u>	
137.7	<u>254B.05, subdivision 5, paragraph (b), block</u>	<u>254B.0507, subdivision 2, paragraph (b)</u>
137.8	<u>left paragraph</u>	
137.9	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 3</u>
137.10	<u>(2)</u>	
137.11	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 4</u>
137.12	<u>(3)</u>	
137.13	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 5</u>
137.14	<u>(4)</u>	
137.15	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 6, paragraph (a)</u>
137.16	<u>(5)</u>	
137.17	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 6, paragraph (b)</u>
137.18	<u>(5), block left paragraph</u>	
137.19	<u>254B.05, subdivision 6, paragraph (a)</u>	<u>254B.0509, subdivision 1</u>
137.20	<u>254B.05, subdivision 6, paragraph (b)</u>	<u>254B.0509, subdivision 2</u>
137.21	<u>254B.05, subdivision 1, paragraph (j)</u>	<u>254B.052, subdivision 4</u>
137.22	<u>254B.05, subdivision 5, paragraph (j)</u>	<u>254B.052, subdivision 5</u>

137.23 Sec. 42. **REVISOR INSTRUCTION.**

137.24 The revisor of statutes shall change the terms "mental health practitioner" and "mental
137.25 health practitioners" to "behavioral health practitioner" or "behavioral health practitioners"
137.26 wherever they appear in Minnesota Statutes, chapter 245I.

137.27 Sec. 43. **REPEALER.**

137.28 Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2;
137.29 and 254B.01, subdivision 5, are repealed.

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

ARTICLE 4**HOUSING SUPPORTS**

Section 1. Minnesota Statutes 2024, section 256I.05, is amended by adding a subdivision to read:

Subd. 1v. **Supplemental rate; Blue Earth County.** Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2025, a county agency shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not to exceed \$750 per month, including any legislatively authorized inflationary adjustments, for a housing support provider located in Blue Earth County that operates long-term residential facilities with a total of 20 beds that serve chemically dependent women and provide 24-hour-a-day supervision and other support services.

ARTICLE 5**HEALTH CARE**

Section 1. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

Subd. 29. State medical review team. (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the commissioner shall review all medical evidence and seek information from providers, applicants, and enrollees to support the determination of disability where necessary. Disability shall be determined according to the rules of title XVI and title XIX of the Social Security Act and pertinent rules and policies of the Social Security Administration.

(b) Medical assistance providers must grant the state medical review team access to electronic health records held by the medical assistance providers, when available, to support efficient and accurate disability determinations.

~~(b)~~ (c) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

~~(c)~~ (d) Any appeal made under section 256.045, subdivision 3, of a disability determination made by the state medical review team must be decided according to the timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not

139.1 issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal
139.2 must be immediately reviewed by the chief human services judge.

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

139.4 Sec. 2. Minnesota Statutes 2024, section 256B.0625, subdivision 17, is amended to read:

139.5 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"
139.6 means motor vehicle transportation provided by a public or private person that serves
139.7 Minnesota health care program beneficiaries who do not require emergency ambulance
139.8 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

139.9 (b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means
139.10 a census-tract based classification system under which a geographical area is determined
139.11 to be urban, rural, or super rural.

139.12 (c) Medical assistance covers medical transportation costs incurred solely for obtaining
139.13 emergency medical care or transportation costs incurred by eligible persons in obtaining
139.14 emergency or nonemergency medical care when paid directly to an ambulance company,
139.15 nonemergency medical transportation company, or other recognized providers of
139.16 transportation services. Medical transportation must be provided by:

139.17 (1) nonemergency medical transportation providers who meet the requirements of this
139.18 subdivision;

139.19 (2) ambulances, as defined in section 144E.001, subdivision 2;

139.20 (3) taxicabs that meet the requirements of this subdivision;

139.21 (4) public transportation, within the meaning of "public transportation" as defined in
139.22 section 174.22, subdivision 7; or

139.23 (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472,
139.24 subdivision 1, paragraph (p).

139.25 (d) Medical assistance covers nonemergency medical transportation provided by
139.26 nonemergency medical transportation providers enrolled in the Minnesota health care
139.27 programs. All nonemergency medical transportation providers must comply with the
139.28 operating standards for special transportation service as defined in sections 174.29 to 174.30
139.29 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the
139.30 commissioner and reported on the claim as the individual who provided the service. All
139.31 nonemergency medical transportation providers shall bill for nonemergency medical
139.32 transportation services in accordance with Minnesota health care programs criteria. Publicly

140.1 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the
140.2 requirements outlined in this paragraph.

140.3 (e) An organization may be terminated, denied, or suspended from enrollment if:

140.4 (1) the provider has not initiated background studies on the individuals specified in
140.5 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

140.6 (2) the provider has initiated background studies on the individuals specified in section
140.7 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

140.8 (i) the commissioner has sent the provider a notice that the individual has been
140.9 disqualified under section 245C.14; and

140.10 (ii) the individual has not received a disqualification set-aside specific to the special
140.11 transportation services provider under sections 245C.22 and 245C.23.

140.12 (f) The administrative agency of nonemergency medical transportation must:

140.13 (1) adhere to the policies defined by the commissioner;

140.14 (2) pay nonemergency medical transportation providers for services provided to
140.15 Minnesota health care programs beneficiaries to obtain covered medical services;

140.16 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled
140.17 trips, and number of trips by mode; and

140.18 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single
140.19 administrative structure assessment tool that meets the technical requirements established
140.20 by the commissioner, reconciles trip information with claims being submitted by providers,
140.21 and ensures prompt payment for nonemergency medical transportation services.

140.22 (g) Until the commissioner implements the single administrative structure and delivery
140.23 system under subdivision 18e, clients shall obtain their level-of-service certificate from the
140.24 commissioner or an entity approved by the commissioner that does not dispatch rides for
140.25 clients using modes of transportation under paragraph (l), clauses (4), (5), (6), and (7).

140.26 (h) The commissioner may use an order by the recipient's attending physician, advanced
140.27 practice registered nurse, physician assistant, or a medical or mental health professional to
140.28 certify that the recipient requires nonemergency medical transportation services.

140.29 Nonemergency medical transportation providers shall perform driver-assisted services for
140.30 eligible individuals, when appropriate. Driver-assisted service includes passenger pickup
140.31 at and return to the individual's residence or place of business, assistance with admittance

141.1 of the individual to the medical facility, and assistance in passenger securement or in securing
141.2 of wheelchairs, child seats, or stretchers in the vehicle.

141.3 (i) Nonemergency medical transportation providers must take clients to the health care
141.4 provider using the most direct route, and must not exceed 30 miles for a trip to a primary
141.5 care provider or 60 miles for a trip to a specialty care provider, unless the client receives
141.6 authorization from the local agency.

141.7 (j) Nonemergency medical transportation providers may not bill for separate base rates
141.8 for the continuation of a trip beyond the original destination. Nonemergency medical
141.9 transportation providers must maintain trip logs, which include pickup and drop-off times,
141.10 signed by the medical provider or client, whichever is deemed most appropriate, attesting
141.11 to mileage traveled to obtain covered medical services. Clients requesting client mileage
141.12 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical
141.13 services.

141.14 (k) The administrative agency shall use the level of service process established by the
141.15 commissioner to determine the client's most appropriate mode of transportation. If public
141.16 transit or a certified transportation provider is not available to provide the appropriate service
141.17 mode for the client, the client may receive a onetime service upgrade.

141.18 (l) The covered modes of transportation are:

141.19 (1) client reimbursement, which includes client mileage reimbursement provided to
141.20 clients who have their own transportation, or to family or an acquaintance who provides
141.21 transportation to the client;

141.22 (2) volunteer transport, which includes transportation by volunteers using their own
141.23 vehicle;

141.24 (3) unassisted transport, which includes transportation provided to a client by a taxicab
141.25 or public transit. If a taxicab or public transit is not available, the client can receive
141.26 transportation from another nonemergency medical transportation provider;

141.27 (4) assisted transport, which includes transport provided to clients who require assistance
141.28 by a nonemergency medical transportation provider;

141.29 (5) lift-equipped/ramp transport, which includes transport provided to a client who is
141.30 dependent on a device and requires a nonemergency medical transportation provider with
141.31 a vehicle containing a lift or ramp;

141.32 (6) protected transport, which includes transport provided to a client who has received
141.33 a prescreening that has deemed other forms of transportation inappropriate and who requires

142.1 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety
142.2 locks, a video recorder, and a transparent thermoplastic partition between the passenger and
142.3 the vehicle driver; and (ii) who is certified as a protected transport provider; and

142.4 (7) stretcher transport, which includes transport for a client in a prone or supine position
142.5 and requires a nonemergency medical transportation provider with a vehicle that can transport
142.6 a client in a prone or supine position.

142.7 (m) The local agency shall be the single administrative agency and shall administer and
142.8 reimburse for modes defined in paragraph (l) according to paragraphs (p) and (q) when the
142.9 commissioner has developed, made available, and funded the web-based single administrative
142.10 structure, assessment tool, and level of need assessment under subdivision 18e. The local
142.11 agency's financial obligation is limited to funds provided by the state or federal government.

142.12 (n) The commissioner shall:

142.13 (1) verify that the mode and use of nonemergency medical transportation is appropriate;

142.14 (2) verify that the client is going to an approved medical appointment; and

142.15 (3) investigate all complaints and appeals.

142.16 (o) The administrative agency shall pay for the services provided in this subdivision and
142.17 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,
142.18 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary
142.19 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

142.20 (p) Payments for nonemergency medical transportation must be paid based on the client's
142.21 assessed mode under paragraph (k), not the type of vehicle used to provide the service. The
142.22 medical assistance reimbursement rates for nonemergency medical transportation services
142.23 that are payable by or on behalf of the commissioner for nonemergency medical
142.24 transportation services are:

142.25 (1) \$0.22 per mile for client reimbursement;

142.26 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer
142.27 transport;

142.28 (3) equivalent to the standard fare for unassisted transport when provided by public
142.29 transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency
142.30 medical transportation provider;

142.31 (4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;

142.32 (5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;

143.1 (6) \$75 for the base rate for the first 100 miles and an additional \$75 for trips over 100
143.2 miles and \$2.40 per mile for protected transport; and

143.3 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for
143.4 an additional attendant if deemed medically necessary.

143.5 (q) The base rate for nonemergency medical transportation services in areas defined
143.6 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in
143.7 paragraph (p), clauses (1) to (7). The mileage rate for nonemergency medical transportation
143.8 services in areas defined under RUCA to be rural or super rural areas is:

143.9 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage
143.10 rate in paragraph (p), clauses (1) to (7); and

143.11 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage
143.12 rate in paragraph (p), clauses (1) to (7).

143.13 (r) For purposes of reimbursement rates for nonemergency medical transportation services
143.14 under paragraphs (p) and (q), the zip code of the recipient's place of residence shall determine
143.15 whether the urban, rural, or super rural reimbursement rate applies.

143.16 (s) The commissioner, when determining reimbursement rates for nonemergency medical
143.17 transportation under paragraphs (p) and (q), shall exempt all modes of transportation listed
143.18 under paragraph (l) from Minnesota Rules, part 9505.0445, item R, subitem (2).

143.19 (t) Effective for the first day of each calendar quarter in which the price of gasoline as
143.20 posted publicly by the United States Energy Information Administration exceeds \$3.00 per
143.21 gallon, the commissioner shall adjust the rate paid per mile in paragraph (p) by one percent
143.22 up or down for every increase or decrease of ten cents for the price of gasoline. The increase
143.23 or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase
143.24 or decrease must be calculated using the average of the most recently available price of all
143.25 grades of gasoline for Minnesota as posted publicly by the United States Energy Information
143.26 Administration.

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

144.1 **ARTICLE 6**

144.2 **DIRECT CARE AND TREATMENT**

144.3 Section 1. **[246.0142] FREE COMMUNICATION SERVICES FOR PATIENTS AND**
144.4 **CLIENTS.**

144.5 Subdivision 1. **Free communication services.** The commissioner of human services
144.6 and the Direct Care and Treatment executive board and all facilities, settings, and programs
144.7 owned, operated, or under the programmatic or fiscal control of the commissioner of human
144.8 services or the Direct Care and Treatment executive board are subject to section 241.252.
144.9 The commissioner and executive board must not include the cost of voice or other
144.10 communication services in the cost of care as defined under section 246.50 or 246B.01.

144.11 Subd. 2. **Communication service restrictions.** Notwithstanding section 241.252,
144.12 subdivisions 2 and 4, nothing in this section entitles a civilly committed person to
144.13 communication services restricted or limited under section 253B.03, subdivision 3, or
144.14 253D.19.

144.15 Sec. 2. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

144.16 Subdivision 1. **Commitment and competency proceedings.** In cases of voluntary
144.17 admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient
144.18 examination or participation in a competency attainment program under chapter 611, the
144.19 committing county or the county from which the first criminal order for inpatient examination
144.20 or order for participation in a competency attainment program under chapter 611 is issued
144.21 shall initially pay for all costs. This includes the expenses of the taking into custody,
144.22 confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07,
144.23 examination, commitment, conveyance to the place of detention, rehearing, and hearings
144.24 under ~~section~~ sections 253B.092 and 611.47, including hearings held under ~~that section~~
144.25 ~~which~~ those sections that are venued outside the county of commitment or the county of
144.26 the chapter 611 competency proceedings order.

144.27 Sec. 3. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

144.28 Subd. 2. **Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted
144.29 to a state institution, or ordered for inpatient examination or participation in a competency
144.30 attainment program under chapter 611 has no residence in this state, financial responsibility
144.31 belongs to the county of commitment or the county from which the first criminal order for
144.32 inpatient examination or order for participation in a competency attainment program under
144.33 chapter 611 was issued.

145.1 Sec. 4. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

145.2 Subdivision 1. **General procedures.** If upon investigation the local agency decides that
145.3 the application, ~~or~~ commitment, or first criminal order under chapter 611 was not filed in
145.4 the county of financial responsibility as defined by this chapter, but that the applicant is
145.5 otherwise eligible for assistance, it shall send a copy of the application, ~~or~~ commitment
145.6 claim, or chapter 611 claim together with the record of any investigation it has made, to the
145.7 county it believes is financially responsible. The copy and record must be sent within 60
145.8 days of the date the application was approved or the claim was paid. The first local agency
145.9 shall provide assistance to the applicant until financial responsibility is transferred under
145.10 this section.

145.11 The county receiving the transmittal has 30 days to accept or reject financial
145.12 responsibility. A failure to respond within 30 days establishes financial responsibility by
145.13 the receiving county.

145.14 Sec. 5. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

145.15 Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe
145.16 it is financially responsible, it should provide to the commissioner of human services and
145.17 the initially responsible county a statement of all facts and documents necessary for the
145.18 commissioner to make the requested determination of financial responsibility. The submission
145.19 must clearly state the program area in dispute and must state the specific basis upon which
145.20 the submitting county is denying financial responsibility.

145.21 (b) The initially responsible county then has 15 calendar days to submit its position and
145.22 any supporting evidence to the commissioner. The absence of a submission by the initially
145.23 responsible county does not limit the right of the commissioner of human services or Direct
145.24 Care and Treatment executive board to issue a binding opinion based on the evidence actually
145.25 submitted.

145.26 (c) A case must not be submitted until the local agency taking the application, ~~or~~ making
145.27 the commitment, or residing in the county from which the first criminal order under chapter
145.28 611 was issued has made an initial determination about eligibility and financial responsibility,
145.29 and services have been initiated. This paragraph does not prohibit the submission of closed
145.30 cases that otherwise meet the applicable statute of limitations.

146.1 Sec. 6. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to
146.2 read:

146.3 Subd. 5. **Costs related to confined treatment.** (a) When a defendant is ordered to
146.4 participate in an examination in a treatment facility, a locked treatment facility, or a
146.5 state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill
146.6 the responsible health plan first. The county in which the criminal charges are filed is
146.7 responsible to pay any charges not covered by the health plan, including co-pays and
146.8 deductibles. If the defendant has health plan coverage and is confined in a hospital, but the
146.9 hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1);
146.10 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal
146.11 charges are filed is responsible for payment.

146.12 (b) The Direct Care and Treatment executive board shall determine the cost of
146.13 confinement in a state-operated treatment facility based on the executive board's
146.14 determination of cost of care pursuant to section 246.50, subdivision 5.

146.15 Sec. 7. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

146.16 Subdivision 1. **Order to competency attainment program.** (a) If the court finds the
146.17 defendant incompetent and the charges have not been dismissed, the court shall order the
146.18 defendant to participate in a program to assist the defendant in attaining competency. The
146.19 court may order participation in a competency attainment program provided outside of a
146.20 jail, a jail-based competency attainment program, or an alternative program. The court must
146.21 determine the least-restrictive program appropriate to meet the defendant's needs and public
146.22 safety. In making this determination, the court must consult with the forensic navigator and
146.23 consider any recommendations of the court examiner. The court shall not order a defendant
146.24 to participate in a jail-based program or a state-operated treatment program if the highest
146.25 criminal charge is a targeted misdemeanor.

146.26 (b) If the court orders the defendant to a locked treatment facility or jail-based program,
146.27 the court must calculate the defendant's custody credit and cannot order the defendant to a
146.28 locked treatment facility or jail-based program for a period that would cause the defendant's
146.29 custody credit to exceed the maximum sentence for the underlying charge.

146.30 (c) The court may only order the defendant to participate in competency attainment at
146.31 an inpatient or residential treatment program under this section if the head of the treatment
146.32 program determines that admission to the program is clinically appropriate and consents to
146.33 the defendant's admission. The court may only order the defendant to participate in
146.34 competency attainment at a state-operated treatment facility under this section if the Direct

147.1 Care and Treatment executive board or a designee determines that admission of the defendant
147.2 is clinically appropriate and consents to the defendant's admission. The court may require
147.3 a competency program that qualifies as a locked facility or a state-operated treatment program
147.4 to notify the court in writing of the basis for refusing consent for admission of the defendant
147.5 in order to ensure transparency and maintain an accurate record. The court may not require
147.6 personal appearance of any representative of a competency program. The court shall send
147.7 a written request for notification to the locked facility or state-operated treatment program
147.8 and the locked facility or state-operated treatment program shall provide a written response
147.9 to the court within ten days of receipt of the court's request.

147.10 (d) If the defendant is confined in jail and has not received competency attainment
147.11 services within 30 days of the finding of incompetency, the court shall review the case with
147.12 input from the prosecutor and defense counsel and may:

147.13 (1) order the defendant to participate in an appropriate competency attainment program
147.14 that takes place outside of a jail;

147.15 (2) order a conditional release of the defendant with conditions that include but are not
147.16 limited to a requirement that the defendant participate in a competency attainment program
147.17 when one becomes available and accessible;

147.18 (3) make a determination as to whether the defendant is likely to attain competency in
147.19 the reasonably foreseeable future and proceed under section 611.49; or

147.20 (4) upon a motion, dismiss the charges in the interest of justice.

147.21 (e) The court may order any hospital, treatment facility, or correctional facility that has
147.22 provided care or supervision to a defendant in the previous two years to provide copies of
147.23 the defendant's medical records to the competency attainment program or alternative program
147.24 in which the defendant was ordered to participate. This information shall be provided in a
147.25 consistent and timely manner and pursuant to all applicable laws.

147.26 (f) If at any time the defendant refuses to participate in a competency attainment program
147.27 or an alternative program, the head of the program shall notify the court and any entity
147.28 responsible for supervision of the defendant.

147.29 (g) At any time, the head of the program may discharge the defendant from the program
147.30 or facility. The head of the program must notify the court, prosecutor, defense counsel, and
147.31 any entity responsible for the supervision of the defendant prior to any planned discharge.
147.32 Absent emergency circumstances, this notification shall be made five days prior to the
147.33 discharge if the defendant is not being discharged to jail or a correctional facility. Upon the

148.1 receipt of notification of discharge or upon the request of either party in response to
148.2 notification of discharge, the court may order that a defendant who is subject to bail or
148.3 unmet conditions of release be returned to jail upon being discharged from the program or
148.4 facility. If the court orders a defendant returned to jail, the court shall notify the parties and
148.5 head of the program at least one day before the defendant's planned discharge, except in
148.6 the event of an emergency discharge where one day notice is not possible. The court must
148.7 hold a review hearing within seven days of the defendant's return to jail. The forensic
148.8 navigator must be given notice of the hearing and be allowed to participate.

148.9 (h) If the defendant is discharged from the program or facility under emergency
148.10 circumstances, notification of emergency discharge shall include a description of the
148.11 emergency circumstances and may include a request for emergency transportation. The
148.12 court shall make a determination on a request for emergency transportation within 24 hours.
148.13 Nothing in this section prohibits a law enforcement agency from transporting a defendant
148.14 pursuant to any other authority.

148.15 (i) If the defendant is ordered to participate in an inpatient or residential competency
148.16 attainment or alternative program, the program or facility must notify the court, prosecutor,
148.17 defense counsel, forensic navigator, and any entity responsible for the supervision of the
148.18 defendant if the defendant is placed on a leave or elopement status from the program and
148.19 if the defendant returns to the program from a leave or elopement status.

148.20 (j) Defense counsel, prosecutors, and forensic navigators must have access to information
148.21 relevant to a defendant's participation and treatment in a competency attainment program
148.22 or alternative program, including but not limited to discharge planning.

148.23 Sec. 8. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to
148.24 read:

148.25 Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created,
148.26 or maintained by a competency attainment program or an alternative program regarding a
148.27 defendant in order for navigators to carry out their duties under this section. A competency
148.28 attainment program or alternative program may request a copy of the court order appointing
148.29 the forensic navigator before disclosing any private information about a defendant.

ARTICLE 7

DEPARTMENT OF DIRECT CARE AND TREATMENT ESTABLISHMENT

Section 1. Minnesota Statutes 2024, section 10.65, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "agency" means the Department of Administration; Department of Agriculture; Department of Children, Youth, and Families; Department of Commerce; Department of Corrections; Department of Direct Care and Treatment; Department of Education; Department of Employment and Economic Development; Department of Health; Office of Higher Education; Housing Finance Agency; Department of Human Rights; Department of Human Services; Department of Information Technology Services; Department of Iron Range Resources and Rehabilitation; Department of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services; Department of Military Affairs; Metropolitan Council; Department of Natural Resources; Pollution Control Agency; Department of Public Safety; Department of Revenue; Department of Transportation; Department of Veterans Affairs; ~~Direct Care and Treatment~~; Gambling Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; the Public Utilities Commission; and the Board of Water and Soil Resources;

(2) "consultation" means the direct and interactive involvement of the Minnesota Tribal governments in the development of policy on matters that have Tribal implications. Consultation is the proactive, affirmative process of identifying and seeking input from appropriate Tribal governments and considering their interest as a necessary and integral part of the decision-making process. This definition adds to statutorily mandated notification procedures. During a consultation, the burden is on the agency to show that it has made a good faith effort to elicit feedback. Consultation is a formal engagement between agency officials and the governing body or bodies of an individual Minnesota Tribal government that the agency or an individual Tribal government may initiate. Formal meetings or communication between top agency officials and the governing body of a Minnesota Tribal government is a necessary element of consultation;

(3) "matters that have Tribal implications" means rules, legislative proposals, policy statements, or other actions that have substantial direct effects on one or more Minnesota Tribal governments, or on the distribution of power and responsibilities between the state and Minnesota Tribal governments;

(4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community; and Upper Sioux Community; and

(5) "timely and meaningful" means done or occurring at a favorable or useful time that allows the result of consultation to be included in the agency's decision-making process for a matter that has Tribal implications.

Sec. 2. Minnesota Statutes 2024, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Children, Youth, and Families; the Department of Commerce; the Department of Corrections; the Department of Direct Care and Treatment; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Human Services; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

Sec. 3. Minnesota Statutes 2024, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration; Agriculture; Children, Youth, and Families; Commerce; Corrections; Direct Care and Treatment; Education; Employment and Economic Development; Health; Human Rights; Human Services; Iron Range Resources and Rehabilitation; Labor and Industry; Management and Budget; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

151.1 Sec. 4. Minnesota Statutes 2024, section 43A.241, is amended to read:

151.2 **43A.241 INSURANCE CONTRIBUTIONS; FORMER EMPLOYEES.**

151.3 (a) This section applies to a person who:

151.4 (1) was employed by the commissioner of corrections, the commissioner of human
151.5 services, or the commissioner of direct care and treatment ~~executive board~~;

151.6 (2) was covered by the correctional employee retirement plan under section 352.91 or
151.7 the general state employees retirement plan of the Minnesota State Retirement System as
151.8 defined in section 352.021;

151.9 (3) while employed under clause (1), was assaulted by:

151.10 (i) a person under correctional supervision for a criminal offense; or

151.11 (ii) a client or patient at the Minnesota Sex Offender Program, or at a state-operated
151.12 forensic services program as defined in section 352.91, subdivision 3j; and

151.13 (4) as a direct result of the assault under clause (3), was determined to be totally and
151.14 permanently physically disabled under laws governing the Minnesota State Retirement
151.15 System.

151.16 (b) For a person to whom this section applies, the commissioner of corrections, the
151.17 commissioner of human services, or the commissioner of direct care and treatment ~~executive~~
151.18 ~~board~~, using existing budget resources, must continue to make the employer contribution
151.19 for medical and dental benefits under the State Employee Group Insurance Program after
151.20 the person terminates state service. If the person had dependent coverage at the time of
151.21 terminating state service, employer contributions for dependent coverage also must continue
151.22 under this section. The employer contributions must be in the amount of the employer
151.23 contribution for active state employees at the time each payment is made. The employer
151.24 contributions must continue until the person reaches age 65, provided the person makes the
151.25 required employee contributions, in the amount required of an active state employee, at the
151.26 time and in the manner specified by the commissioner ~~or executive board~~.

151.27 Sec. 5. Minnesota Statutes 2024, section 246C.01, is amended to read:

151.28 **246C.01 TITLE.**

151.29 This chapter may be cited as the "Department of Direct Care and Treatment Act."

152.1 Sec. 6. Minnesota Statutes 2024, section 246C.015, subdivision 3, is amended to read:

152.2 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of ~~human services~~
152.3 direct care and treatment.

152.4 Sec. 7. Minnesota Statutes 2024, section 246C.015, is amended by adding a subdivision
152.5 to read:

152.6 Subd. 5b. **Department.** "Department" means the Department of Direct Care and
152.7 Treatment.

152.8 Sec. 8. Minnesota Statutes 2024, section 246C.02, subdivision 1, is amended to read:

152.9 Subdivision 1. **Establishment.** The Department of Direct Care and Treatment is created
152.10 as an agency headed by an executive board established.

152.11 Sec. 9. Minnesota Statutes 2024, section 246C.04, subdivision 2, is amended to read:

152.12 Subd. 2. **Transfer of custody of civilly committed persons.** The commissioner of
152.13 human services shall continue to exercise all authority and responsibility for and retain
152.14 custody of persons subject to civil commitment under chapter 253B or 253D until July 1,
152.15 2025. Effective July 1, 2025, custody of persons subject to civil commitment under chapter
152.16 253B or 253D and in the custody of the commissioner of human services as of that date is
152.17 hereby transferred to the ~~executive board~~ commissioner without any further act or proceeding.
152.18 Authority and responsibility for the commitment of such persons is transferred to the
152.19 ~~executive board~~ commissioner July 1, 2025.

152.20 Sec. 10. Minnesota Statutes 2024, section 246C.04, subdivision 3, is amended to read:

152.21 Subd. 3. **Control of direct care and treatment.** The commissioner of human services
152.22 shall continue to exercise all authorities and responsibilities under this chapter and chapters
152.23 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, with reference to
152.24 any state-operated service, program, or facility subject to transfer under Laws 2024, chapter
152.25 79; Laws 2024, chapter 125, article 5; and Laws 2024, chapter 127, article 50, until July 1,
152.26 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the
152.27 commissioner of human services with reference to any state-operated service, program, or
152.28 facility are hereby transferred to, vested in, and imposed upon the ~~executive board~~
152.29 commissioner according to this chapter and applicable state law. Effective July 1, 2025, the
152.30 ~~executive board~~ commissioner has the exclusive power of administration and management
152.31 of all state hospitals for persons with a developmental disability, mental illness, or substance

153.1 use disorder. Effective July 1, 2025, the ~~executive board~~ commissioner has the power and
153.2 authority to determine all matters relating to the development of all of the foregoing
153.3 institutions and of such other institutions vested in the ~~executive board~~ commissioner.
153.4 Effective July 1, 2025, the powers, functions, and authority vested in the commissioner of
153.5 human services relative to such state institutions are transferred to the ~~executive board~~
153.6 commissioner according to this chapter and applicable state law.

153.7 Sec. 11. Minnesota Statutes 2024, section 246C.07, subdivision 1, is amended to read:

153.8 Subdivision 1. **Generally.** (a) The ~~executive board~~ commissioner must operate the
153.9 ~~agency department~~ according to this chapter and applicable state and federal law. The overall
153.10 management and control of the ~~agency department~~ is vested in the ~~executive board~~
153.11 commissioner in accordance with this chapter.

153.12 (b) The ~~executive board~~ commissioner must appoint a chief executive officer according
153.13 to section 246C.08. The chief executive officer is responsible for the administrative and
153.14 operational duties of the Department of Direct Care and Treatment in accordance with this
153.15 chapter and serves as the deputy commissioner for the purposes of section 15.06 and as
153.16 deputy agency head for the purposes of section 43A.08.

153.17 (c) The ~~executive board~~ commissioner may delegate duties imposed by this chapter and
153.18 under applicable state and federal law as deemed appropriate by the ~~board~~ commissioner
153.19 and in accordance with this chapter. Any delegation of a specified statutory duty or power
153.20 to an employee of the Department of Direct Care and Treatment other than the chief executive
153.21 officer must be made by written order and filed with the secretary of state. Only the chief
153.22 executive officer shall have the powers and duties of the ~~executive board~~ commissioner as
153.23 specified in section 246C.08.

153.24 Sec. 12. Minnesota Statutes 2024, section 246C.07, subdivision 2, is amended to read:

153.25 Subd. 2. **Principles.** The ~~executive board~~ commissioner, in undertaking ~~its~~ the
153.26 commissioner's duties and responsibilities and within the Department of Direct Care and
153.27 Treatment resources, shall act according to the following principles:

153.28 (1) prevent the waste or unnecessary spending of public money;

153.29 (2) use innovative fiscal and human resource practices to manage the state's resources
153.30 and operate the ~~agency department~~ as efficiently as possible;

153.31 (3) coordinate Department of Direct Care and Treatment activities wherever appropriate
153.32 with the activities of other governmental agencies;

154.1 (4) use technology where appropriate to increase ~~agency~~ department productivity, improve
154.2 customer service, increase public access to information about government, and increase
154.3 public participation in the business of government; and

154.4 (5) utilize constructive and cooperative labor management practices to the extent
154.5 otherwise required by chapter 43A or 179A.

154.6 Sec. 13. Minnesota Statutes 2024, section 246C.07, subdivision 8, is amended to read:

154.7 Subd. 8. **Biennial estimates; suggestions for legislation.** The ~~executive board~~
154.8 commissioner shall prepare, for the use of the legislature, biennial estimates of appropriations
154.9 necessary or expedient to be made for the support of the institutions and for extraordinary
154.10 and special expenditures for buildings and other improvements. The ~~executive board~~
154.11 commissioner shall make suggestions relative to legislation for the benefit of the institutions.
154.12 The ~~executive board~~ commissioner shall report the estimates and suggestions to the legislature
154.13 on or before November 15 in each even-numbered year. ~~A designee of the executive board~~
154.14 The commissioner on request shall appear before any legislative committee and furnish any
154.15 required information in regard to the condition of any such institution.

154.16 Sec. 14. **[246C.075] ADVISORY COUNCIL ON DIRECT CARE AND TREATMENT.**

154.17 Subdivision 1. Establishment. An Advisory Council on Direct Care and Treatment is
154.18 established.

154.19 Subd. 2. Membership. (a) The Advisory Council on Direct Care and Treatment must
154.20 consist of no more than 15 members appointed as provided in section 15.0597. The advisory
154.21 council must include:

154.22 (1) one member who is a licensed physician with experience serving behavioral health
154.23 patients or a licensed psychiatrist, appointed by the commissioner;

154.24 (2) two members with executive management experience at a hospital or health care
154.25 system, or experience serving on the board of a hospital or health care system, appointed
154.26 by the commissioner;

154.27 (3) three members, each appointed by the commissioner, who have experience working:

154.28 (i) in the delivery of behavioral health services;

154.29 (ii) in care coordination;

154.30 (iii) in traditional healing practices;

154.31 (iv) as a licensed health care professional;

- 155.1 (v) within health care administration; or
- 155.2 (vi) with residential services;
- 155.3 (4) one member appointed by the Association of Counties;
- 155.4 (5) one member who has an active role as a union representative representing staff at
- 155.5 the Department of Direct Care and Treatment appointed by joint representatives of the
- 155.6 following unions: American Federation of State, County, and Municipal Employees
- 155.7 (AFSCME); Minnesota Association of Professional Employees (MAPE); Minnesota Nurses
- 155.8 Association (MNA); Middle Management Association (MMA); and State Residential
- 155.9 Schools Education Association (SRSEA);
- 155.10 (6) one member appointed by the National Alliance on Mental Illness Minnesota;
- 155.11 (7) two members representing people with lived experience being served by state-operated
- 155.12 treatment programs or their families, appointed by the commissioner;
- 155.13 (8) one member appointed by the Minnesota Disability Law Center; and
- 155.14 (9) up to three additional members appointed by the commissioner reflecting community
- 155.15 interests or perspectives the commissioner deems valuable.
- 155.16 (b) Membership on the advisory council must include representation from outside the
- 155.17 seven-county metropolitan area, as defined in section 473.121, subdivision 2.
- 155.18 (c) Appointing authorities under paragraph (a) must make initial appointments by
- 155.19 September 1, 2025.
- 155.20 **Subd. 3. Terms; compensation; removal; vacancies; expiration.** (a) The membership
- 155.21 terms, compensation, removal of members, and filling of vacancies of members are as
- 155.22 provided in section 15.059, except that council members shall not receive a per diem.
- 155.23 (b) The advisory council does not expire.
- 155.24 **Subd. 4. Meetings.** (a) The members of the advisory council shall elect a chair from
- 155.25 among their membership at the first meeting and annually thereafter or upon a vacancy in
- 155.26 the chair. The advisory council shall meet at the call of the commissioner, the call of the
- 155.27 chair, or upon the call of a majority of members.
- 155.28 (b) The first meeting of the advisory council must be held no later than September 15,
- 155.29 2025.
- 155.30 **Subd. 5. Duties.** The advisory council shall advise the commissioner regarding the
- 155.31 operations of the Department of Direct Care and Treatment, the clinical standards of care

156.1 for patients and clients of state-operated programs, and provide recommendations to the
156.2 commissioner for improving the department's role in the state's mental health care system.

156.3 Sec. 15. Minnesota Statutes 2024, section 246C.08, is amended to read:

156.4 **246C.08 CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.**

156.5 Subdivision 1. **Service.** (a) The direct care and treatment chief executive officer is
156.6 appointed by the ~~executive board, in consultation with the governor, and serves at the~~
156.7 ~~pleasure of the executive board, with the advice and consent of the senate~~ commissioner,
156.8 and is the deputy commissioner for the purposes of section 15.06.

156.9 (b) The chief executive officer shall serve in the unclassified service in accordance with
156.10 section 43A.08. The Compensation Council under section 15A.082 shall establish the salary
156.11 of the chief executive officer.

156.12 Subd. 2. **Powers and duties.** (a) The chief executive officer's primary duty is to assist
156.13 the ~~executive board~~ commissioner. The chief executive officer is responsible for the
156.14 administrative and operational management of the agency.

156.15 ~~(b) The chief executive officer shall have all the powers of the executive board unless~~
156.16 ~~the executive board directs otherwise. The chief executive officer shall have the authority~~
156.17 ~~to speak for the executive board and Direct Care and Treatment within and outside the~~
156.18 ~~agency.~~

156.19 ~~(e)~~ (b) In the event that a vacancy occurs for any reason within the chief executive officer
156.20 position, the executive medical director appointed under section 246C.09 shall immediately
156.21 become the temporary chief executive officer until the ~~executive board~~ commissioner
156.22 appoints a new chief executive officer. During this period, the executive medical director
156.23 shall have all the powers and authority delegated to the chief executive officer by the ~~board~~
156.24 commissioner and specified in this chapter.

156.25 Subd. 3. **Minimum qualifications.** The chief executive officer must be selected by the
156.26 commissioner without regard to political affiliation and must have wide and successful
156.27 administrative experience in and understanding of health care, preferably behavioral health
156.28 care, including clinical and operational needs of a large health care service and delivery
156.29 organization.

156.30 Sec. 16. Minnesota Statutes 2024, section 246C.09, subdivision 3, is amended to read:

156.31 Subd. 3. **Duties.** The executive medical director shall:

157.1 (1) oversee the clinical provision of inpatient mental health services provided in the
157.2 state's regional treatment centers;

157.3 (2) recruit and retain psychiatrists to serve on the ~~Direct Care and Treatment~~ department
157.4 medical staff established in subdivision 4;

157.5 (3) consult with the ~~executive board, the chief executive officer,~~ commissioner, the chief
157.6 executive officer, and community mental health center directors to develop standards for
157.7 treatment and care of patients in state-operated service programs;

157.8 (4) develop and oversee a continuing education program for members of the medical
157.9 staff; and

157.10 (5) participate and cooperate in the development and maintenance of a quality assurance
157.11 program for state-operated services that assures that residents receive continuous quality
157.12 inpatient, outpatient, and postdischarge care.

157.13 Sec. 17. Minnesota Statutes 2024, section 246C.091, subdivision 2, is amended to read:

157.14 Subd. 2. **Facilities management account.** A facilities management account is created
157.15 in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the
157.16 account is appropriated to the commissioner of direct care and treatment ~~executive board~~
157.17 and may be used to maintain buildings, acquire facilities, renovate existing buildings, or
157.18 acquire land for the design and construction of buildings for ~~Direct Care and Treatment~~
157.19 department use. Money received for maintaining state property under control of the ~~executive~~
157.20 ~~board~~ commissioner may be deposited into this account.

157.21 Sec. 18. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

157.22 Subd. 3. **Direct care and treatment systems account.** (a) The direct care and treatment
157.23 systems account is created in the special revenue fund of the state treasury. Beginning July
157.24 1, 2025, money in the account is appropriated to the commissioner of direct care and
157.25 ~~treatment executive board~~ and may be used for security systems and information technology
157.26 projects, services, and support under the control of the ~~executive board~~ commissioner.

157.27 (b) The commissioner of human services shall transfer all money allocated to the direct
157.28 care and treatment systems projects under section 256.014 to the direct care and treatment
157.29 systems account under this section by June 30, 2026.

158.1 Sec. 19. Minnesota Statutes 2024, section 246C.091, subdivision 4, is amended to read:

158.2 Subd. 4. **Cemetery maintenance account.** The cemetery maintenance account is created
158.3 in the special revenue fund of the state treasury. Money in the account is appropriated to
158.4 the ~~executive board~~ commissioner of direct care and treatment for the maintenance of
158.5 cemeteries under control of the ~~executive board~~ commissioner. Money allocated to ~~Direct~~
158.6 ~~Care and Treatment~~ department cemeteries may be transferred to this account.

158.7 Sec. 20. Laws 2024, chapter 127, article 50, section 41, subdivision 2, is amended to read:

158.8 Subd. 2. **Chief executive officer.** (a) The commissioner of direct care and treatment
158.9 ~~executive board~~ must appoint as the initial chief executive officer for direct care and treatment
158.10 under Minnesota Statutes, section ~~246C.07~~ 246C.08, the chief executive officer of the direct
158.11 care and treatment division of the Department of Human Services holding that position at
158.12 the time the initial appointment is made by the ~~board~~ commissioner. The initial appointment
158.13 of the chief executive officer must be made by the ~~executive board~~ commissioner by July
158.14 1, 2025. ~~The initial appointment of the chief executive officer is subject to confirmation by~~
158.15 ~~the senate.~~

158.16 (b) In its report issued April 1, 2025, the Compensation Council under Minnesota Statutes,
158.17 section 15A.082, must establish the salary of the chief executive officer at an amount equal
158.18 to or greater than the amount paid to the chief executive officer of the direct care and
158.19 treatment division of the Department of Human Services as of the date of initial appointment.
158.20 The salary of the chief executive officer shall become effective July 1, 2025, pursuant to
158.21 Minnesota Statutes, section 15A.082, subdivision 3. Notwithstanding Minnesota Statutes,
158.22 sections 15A.082 and 246C.08, subdivision 1, if the initial appointment of the chief executive
158.23 officer occurs prior to the effective date of the salary specified by the Compensation Council
158.24 in its April 1, 2025, report, the salary of the chief executive officer must equal the amount
158.25 paid to the chief executive officer of the direct care and treatment division of the Department
158.26 of Human Services as of the date of initial appointment.

158.27 Sec. 21. **INITIAL APPOINTMENT OF COMMISSIONER OF DIRECT CARE**
158.28 **AND TREATMENT.**

158.29 The initial appointment of a commissioner of direct care and treatment or initial
158.30 designation of a temporary commissioner of direct care and treatment by the governor under
158.31 Minnesota Statutes, section 15.06, must be made by July 1, 2025. Notwithstanding Minnesota
158.32 Statutes, section 15.066, subdivision 2, clause (4), the initial appointment of a commissioner

159.1 of direct care and treatment or initial designation of a temporary commissioner of direct
159.2 care and treatment is effective no earlier than July 1, 2025.

159.3 Sec. 22. **SALARY FOR THE COMMISSIONER OF THE DEPARTMENT OF**
159.4 **DIRECT CARE AND TREATMENT.**

159.5 If the initial appointment of the commissioner of the Department of Direct Care and
159.6 Treatment occurs prior to the commissioner's salary being determined by the Compensation
159.7 Council under Minnesota Statutes, section 15A.082, the commissioner's salary must equal
159.8 the salary of the chief executive officer of direct care and treatment, as determined under
159.9 Minnesota Statutes, section 15A.0815, subdivision 2.

159.10 **EFFECTIVE DATE.** This section is effective the day following final enactment and
159.11 expires upon adoption by the Compensation Council of a salary for the position of
159.12 commissioner of the Department of Direct Care and Treatment.

159.13 Sec. 23. **DISSOLUTION OF THE DIRECT CARE AND TREATMENT EXECUTIVE**
159.14 **BOARD.**

159.15 Subdivision 1. **Dissolution of executive board.** Upon the effective date of this section,
159.16 the direct care and treatment executive board under Minnesota Statutes, section 246C.06,
159.17 is dissolved.

159.18 Subd. 2. **Transfer of duties.** (a) Any authorities and responsibilities that were vested
159.19 in the executive board prior to July 1, 2025, are transferred to the commissioner of human
159.20 services. Minnesota Statutes, section 15.039, applies to the transfer of responsibilities from
159.21 the direct care and treatment executive board to the commissioner of human services between
159.22 the effective date of this section and July 1, 2025.

159.23 (b) Minnesota Statutes, section 246C.04, governs the transfer of authority and
159.24 responsibility on July 1, 2025, from the commissioner of human services to the commissioner
159.25 of direct care and treatment.

159.26 Sec. 24. **REVISOR INSTRUCTION.**

159.27 (a) The revisor of statutes shall change the term "Direct Care and Treatment" to "the
159.28 Department of Direct Care and Treatment" and "agency" to "department" wherever the
159.29 terms appear in respect to the governmental entity with programmatic direction and fiscal
159.30 control over state-operated services, programs, or facilities under Minnesota Statutes, chapter
159.31 246C. The revisor may make technical and other necessary changes to sentence structure
159.32 to preserve the meaning of the text.

(b) The revisor of statutes shall change the term "executive board" to "commissioner" and "Direct Care and Treatment executive board" to "commissioner of direct care and treatment" wherever the terms appear in respect to the head of the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities under Minnesota Statutes, chapter 246C. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Sec. 25. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with the House Research Department; the Office of Senate Counsel, Research and Fiscal Analysis; the Department of Human Services; and the Department of Direct Care and Treatment, shall make necessary cross-reference changes to conform with this act. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text. The revisor may alter the coding in this act to incorporate statutory changes made by other law in the 2025 regular legislative session.

Sec. 26. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 246C.06, subdivision 11, as Minnesota Statutes, section 246C.07, subdivision 4a, and correct all cross-references.

Sec. 27. **REPEALER.**

(a) Minnesota Statutes 2024, sections 246C.015, subdivisions 5a and 6; 246C.06, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 246C.07, subdivisions 4 and 5, are repealed.

(b) Laws 2024, chapter 79, article 1, section 20, is repealed.

(c) Laws 2024, chapter 125, article 5, sections 40; and 41; and Laws 2024, chapter 127, article 50, sections 40; and 41, subdivisions 1, and 3, are repealed retroactive to July 1, 2024.

Sec. 28. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

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ARTICLE 8

DEPARTMENT OF DIRECT CARE AND TREATMENT CONFORMING CHANGES

Section 1. Minnesota Statutes 2024, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Agency head salaries.** The salary for a position listed in this subdivision shall

be determined by the Compensation Council under section 15A.082. The commissioner of

management and budget must publish the salaries on the department's website. This

subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of children, youth, and families;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Commissioner of public safety;

Commissioner of revenue;

Commissioner of employment and economic development;

Commissioner of transportation;

Commissioner of veterans affairs;

- 162.1 Commissioner of direct care and treatment;
- 162.2 Executive director of the Gambling Control Board;
- 162.3 Executive director of the Minnesota State Lottery;
- 162.4 Executive director of the Office of Cannabis Management;
- 162.5 Commissioner of Iron Range resources and rehabilitation;
- 162.6 Commissioner, Bureau of Mediation Services;
- 162.7 Ombudsman for mental health and developmental disabilities;
- 162.8 Ombudsperson for corrections;
- 162.9 Chair, Metropolitan Council;
- 162.10 Chair, Metropolitan Airports Commission;
- 162.11 School trust lands director;
- 162.12 Executive director of pari-mutuel racing;
- 162.13 Commissioner, Public Utilities Commission;
- 162.14 ~~Chief Executive Officer, Direct Care and Treatment;~~ and
- 162.15 Director of the Office of Emergency Medical Services.

162.16 Sec. 2. Minnesota Statutes 2024, section 15A.082, subdivision 1, is amended to read:

162.17 Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year
162.18 to establish the compensation of constitutional officers and the heads of state and metropolitan
162.19 agencies identified in section 15A.0815; and to assist the legislature in establishing the
162.20 compensation of justices of the supreme court and judges of the court of appeals and district
162.21 court, ~~and to determine the daily compensation for voting members of the Direct Care and~~
162.22 ~~Treatment executive board.~~

162.23 Sec. 3. Minnesota Statutes 2024, section 15A.082, subdivision 3, is amended to read:

162.24 Subd. 3. **Submission of recommendations and determination.** (a) By April 1 in each
162.25 odd-numbered year, the Compensation Council shall submit to the speaker of the house and
162.26 the president of the senate salary recommendations for justices of the supreme court, and
162.27 judges of the court of appeals and district court. The recommended salaries take effect on
162.28 July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval
162.29 the council recommends thereafter, unless the legislature by law provides otherwise. The

163.1 salary recommendations take effect if an appropriation of money to pay the recommended
163.2 salaries is enacted after the recommendations are submitted and before their effective date.
163.3 Recommendations may be expressly modified or rejected.

163.4 (b) By April 1 in each odd-numbered year, the Compensation Council must prescribe
163.5 salaries for constitutional officers, and for the agency and metropolitan agency heads
163.6 identified in section 15A.0815. The prescribed salary for each office must take effect July
163.7 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval
163.8 the council determines thereafter, unless the legislature by law provides otherwise. An
163.9 appropriation by the legislature to fund the relevant office, branch, or agency of an amount
163.10 sufficient to pay the salaries prescribed by the council constitutes a prescription by law as
163.11 provided in the Minnesota Constitution, article V, sections 4 and 5.

163.12 ~~(c) By April 1 in each odd-numbered year, the Compensation Council must prescribe~~
163.13 ~~daily compensation for voting members of the Direct Care and Treatment executive board.~~
163.14 ~~The recommended daily compensation takes effect on July 1 of that year and July 1 of the~~
163.15 ~~subsequent even-numbered year and at whatever interval the council recommends thereafter,~~
163.16 ~~unless the legislature by law provides otherwise.~~

163.17 Sec. 4. Minnesota Statutes 2024, section 15A.082, subdivision 7, is amended to read:

163.18 Subd. 7. **No ex parte communications.** Members may not have any communication
163.19 with a constitutional officer, a head of a state agency, or a member of the judiciary, ~~or a~~
163.20 ~~member of the Direct Care and Treatment executive board~~ during the period after the first
163.21 meeting is convened under this section and the date the prescribed and recommended salaries
163.22 ~~and daily compensation~~ are submitted under subdivision 3.

163.23 Sec. 5. Minnesota Statutes 2024, section 43A.08, subdivision 1, is amended to read:

163.24 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees
163.25 who are:

163.26 (1) chosen by election or appointed to fill an elective office;

163.27 (2) heads of agencies required by law to be appointed by the governor or other elective
163.28 officers, and the executive or administrative heads of departments, bureaus, divisions, and
163.29 institutions specifically established by law in the unclassified service;

163.30 (3) deputy and assistant agency heads and one confidential secretary in the agencies
163.31 listed in subdivision 1a;

164.1 (4) the confidential secretary to each of the elective officers of this state and, for the
164.2 secretary of state and state auditor, an additional deputy, clerk, or employee;

164.3 (5) intermittent help employed by the commissioner of public safety to assist in the
164.4 issuance of vehicle licenses;

164.5 (6) employees in the offices of the governor and of the lieutenant governor and one
164.6 confidential employee for the governor in the Office of the Adjutant General;

164.7 (7) employees of the Washington, D.C., office of the state of Minnesota;

164.8 (8) employees of the legislature and of legislative committees or commissions; provided
164.9 that employees of the Legislative Audit Commission, except for the legislative auditor, the
164.10 deputy legislative auditors, and their confidential secretaries, shall be employees in the
164.11 classified service;

164.12 (9) presidents, vice-presidents, deans, other managers and professionals in academic
164.13 and academic support programs, administrative or service faculty, teachers, research
164.14 assistants, and student employees eligible under terms of the federal Economic Opportunity
164.15 Act work study program in the Perpich Center for Arts Education and the Minnesota State
164.16 Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any
164.17 professional or managerial employee performing duties in connection with the business
164.18 administration of these institutions;

164.19 (10) officers and enlisted persons in the National Guard;

164.20 (11) attorneys, legal assistants, and three confidential employees appointed by the attorney
164.21 general or employed with the attorney general's authorization;

164.22 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and
164.23 notaries public, except referees and adjusters employed by the Department of Labor and
164.24 Industry;

164.25 (13) members of the State Patrol; provided that selection and appointment of State Patrol
164.26 troopers must be made in accordance with applicable laws governing the classified service;

164.27 (14) examination monitors and intermittent training instructors employed by the
164.28 Departments of Management and Budget and Commerce and by professional examining
164.29 boards and intermittent staff employed by the technical colleges for the administration of
164.30 practical skills tests and for the staging of instructional demonstrations;

164.31 (15) student workers;

165.1 (16) executive directors or executive secretaries appointed by and reporting to any
165.2 policy-making board or commission established by statute;

165.3 (17) employees unclassified pursuant to other statutory authority;

165.4 (18) intermittent help employed by the commissioner of agriculture to perform duties
165.5 relating to pesticides, fertilizer, and seed regulation;

165.6 (19) the administrators and the deputy administrators at the State Academies for the
165.7 Deaf and the Blind; and

165.8 (20) the chief executive officer of Direct Care and Treatment who serves as the deputy
165.9 agency head.

165.10 Sec. 6. Minnesota Statutes 2024, section 43A.08, subdivision 1a, is amended to read:

165.11 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
165.12 agencies may designate additional unclassified positions according to this subdivision: the
165.13 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
165.14 Corrections; Direct Care and Treatment; Education; Employment and Economic
165.15 Development; Explore Minnesota Tourism; Management and Budget; Health; Human
165.16 Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue;
165.17 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
165.18 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
165.19 Department of Information Technology Services; the Offices of the Attorney General,
165.20 Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the
165.21 Minnesota Office of Higher Education; the Perpich Center for Arts Education; ~~Direct Care~~
165.22 ~~and Treatment~~; the Minnesota Zoological Board; and the Office of Emergency Medical
165.23 Services.

165.24 A position designated by an appointing authority according to this subdivision must
165.25 meet the following standards and criteria:

165.26 (1) the designation of the position would not be contrary to other law relating specifically
165.27 to that agency;

165.28 (2) the person occupying the position would report directly to the agency head or deputy
165.29 agency head and would be designated as part of the agency head's management team;

165.30 (3) the duties of the position would involve significant discretion and substantial
165.31 involvement in the development, interpretation, and implementation of agency policy;

166.1 (4) the duties of the position would not require primarily personnel, accounting, or other
166.2 technical expertise where continuity in the position would be important;

166.3 (5) there would be a need for the person occupying the position to be accountable to,
166.4 loyal to, and compatible with, the governor and the agency head, the employing statutory
166.5 board or commission, or the employing constitutional officer;

166.6 (6) the position would be at the level of division or bureau director or assistant to the
166.7 agency head; and

166.8 (7) the commissioner has approved the designation as being consistent with the standards
166.9 and criteria in this subdivision.

166.10 Sec. 7. Minnesota Statutes 2024, section 245.021, is amended to read:

166.11 **245.021 DEFINITIONS DEFINITION.**

166.12 (a) For the purposes of this chapter, the ~~definitions~~ definition in this section ~~have~~ has
166.13 the ~~meanings~~ meaning given ~~them~~.

166.14 (b) "Commissioner" means the commissioner of human services.

166.15 ~~(c) "Executive board" has the meaning given in section 246C.015.~~

166.16 Sec. 8. Minnesota Statutes 2024, section 245.073, is amended to read:

166.17 **245.073 TECHNICAL TRAINING; COMMUNITY-BASED PROGRAMS.**

166.18 (a) In conjunction with the discharge of persons from regional treatment centers and
166.19 their admission to state-operated and privately operated community-based programs, the
166.20 commissioner may provide technical training assistance to the community-based programs.
166.21 The commissioner may apply for and accept money from any source including reimbursement
166.22 charges from the community-based programs for reasonable costs of training. Money
166.23 received must be deposited in the general fund and is appropriated annually to the
166.24 commissioner of human services for training under this section.

166.25 (b) The commissioner must coordinate with the ~~executive board~~ commissioner of direct
166.26 care and treatment or the commissioner's designee to provide technical training assistance
166.27 to community-based programs under this section and section 246C.11, subdivision 5.

167.1 Sec. 9. Minnesota Statutes 2024, section 246.13, subdivision 1, is amended to read:

167.2 Subdivision 1. **~~Executive board~~ Record responsibilities.** (a) The chief executive officer
167.3 or a designee shall have, accessible only by consent of the ~~executive board~~ commissioner
167.4 or on the order of a judge or court of record, a record showing:

167.5 (1) the residence, sex, age, nativity, occupation, civil condition, and date of entrance or
167.6 commitment of every person, in the state-operated services facilities as defined under section
167.7 246C.02 under exclusive control of the ~~executive board~~ commissioner;

167.8 (2) the date of discharge of any such person and whether such discharge was final;

167.9 (3) the condition of the person when the person left the state-operated services facility;

167.10 (4) the vulnerable adult abuse prevention associated with the person; and

167.11 (5) the date and cause of any death of such person.

167.12 (b) The record in paragraph (a) must state every transfer of a person from one
167.13 state-operated services facility to another, naming each state-operated services facility. The
167.14 head of each facility or a designee must provide this transfer information to the ~~executive~~
167.15 ~~board~~ commissioner, along with other obtainable facts as the ~~executive board~~ commissioner
167.16 requests.

167.17 (c) The head of the state-operated services facility or designee shall inform the ~~executive~~
167.18 ~~board~~ commissioner of any discharge, transfer, or death of a person in that facility within
167.19 ten days of the date of discharge, transfer, or death in a manner determined by the ~~executive~~
167.20 ~~board~~ commissioner.

167.21 (d) The ~~executive board~~ commissioner shall maintain an adequate system of records and
167.22 statistics for all basic record forms, including patient personal records and medical record
167.23 forms. The use and maintenance of such records must be consistent throughout all
167.24 state-operated services facilities.

167.25 Sec. 10. Minnesota Statutes 2024, section 246B.01, is amended by adding a subdivision
167.26 to read:

167.27 Subd. 2e. **Commissioner.** "Commissioner" means the commissioner of direct care and
167.28 treatment.

167.29 Sec. 11. Minnesota Statutes 2024, section 252.021, is amended by adding a subdivision
167.30 to read:

167.31 Subd. 4. **Commissioner.** "Commissioner" means the commissioner of human services.

168.1 Sec. 12. Minnesota Statutes 2024, section 252.50, subdivision 5, is amended to read:

168.2 Subd. 5. **Location of programs.** (a) In determining the location of state-operated,
168.3 community-based programs, the needs of the individual client shall be paramount. The
168.4 ~~executive board~~ commissioner of direct care and treatment shall also take into account:

168.5 (1) prioritization of beds in state-operated, community-based programs for individuals
168.6 with complex behavioral needs that cannot be met by private community-based providers;

168.7 (2) choices made by individuals who chose to move to a more integrated setting, and
168.8 shall coordinate with the lead agency to ensure that appropriate person-centered transition
168.9 plans are created;

168.10 (3) the personal preferences of the persons being served and their families as determined
168.11 by Minnesota Rules, parts 9525.0004 to 9525.0036;

168.12 (4) the location of the support services established by the individual service plans of the
168.13 persons being served;

168.14 (5) the appropriate grouping of the persons served;

168.15 (6) the availability of qualified staff;

168.16 (7) the need for state-operated, community-based programs in the geographical region
168.17 of the state; and

168.18 (8) a reasonable commuting distance from a regional treatment center or the residences
168.19 of the program staff.

168.20 (b) The ~~executive board~~ commissioner of direct care and treatment must locate
168.21 state-operated, community-based programs in coordination with the commissioner of human
168.22 services according to section 252.28.

168.23 Sec. 13. Minnesota Statutes 2024, section 253.195, is amended by adding a subdivision
168.24 to read:

168.25 Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of direct care and
168.26 treatment.

168.27 Sec. 14. Minnesota Statutes 2024, section 253B.02, is amended by adding a subdivision
168.28 to read:

168.29 Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of direct care and
168.30 treatment.

169.1 Sec. 15. Minnesota Statutes 2024, section 253B.02, subdivision 3, is amended to read:

169.2 Subd. 3. **Commissioner of human services.** "Commissioner of human services" means
169.3 the commissioner of human services or the commissioner's designee.

169.4 Sec. 16. Minnesota Statutes 2024, section 253B.02, subdivision 4c, is amended to read:

169.5 Subd. 4c. **County of financial responsibility.** (a) "County of financial responsibility"
169.6 has the meaning specified in chapter 256G. This definition does not require that the person
169.7 qualifies for or receives any other form of financial, medical, or social service assistance
169.8 in addition to the services under this chapter. Disputes about the county of financial
169.9 responsibility shall be submitted for determination to the ~~executive board~~ commissioner
169.10 through the commissioner of human services in the manner prescribed in section 256G.09.

169.11 (b) For purposes of proper venue for filing a petition pursuant to section 253B.064,
169.12 subdivision 1, paragraph (a); 253B.07, subdivision 1, paragraph (a); or 253D.07, where the
169.13 designated agency of a county has determined that it is the county of financial responsibility,
169.14 then that county is the county of financial responsibility until a different determination is
169.15 made by the appropriate county agencies or the commissioner of human services pursuant
169.16 to chapter 256G.

169.17 Sec. 17. Minnesota Statutes 2024, section 253B.03, subdivision 7, is amended to read:

169.18 Subd. 7. **Treatment plan.** A patient receiving services under this chapter has the right
169.19 to receive proper care and treatment, best adapted, according to contemporary professional
169.20 standards, to rendering further supervision unnecessary. The treatment facility, state-operated
169.21 treatment program, or community-based treatment program shall devise a written treatment
169.22 plan for each patient which describes in behavioral terms the case problems, the precise
169.23 goals, including the expected period of time for treatment, and the specific measures to be
169.24 employed. The development and review of treatment plans must be conducted as required
169.25 under the license or certification of the treatment facility, state-operated treatment program,
169.26 or community-based treatment program. If there are no review requirements under the
169.27 license or certification, the treatment plan must be reviewed quarterly. The treatment plan
169.28 shall be devised and reviewed with the designated agency and with the patient. The clinical
169.29 record shall reflect the treatment plan review. If the designated agency or the patient does
169.30 not participate in the planning and review, the clinical record shall include reasons for
169.31 nonparticipation and the plans for future involvement. The commissioner of human services
169.32 shall monitor the treatment plan and review process for state-operated treatment programs
169.33 to ensure compliance with the provisions of this subdivision.

170.1 Sec. 18. Minnesota Statutes 2024, section 253B.041, subdivision 4, is amended to read:

170.2 Subd. 4. **Evaluation.** Counties may, but are not required to, provide engagement services.
170.3 The commissioner of human services may conduct a pilot project evaluating the impact of
170.4 engagement services in decreasing commitments, increasing engagement in treatment, and
170.5 other measures.

170.6 Sec. 19. Minnesota Statutes 2024, section 253B.09, subdivision 3a, is amended to read:

170.7 Subd. 3a. **Reporting judicial commitments; private treatment program or**
170.8 **facility.** Notwithstanding section 253B.23, subdivision 9, when a court commits a patient
170.9 to a non-state-operated treatment facility or program, the court shall report the commitment
170.10 to the commissioner through the supreme court information system for purposes of providing
170.11 commitment information for firearm background checks under section 246C.15. If the
170.12 patient is committed to a state-operated treatment program, the court shall send a copy of
170.13 the commitment order to the commissioner ~~and the executive board~~.

170.14 Sec. 20. Minnesota Statutes 2024, section 253B.18, subdivision 6, is amended to read:

170.15 Subd. 6. **Transfer.** (a) A patient who is a person who has a mental illness and is
170.16 dangerous to the public shall not be transferred out of a secure treatment facility unless it
170.17 appears to the satisfaction of the ~~executive board~~ commissioner, after a hearing and favorable
170.18 recommendation by a majority of the special review board, that the transfer is appropriate.
170.19 Transfer may be to another state-operated treatment program. In those instances where a
170.20 commitment also exists to the Department of Corrections, transfer may be to a facility
170.21 designated by the commissioner of corrections.

170.22 (b) The following factors must be considered in determining whether a transfer is
170.23 appropriate:

170.24 (1) the person's clinical progress and present treatment needs;

170.25 (2) the need for security to accomplish continuing treatment;

170.26 (3) the need for continued institutionalization;

170.27 (4) which facility can best meet the person's needs; and

170.28 (5) whether transfer can be accomplished with a reasonable degree of safety for the
170.29 public.

171.1 (c) If a committed person has been transferred out of a secure treatment facility pursuant
171.2 to this subdivision, that committed person may voluntarily return to a secure treatment
171.3 facility for a period of up to 60 days with the consent of the head of the treatment facility.

171.4 (d) If the committed person is not returned to the original, nonsecure transfer facility
171.5 within 60 days of being readmitted to a secure treatment facility, the transfer is revoked and
171.6 the committed person must remain in a secure treatment facility. The committed person
171.7 must immediately be notified in writing of the revocation.

171.8 (e) Within 15 days of receiving notice of the revocation, the committed person may
171.9 petition the special review board for a review of the revocation. The special review board
171.10 shall review the circumstances of the revocation and shall recommend to the commissioner
171.11 whether or not the revocation should be upheld. The special review board may also
171.12 recommend a new transfer at the time of the revocation hearing.

171.13 (f) No action by the special review board is required if the transfer has not been revoked
171.14 and the committed person is returned to the original, nonsecure transfer facility with no
171.15 substantive change to the conditions of the transfer ordered under this subdivision.

171.16 (g) The head of the treatment facility may revoke a transfer made under this subdivision
171.17 and require a committed person to return to a secure treatment facility if:

171.18 (1) remaining in a nonsecure setting does not provide a reasonable degree of safety to
171.19 the committed person or others; or

171.20 (2) the committed person has regressed clinically and the facility to which the committed
171.21 person was transferred does not meet the committed person's needs.

171.22 (h) Upon the revocation of the transfer, the committed person must be immediately
171.23 returned to a secure treatment facility. A report documenting the reasons for revocation
171.24 must be issued by the head of the treatment facility within seven days after the committed
171.25 person is returned to the secure treatment facility. Advance notice to the committed person
171.26 of the revocation is not required.

171.27 (i) The committed person must be provided a copy of the revocation report and informed,
171.28 orally and in writing, of the rights of a committed person under this section. The revocation
171.29 report must be served upon the committed person, the committed person's counsel, and the
171.30 designated agency. The report must outline the specific reasons for the revocation, including
171.31 but not limited to the specific facts upon which the revocation is based.

171.32 (j) If a committed person's transfer is revoked, the committed person may re-petition for
171.33 transfer according to subdivision 5.

(k) A committed person aggrieved by a transfer revocation decision may petition the special review board within seven business days after receipt of the revocation report for a review of the revocation. The matter must be scheduled within 30 days. The special review board shall review the circumstances leading to the revocation and, after considering the factors in paragraph (b), shall recommend to the commissioner whether or not the revocation shall be upheld. The special review board may also recommend a new transfer out of a secure treatment facility at the time of the revocation hearing.

Sec. 21. Minnesota Statutes 2024, section 253B.19, subdivision 2, is amended to read:

Subd. 2. Petition; hearing. (a) A patient committed as a person who has a mental illness and is dangerous to the public under section 253B.18, or the county attorney of the county from which the patient was committed or the county of financial responsibility, may petition the judicial appeal panel for a rehearing and reconsideration of a decision by the commissioner under section 253B.18, subdivision 5. The judicial appeal panel must not consider petitions for relief other than those considered by the ~~executive board~~ commissioner from which the appeal is taken. The petition must be filed with the supreme court within 30 days after the decision of the ~~executive board~~ commissioner is signed. The hearing must be held within 45 days of the filing of the petition unless an extension is granted for good cause.

(b) For an appeal under paragraph (a), the supreme court shall refer the petition to the chief judge of the judicial appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated agency, the ~~executive board~~ commissioner, the head of the facility or program to which the patient was committed, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing.

(c) Any person may oppose the petition. The patient, the patient's counsel, the county attorney of the committing county or the county of financial responsibility, and the ~~executive board~~ commissioner shall participate as parties to the proceeding pending before the judicial appeal panel and shall, except when the patient is committed solely as a person who has a mental illness and is dangerous to the public, no later than 20 days before the hearing on the petition, inform the judicial appeal panel and the opposing party in writing whether they support or oppose the petition and provide a summary of facts in support of their position. The judicial appeal panel may appoint court examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record

173.1 of all proceedings. The patient, the patient's counsel, and the county attorney of the
173.2 committing county or the county of financial responsibility have the right to be present and
173.3 may present and cross-examine all witnesses and offer a factual and legal basis in support
173.4 of their positions. The petitioning party seeking discharge or provisional discharge bears
173.5 the burden of going forward with the evidence, which means presenting a prima facie case
173.6 with competent evidence to show that the person is entitled to the requested relief. If the
173.7 petitioning party has met this burden, the party opposing discharge or provisional discharge
173.8 bears the burden of proof by clear and convincing evidence that the discharge or provisional
173.9 discharge should be denied. A party seeking transfer under section 253B.18, subdivision 6,
173.10 must establish by a preponderance of the evidence that the transfer is appropriate.

173.11 Sec. 22. Minnesota Statutes 2024, section 253B.20, subdivision 2, is amended to read:

173.12 Subd. 2. **Necessities.** (a) The state-operated treatment program shall make necessary
173.13 arrangements at the expense of the state to insure that no patient is discharged or provisionally
173.14 discharged without suitable clothing. The head of the state-operated treatment program
173.15 shall, if necessary, provide the patient with a sufficient sum of money to secure transportation
173.16 home, or to another destination of the patient's choice, if the destination is located within a
173.17 reasonable distance of the state-operated treatment program.

173.18 (b) The commissioner of human services shall establish procedures by rule to help the
173.19 patient receive all public assistance benefits provided by state or federal law to which the
173.20 patient is entitled by residence and circumstances. The rule shall be uniformly applied in
173.21 all counties. All counties shall provide temporary relief whenever necessary to meet the
173.22 intent of this subdivision.

173.23 (c) The commissioner of human services and the ~~executive board~~ commissioner may
173.24 adopt joint rules necessary to accomplish the requirements under paragraph (b).

173.25 Sec. 23. Minnesota Statutes 2024, section 253D.02, is amended by adding a subdivision
173.26 to read:

173.27 Subd. 2a. **Commissioner.** "Commissioner" means the commissioner of direct care and
173.28 treatment.

173.29 Sec. 24. Minnesota Statutes 2024, section 253D.02, subdivision 3, is amended to read:

173.30 Subd. 3. **Commissioner of corrections.** "Commissioner of corrections" means the
173.31 commissioner of corrections or the commissioner's designee.

174.1 Sec. 25. Minnesota Statutes 2024, section 254B.05, subdivision 4, is amended to read:

174.2 Subd. 4. **Regional treatment centers.** Regional treatment center substance use disorder
174.3 treatment units are eligible vendors. The ~~executive board~~ commissioner of direct care and
174.4 treatment may expand the capacity of substance use disorder treatment units beyond the
174.5 capacity funded by direct legislative appropriation to serve individuals who are referred for
174.6 treatment by counties and whose treatment will be paid for by funding under this chapter
174.7 or other funding sources. Notwithstanding the provisions of sections 254B.03 to 254B.04,
174.8 payment for any person committed at county request to a regional treatment center under
174.9 chapter 253B for chemical dependency treatment and determined to be ineligible under the
174.10 behavioral health fund, shall become the responsibility of the county.

174.11 Sec. 26. Minnesota Statutes 2024, section 256.045, is amended by adding a subdivision
174.12 to read:

174.13 Subd. 1b. **Commissioner.** For purposes of this section, "commissioner" means the
174.14 commissioner of human services.

174.15 Sec. 27. Minnesota Statutes 2024, section 256.045, subdivision 6, is amended to read:

174.16 Subd. 6. **Additional powers of commissioner; subpoenas.** (a) The commissioner of
174.17 human services, the commissioner of health for matters within the commissioner's jurisdiction
174.18 under subdivision 3b, or the ~~Direct Care and Treatment executive board~~ commissioner of
174.19 direct care and treatment for matters within the commissioner's jurisdiction ~~of the executive~~
174.20 ~~board~~ under subdivision 5a, may initiate a review of any action or decision of a county
174.21 agency and direct that the matter be presented to a state human services judge for a hearing
174.22 held under subdivision 3, 3a, 3b, or 4a. In all matters dealing with human services committed
174.23 by law to the discretion of the county agency, the judgment of the applicable commissioner
174.24 ~~or executive board~~ may be substituted for that of the county agency. The applicable
174.25 commissioner ~~or executive board~~ may order an independent examination when appropriate.

174.26 (b) Any party to a hearing held pursuant to subdivision 3, 3a, 3b, or 4a may request that
174.27 the applicable commissioner ~~or executive board~~ issue a subpoena to compel the attendance
174.28 of witnesses and the production of records at the hearing. A local agency may request that
174.29 the applicable commissioner ~~or executive board~~ issue a subpoena to compel the release of
174.30 information from third parties prior to a request for a hearing under section 256.046 upon
174.31 a showing of relevance to such a proceeding. The issuance, service, and enforcement of
174.32 subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules
174.33 of Civil Procedure.

175.1 (c) The commissioner of human services may issue a temporary order staying a proposed
175.2 demission by a residential facility licensed under chapter 245A:

175.3 (1) while an appeal by a recipient under subdivision 3 is pending;

175.4 (2) for the period of time necessary for the case management provider to implement the
175.5 commissioner's order; or

175.6 (3) for appeals under subdivision 3, paragraph (a), clause (11), when the individual is
175.7 seeking a temporary stay of demission on the basis that the county has not yet finalized an
175.8 alternative arrangement for a residential facility, a program, or services that will meet the
175.9 assessed needs of the individual by the effective date of the service termination, a temporary
175.10 stay of demission may be issued for no more than 30 calendar days to allow for such
175.11 arrangements to be finalized.

175.12 Sec. 28. Minnesota Statutes 2024, section 256.045, subdivision 7, is amended to read:

175.13 Subd. 7. **Judicial review.** Except for a prepaid health plan, any party who is aggrieved
175.14 by an order of the commissioner of human services; the commissioner of health; or the
175.15 commissioner of children, youth, and families in appeals within the commissioner's
175.16 jurisdiction under subdivision 3b; or the ~~Direct Care and Treatment executive board~~
175.17 commissioner of direct care and treatment in appeals within the commissioner's jurisdiction
175.18 ~~of the executive board~~ under subdivision 5a may appeal the order to the district court of the
175.19 county responsible for furnishing assistance, or, in appeals under subdivision 3b, the county
175.20 where the maltreatment occurred, by serving a written copy of a notice of appeal upon the
175.21 applicable commissioner ~~or executive board~~ and any adverse party of record within 30 days
175.22 after the date the commissioner ~~or executive board~~ issued the order, the amended order, or
175.23 order affirming the original order, and by filing the original notice and proof of service with
175.24 the court administrator of the district court. Service may be made personally or by mail;
175.25 service by mail is complete upon mailing; no filing fee shall be required by the court
175.26 administrator in appeals taken pursuant to this subdivision, with the exception of appeals
175.27 taken under subdivision 3b. The applicable commissioner ~~or executive board~~ may elect to
175.28 become a party to the proceedings in the district court. Except for appeals under subdivision
175.29 3b, any party may demand that the applicable commissioner ~~or executive board~~ furnish all
175.30 parties to the proceedings with a copy of the decision, and a transcript of any testimony,
175.31 evidence, or other supporting papers from the hearing held before the human services judge,
175.32 by serving a written demand upon the applicable commissioner ~~or executive board~~ within
175.33 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse
175.34 party to obey an order issued by the applicable commissioner ~~or executive board~~ under

176.1 subdivision 5 or 5a may compel performance according to the order in the manner prescribed
176.2 in sections 586.01 to 586.12.

176.3 Sec. 29. Minnesota Statutes 2024, section 256G.09, subdivision 3, is amended to read:

176.4 Subd. 3. **Commissioner obligations.** (a) Except as provided in paragraph (b) for matters
176.5 under the jurisdiction of the ~~Direct Care and Treatment executive board~~ commissioner of
176.6 direct care and treatment, the commissioner shall then promptly decide any question of
176.7 financial responsibility as outlined in this chapter and make an order referring the application
176.8 to the local agency of the proper county for further action. Further action may include
176.9 reimbursement by that county of assistance that another county has provided to the applicant
176.10 under this subdivision. The commissioner shall decide disputes within 60 days of the last
176.11 county evidentiary submission and shall issue an immediate opinion.

176.12 (b) For disputes regarding financial responsibility relating to matters under the jurisdiction
176.13 of the ~~direct care and treatment executive board~~ commissioner of direct care and treatment,
176.14 the commissioner shall promptly issue an advisory opinion on any question of financial
176.15 responsibility as outlined in this chapter and recommend to the ~~executive board~~ commissioner
176.16 of direct care and treatment an order referring the application to the local agency of the
176.17 proper county for further action. Further action may include reimbursement by that county
176.18 of assistance that another county has provided to the applicant under this subdivision. The
176.19 commissioner shall provide an advisory opinion and recommended order to the ~~executive~~
176.20 ~~board~~ commissioner of direct care and treatment within 30 days of the last county evidentiary
176.21 submission. The ~~executive board~~ commissioner of direct care and treatment shall decide to
176.22 accept or reject the commissioner's advisory opinion and recommended order within 60
176.23 days of the last county evidentiary submission and shall issue an immediate opinion stating
176.24 the reasons for accepting or rejecting the commissioner's recommendation.

176.25 (c) The commissioner may make any investigation ~~if the commissioner~~ considers proper
176.26 before making a decision or a recommendation to the ~~executive board~~ commissioner of
176.27 direct care and treatment. The commissioner may prescribe rules ~~if the commissioner~~
176.28 considers necessary to carry out this subdivision except that the commissioner must not
176.29 create rules purporting to bind the ~~executive board's decision~~ of the commissioner of direct
176.30 care and treatment on any advisory opinion or recommended order under paragraph (b).

176.31 (d) Except as provided in paragraph (e) for matters under the jurisdiction of the ~~executive~~
176.32 ~~board~~ commissioner of direct care and treatment, the order of the commissioner binds the
176.33 local agency involved and the applicant or recipient. That agency shall comply with the

177.1 order unless reversed on appeal as provided in section 256.045, subdivision 7. The agency
177.2 shall comply with the order pending the appeal.

177.3 (e) For disputes regarding financial responsibility relating to matters under the jurisdiction
177.4 of the ~~Direct Care and Treatment executive board~~ commissioner of direct care and treatment,
177.5 the order of the ~~executive board~~ commissioner of direct care and treatment binds the local
177.6 agency involved and the applicant or recipient. That agency shall comply with the order of
177.7 the ~~executive board~~ commissioner of direct care and treatment unless the order is reversed
177.8 on appeal as provided in section 256.045, subdivision 7. The agency shall comply with the
177.9 order of the ~~executive board~~ commissioner of direct care and treatment pending the appeal.

177.10 Sec. 30. Minnesota Statutes 2024, section 352.91, subdivision 2a, is amended to read:

177.11 Subd. 2a. **Special teachers.** "Covered correctional service" also means service rendered
177.12 by a state employee as a special teacher employed by the Department of Corrections or by
177.13 the Department of Direct Care and Treatment at a security unit, provided that at least 75
177.14 percent of the employee's working time is spent in direct contact with inmates or patients
177.15 and the fact of this direct contact is certified to the executive director by the appropriate
177.16 commissioner ~~or executive board~~, unless the person elects to retain the current retirement
177.17 coverage under Laws 1996, chapter 408, article 8, section 21.

177.18 Sec. 31. Minnesota Statutes 2024, section 352.91, subdivision 3c, is amended to read:

177.19 Subd. 3c. **Nursing personnel.** (a) "Covered correctional service" means service by a
177.20 state employee in one of the employment positions at a correctional facility, in the
177.21 state-operated forensic services program, or in the Minnesota Sex Offender Program that
177.22 are specified in paragraph (b) if at least 75 percent of the employee's working time is spent
177.23 in direct contact with inmates or patients and the fact of this direct contact is certified to the
177.24 executive director by the appropriate commissioner ~~or executive board~~.

177.25 (b) The employment positions are as follows:

177.26 (1) registered nurse - senior;

177.27 (2) registered nurse;

177.28 (3) registered nurse - principal;

177.29 (4) licensed practical nurse;

177.30 (5) registered nurse advance practice; and

177.31 (6) psychiatric advance practice registered nurse.

178.1 Sec. 32. Minnesota Statutes 2024, section 352.91, subdivision 3d, is amended to read:

178.2 Subd. 3d. **Other correctional personnel.** (a) "Covered correctional service" means
178.3 service by a state employee in one of the employment positions at a correctional facility or
178.4 in the state-operated forensic services program specified in paragraph (b) if at least 75
178.5 percent of the employee's working time is spent in direct contact with inmates or patients
178.6 and the fact of this direct contact is certified to the executive director by the appropriate
178.7 commissioner ~~or executive board~~.

178.8 (b) The employment positions are:

178.9 (1) automotive mechanic;

178.10 (2) baker;

178.11 (3) central services administrative specialist, intermediate;

178.12 (4) central services administrative specialist, principal;

178.13 (5) chaplain;

178.14 (6) chief cook;

178.15 (7) clinical program therapist 1;

178.16 (8) clinical program therapist 2;

178.17 (9) clinical program therapist 3;

178.18 (10) clinical program therapist 4;

178.19 (11) cook;

178.20 (12) cook coordinator;

178.21 (13) corrections inmate program coordinator;

178.22 (14) corrections transitions program coordinator;

178.23 (15) corrections security caseworker;

178.24 (16) corrections security caseworker career;

178.25 (17) corrections teaching assistant;

178.26 (18) delivery van driver;

178.27 (19) dentist;

178.28 (20) electrician supervisor;

- 179.1 (21) general maintenance worker lead;
- 179.2 (22) general repair worker;
- 179.3 (23) library/information research services specialist;
- 179.4 (24) library/information research services specialist senior;
- 179.5 (25) library technician;
- 179.6 (26) painter lead;
- 179.7 (27) plant maintenance engineer lead;
- 179.8 (28) plumber supervisor;
- 179.9 (29) psychologist 1;
- 179.10 (30) psychologist 3;
- 179.11 (31) recreation therapist;
- 179.12 (32) recreation therapist coordinator;
- 179.13 (33) recreation program assistant;
- 179.14 (34) recreation therapist senior;
- 179.15 (35) sports medicine specialist;
- 179.16 (36) work therapy assistant;
- 179.17 (37) work therapy program coordinator; and
- 179.18 (38) work therapy technician.

179.19 Sec. 33. Minnesota Statutes 2024, section 352.91, subdivision 4a, is amended to read:

179.20 Subd. 4a. **Process for evaluating and recommending potential employment positions**
179.21 **for membership inclusion.** (a) The Department of Corrections and the Department of
179.22 Direct Care and Treatment must establish a procedure for evaluating periodic requests by
179.23 department and agency employees for qualification for recommendation by the applicable
179.24 commissioner or executive board for inclusion of the employment position in the correctional
179.25 facility or direct care and treatment facility in the correctional retirement plan and for
179.26 periodically determining employment positions that no longer qualify for continued
179.27 correctional retirement plan coverage.

179.28 (b) The procedure must provide for an evaluation of the extent of the employee's working
179.29 time spent in direct contact with patients or inmates, the extent of the physical hazard that

the employee is routinely subjected to in the course of employment, and the extent of intervention routinely expected of the employee in the event of a facility incident. The percentage of routine direct contact with inmates or patients may not be less than 75 percent.

(c) The applicable commissioner ~~or executive board~~ shall notify the employee of the determination of the appropriateness of recommending the employment position for inclusion in the correctional retirement plan, if the evaluation procedure results in a finding that the employee:

(1) routinely spends 75 percent of the employee's time in direct contact with inmates or patients; and

(2) is regularly engaged in the rehabilitation, treatment, custody, or supervision of inmates or patients.

(d) After providing the affected employee an opportunity to dispute or clarify any evaluation determinations, if the applicable commissioner ~~or executive board~~ determines that the employment position is appropriate for inclusion in the correctional retirement plan, the commissioner ~~or executive board~~ shall forward that recommendation and supporting documentation to the chair of the Legislative Commission on Pensions and Retirement, the chair of the State and Local Governmental Operations Committee of the senate, the chair of the Governmental Operations and Veterans Affairs Policy Committee of the house of representatives, and the executive director of the Legislative Commission on Pensions and Retirement in the form of the appropriate proposed legislation. The recommendation must be forwarded to the legislature before January 15 for the recommendation to be considered in that year's legislative session.

Sec. 34. Minnesota Statutes 2024, section 524.3-801, is amended to read:

524.3-801 NOTICE TO CREDITORS.

(a) Unless notice has already been given under this section, upon appointment of a general personal representative in informal proceedings or upon the filing of a petition for formal appointment of a general personal representative, notice thereof, in the form prescribed by court rule, shall be given under the direction of the court administrator by publication once a week for two successive weeks in a legal newspaper in the county wherein the proceedings are pending giving the name and address of the general personal representative and notifying creditors of the estate to present their claims within four months after the date of the court administrator's notice which is subsequently published or be forever barred, unless they are entitled to further service of notice under paragraph (b) or (c).

181.1 (b) The personal representative shall, within three months after the date of the first
181.2 publication of the notice, serve a copy of the notice upon each then known and identified
181.3 creditor in the manner provided in paragraph (c). If the decedent or a predeceased spouse
181.4 of the decedent received assistance for which a claim could be filed under section 246.53,
181.5 256B.15, 256D.16, or 261.04, notice to the commissioner of human services or ~~Direct Care~~
181.6 ~~and Treatment executive board~~ the commissioner of direct care and treatment, as applicable,
181.7 must be given under paragraph (d) instead of under this paragraph or paragraph (c). A
181.8 creditor is "known" if: (i) the personal representative knows that the creditor has asserted
181.9 a claim that arose during the decedent's life against either the decedent or the decedent's
181.10 estate; (ii) the creditor has asserted a claim that arose during the decedent's life and the fact
181.11 is clearly disclosed in accessible financial records known and available to the personal
181.12 representative; or (iii) the claim of the creditor would be revealed by a reasonably diligent
181.13 search for creditors of the decedent in accessible financial records known and available to
181.14 the personal representative. Under this section, a creditor is "identified" if the personal
181.15 representative's knowledge of the name and address of the creditor will permit service of
181.16 notice to be made under paragraph (c).

181.17 (c) Unless the claim has already been presented to the personal representative or paid,
181.18 the personal representative shall serve a copy of the notice required by paragraph (b) upon
181.19 each creditor of the decedent who is then known to the personal representative and identified
181.20 either by delivery of a copy of the required notice to the creditor, or by mailing a copy of
181.21 the notice to the creditor by certified, registered, or ordinary first class mail addressed to
181.22 the creditor at the creditor's office or place of residence.

181.23 (d)(1) Effective for decedents dying on or after July 1, 1997, if the decedent or a
181.24 predeceased spouse of the decedent received assistance for which a claim could be filed
181.25 under section 246.53, 256B.15, 256D.16, or 261.04, the personal representative or the
181.26 attorney for the personal representative shall serve the commissioner of human services or
181.27 ~~executive board~~ the commissioner of direct care and treatment, as applicable, with notice
181.28 in the manner prescribed in paragraph (c), or electronically in a manner prescribed by the
181.29 applicable commissioner or executive board, as soon as practicable after the appointment
181.30 of the personal representative. The notice must state the decedent's full name, date of birth,
181.31 and Social Security number and, to the extent then known after making a reasonably diligent
181.32 inquiry, the full name, date of birth, and Social Security number for each of the decedent's
181.33 predeceased spouses. The notice may also contain a statement that, after making a reasonably
181.34 diligent inquiry, the personal representative has determined that the decedent did not have
181.35 any predeceased spouses or that the personal representative has been unable to determine

182.1 one or more of the previous items of information for a predeceased spouse of the decedent.
182.2 A copy of the notice to creditors must be attached to and be a part of the notice to the
182.3 applicable commissioner ~~or executive board~~.

182.4 (2) Notwithstanding a will or other instrument or law to the contrary, except as allowed
182.5 in this paragraph, no property subject to administration by the estate may be distributed by
182.6 the estate or the personal representative until 70 days after the date the notice is served on
182.7 the commissioner of human services or ~~executive board~~ commissioner of direct care and
182.8 treatment as provided in paragraph (c), unless the local agency consents as provided for in
182.9 clause (6). This restriction on distribution does not apply to the personal representative's
182.10 sale of real or personal property, but does apply to the net proceeds the estate receives from
182.11 these sales. The personal representative, or any person with personal knowledge of the facts,
182.12 may provide an affidavit containing the description of any real or personal property affected
182.13 by this paragraph and stating facts showing compliance with this paragraph. If the affidavit
182.14 describes real property, it may be filed or recorded in the office of the county recorder or
182.15 registrar of titles for the county where the real property is located. This paragraph does not
182.16 apply to proceedings under sections 524.3-1203 and 525.31, or when a duly authorized
182.17 agent of a county is acting as the personal representative of the estate.

182.18 (3) At any time before an order or decree is entered under section 524.3-1001 or
182.19 524.3-1002, or a closing statement is filed under section 524.3-1003, the personal
182.20 representative or the attorney for the personal representative may serve an amended notice
182.21 on the commissioner of human services or ~~executive board~~ commissioner of direct care and
182.22 treatment to add variations or other names of the decedent or a predeceased spouse named
182.23 in the notice, the name of a predeceased spouse omitted from the notice, to add or correct
182.24 the date of birth or Social Security number of a decedent or predeceased spouse named in
182.25 the notice, or to correct any other deficiency in a prior notice. The amended notice must
182.26 state the decedent's name, date of birth, and Social Security number, the case name, case
182.27 number, and district court in which the estate is pending, and the date the notice being
182.28 amended was served on the applicable commissioner ~~or executive board~~. If the amendment
182.29 adds the name of a predeceased spouse omitted from the notice, it must also state that
182.30 spouse's full name, date of birth, and Social Security number. The amended notice must be
182.31 served on the applicable commissioner ~~or executive board~~ in the same manner as the original
182.32 notice. Upon service, the amended notice relates back to and is effective from the date the
182.33 notice it amends was served, and the time for filing claims arising under section 246.53,
182.34 256B.15, 256D.16 or 261.04 is extended by 60 days from the date of service of the amended
182.35 notice. Claims filed during the 60-day period are undischarged and unbarred claims, may

183.1 be prosecuted by the entities entitled to file those claims in accordance with section
183.2 524.3-1004, and the limitations in section 524.3-1006 do not apply. The personal
183.3 representative or any person with personal knowledge of the facts may provide and file or
183.4 record an affidavit in the same manner as provided for in clause (1).

183.5 (4) Within one year after the date an order or decree is entered under section 524.3-1001
183.6 or 524.3-1002 or a closing statement is filed under section 524.3-1003, any person who has
183.7 an interest in property that was subject to administration by the estate may serve an amended
183.8 notice on the commissioner of human services or ~~executive board~~ commissioner of direct
183.9 care and treatment to add variations or other names of the decedent or a predeceased spouse
183.10 named in the notice, the name of a predeceased spouse omitted from the notice, to add or
183.11 correct the date of birth or Social Security number of a decedent or predeceased spouse
183.12 named in the notice, or to correct any other deficiency in a prior notice. The amended notice
183.13 must be served on the applicable commissioner or ~~executive board~~ in the same manner as
183.14 the original notice and must contain the information required for amendments under clause
183.15 (3). If the amendment adds the name of a predeceased spouse omitted from the notice, it
183.16 must also state that spouse's full name, date of birth, and Social Security number. Upon
183.17 service, the amended notice relates back to and is effective from the date the notice it amends
183.18 was served. If the amended notice adds the name of an omitted predeceased spouse or adds
183.19 or corrects the Social Security number or date of birth of the decedent or a predeceased
183.20 spouse already named in the notice, then, notwithstanding any other laws to the contrary,
183.21 claims against the decedent's estate on account of those persons resulting from the amendment
183.22 and arising under section 246.53, 256B.15, 256D.16, or 261.04 are undischarged and
183.23 unbarred claims, may be prosecuted by the entities entitled to file those claims in accordance
183.24 with section 524.3-1004, and the limitations in section 524.3-1006 do not apply. The person
183.25 filing the amendment or any other person with personal knowledge of the facts may provide
183.26 and file or record an affidavit describing affected real or personal property in the same
183.27 manner as clause (1).

183.28 (5) After one year from the date an order or decree is entered under section 524.3-1001
183.29 or 524.3-1002, or a closing statement is filed under section 524.3-1003, no error, omission,
183.30 or defect of any kind in the notice to the commissioner of human services or ~~executive board~~
183.31 commissioner of direct care and treatment required under this paragraph or in the process
183.32 of service of the notice on the applicable commissioner or ~~executive board~~, or the failure
183.33 to serve the applicable commissioner or ~~executive board~~ with notice as required by this
183.34 paragraph, makes any distribution of property by a personal representative void or voidable.

184.1 The distributee's title to the distributed property shall be free of any claims based upon a
184.2 failure to comply with this paragraph.

184.3 (6) The local agency may consent to a personal representative's request to distribute
184.4 property subject to administration by the estate to distributees during the 70-day period after
184.5 service of notice on the applicable commissioner ~~or executive board~~. The local agency may
184.6 grant or deny the request in whole or in part and may attach conditions to its consent as it
184.7 deems appropriate. When the local agency consents to a distribution, it shall give the estate
184.8 a written certificate evidencing its consent to the early distribution of assets at no cost. The
184.9 certificate must include the name, case number, and district court in which the estate is
184.10 pending, the name of the local agency, describe the specific real or personal property to
184.11 which the consent applies, state that the local agency consents to the distribution of the
184.12 specific property described in the consent during the 70-day period following service of the
184.13 notice on the applicable commissioner ~~or executive board~~, state that the consent is
184.14 unconditional or list all of the terms and conditions of the consent, be dated, and may include
184.15 other contents as may be appropriate. The certificate must be signed by the director of the
184.16 local agency or the director's designees and is effective as of the date it is dated unless it
184.17 provides otherwise. The signature of the director or the director's designee does not require
184.18 any acknowledgment. The certificate shall be prima facie evidence of the facts it states,
184.19 may be attached to or combined with a deed or any other instrument of conveyance and,
184.20 when so attached or combined, shall constitute a single instrument. If the certificate describes
184.21 real property, it shall be accepted for recording or filing by the county recorder or registrar
184.22 of titles in the county in which the property is located. If the certificate describes real property
184.23 and is not attached to or combined with a deed or other instrument of conveyance, it shall
184.24 be accepted for recording or filing by the county recorder or registrar of titles in the county
184.25 in which the property is located. The certificate constitutes a waiver of the 70-day period
184.26 provided for in clause (2) with respect to the property it describes and is prima facie evidence
184.27 of service of notice on the applicable commissioner ~~or executive board~~. The certificate is
184.28 not a waiver or relinquishment of any claims arising under section 246.53, 256B.15, 256D.16,
184.29 or 261.04, and does not otherwise constitute a waiver of any of the personal representative's
184.30 duties under this paragraph. Distributees who receive property pursuant to a consent to an
184.31 early distribution shall remain liable to creditors of the estate as provided for by law.

184.32 (7) All affidavits provided for under this paragraph:

184.33 (i) shall be provided by persons who have personal knowledge of the facts stated in the
184.34 affidavit;

185.1 (ii) may be filed or recorded in the office of the county recorder or registrar of titles in
185.2 the county in which the real property they describe is located for the purpose of establishing
185.3 compliance with the requirements of this paragraph; and

185.4 (iii) are prima facie evidence of the facts stated in the affidavit.

185.5 (8) This paragraph applies to the estates of decedents dying on or after July 1, 1997.
185.6 Clause (5) also applies with respect to all notices served on the commissioner of human
185.7 services before July 1, 1997, under Laws 1996, chapter 451, article 2, section 55. All notices
185.8 served on the commissioner of human services before July 1, 1997, pursuant to Laws 1996,
185.9 chapter 451, article 2, section 55, shall be deemed to be legally sufficient for the purposes
185.10 for which they were intended, notwithstanding any errors, omissions or other defects.

185.11 Sec. 35. Minnesota Statutes 2024, section 611.57, subdivision 2, is amended to read:

185.12 Subd. 2. **Membership.** (a) The Certification Advisory Committee consists of the
185.13 following members:

185.14 (1) a mental health professional, as defined in section 245I.02, subdivision 27, with
185.15 community behavioral health experience, appointed by the governor;

185.16 (2) a board-certified forensic psychiatrist with experience in competency evaluations,
185.17 providing competency attainment services, or both, appointed by the governor;

185.18 (3) a board-certified forensic psychologist with experience in competency evaluations,
185.19 providing competency attainment services, or both, appointed by the governor;

185.20 (4) the president of the Minnesota Corrections Association or a designee;

185.21 (5) the ~~direct care and treatment deputy commissioner~~ chief executive officer of direct
185.22 care and treatment or a designee;

185.23 (6) the president of the Minnesota Association of County Social Service Administrators
185.24 or a designee;

185.25 (7) the president of the Minnesota Association of Community Mental Health Providers
185.26 or a designee;

185.27 (8) the president of the Minnesota Sheriffs' Association or a designee; and

185.28 (9) the executive director of the National Alliance on Mental Illness Minnesota or a
185.29 designee.

(b) Members of the advisory committee serve without compensation and at the pleasure of the appointing authority. Vacancies shall be filled by the appointing authority consistent with the qualifications of the vacating member required by this subdivision.

Sec. 36. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber each provision of Minnesota Statutes listed in column A to the number listed in column B.

<u>Column A</u>	<u>Column B</u>
<u>246B.01, subdivision 2b</u>	<u>246B.01, subdivision 2f</u>
<u>246B.01, subdivision 2c</u>	<u>246B.01, subdivision 2g</u>
<u>246B.01, subdivision 2d</u>	<u>246B.01, subdivision 2h</u>

Sec. 37. **REPEALER.**

Minnesota Statutes 2024, sections 246B.01, subdivision 2; 252.021, subdivision 2; 253.195, subdivision 2; 253B.02, subdivision 7b; 253D.02, subdivision 7a; 254B.01, subdivision 15; 256.045, subdivision 1a; and 256G.02, subdivision 5a, are repealed.

Sec. 38. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 9
DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2024, section 144A.474, subdivision 11, is amended to read:

Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed based on the level and scope of the violations described in paragraph (b) and imposed immediately with no opportunity to correct the violation first as follows:

- (1) Level 1, no fines or enforcement;
- (2) Level 2, a fine of \$500 per violation, in addition to any of the enforcement mechanisms authorized in section 144A.475 for widespread violations;
- (3) Level 3, a fine of \$3,000 per incident, in addition to any of the enforcement mechanisms authorized in section 144A.475;

187.1 (4) Level 4, a fine of \$5,000 per incident, in addition to any of the enforcement
187.2 mechanisms authorized in section 144A.475;

187.3 (5) for maltreatment violations for which the licensee was determined to be responsible
187.4 for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of \$1,000.
187.5 A fine of \$5,000 may be imposed if the commissioner determines the licensee is responsible
187.6 for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury;
187.7 and

187.8 (6) the fines in clauses (1) to (4) are increased and immediate fine imposition is authorized
187.9 for both surveys and investigations conducted.

187.10 When a fine is assessed against a facility for substantiated maltreatment, the commissioner
187.11 shall not also impose an immediate fine under this chapter for the same circumstance.

187.12 (b) Correction orders for violations are categorized by both level and scope and fines
187.13 shall be assessed as follows:

187.14 (1) level of violation:

187.15 (i) Level 1 is a violation that has no potential to cause more than a minimal impact on
187.16 the client and does not affect health or safety;

187.17 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential
187.18 to have harmed a client's health or safety, but was not likely to cause serious injury,
187.19 impairment, or death;

187.20 (iii) Level 3 is a violation that harmed a client's health or safety, not including serious
187.21 injury, impairment, or death, or a violation that has the potential to lead to serious injury,
187.22 impairment, or death; and

187.23 (iv) Level 4 is a violation that results in serious injury, impairment, or death;

187.24 (2) scope of violation:

187.25 (i) isolated, when one or a limited number of clients are affected or one or a limited
187.26 number of staff are involved or the situation has occurred only occasionally;

187.27 (ii) pattern, when more than a limited number of clients are affected, more than a limited
187.28 number of staff are involved, or the situation has occurred repeatedly but is not found to be
187.29 pervasive; and

187.30 (iii) widespread, when problems are pervasive or represent a systemic failure that has
187.31 affected or has the potential to affect a large portion or all of the clients.

188.1 (c) If the commissioner finds that the applicant or a home care provider has not corrected
188.2 violations by the date specified in the correction order or conditional license resulting from
188.3 a survey or complaint investigation, the commissioner shall provide a notice of
188.4 noncompliance with a correction order by email to the applicant's or provider's last known
188.5 email address. The noncompliance notice must list the violations not corrected.

188.6 (d) For every violation identified by the commissioner, the commissioner shall issue an
188.7 immediate fine pursuant to paragraph (a), clause (6). The license holder must still correct
188.8 the violation in the time specified. The issuance of an immediate fine can occur in addition
188.9 to any enforcement mechanism authorized under section 144A.475. The immediate fine
188.10 may be appealed as allowed under this subdivision.

188.11 (e) The license holder must pay the fines assessed on or before the payment date specified.
188.12 If the license holder fails to fully comply with the order, the commissioner may issue a
188.13 second fine or suspend the license until the license holder complies by paying the fine. A
188.14 timely appeal shall stay payment of the fine until the commissioner issues a final order.

188.15 (f) A license holder shall promptly notify the commissioner in writing when a violation
188.16 specified in the order is corrected. If upon reinspection the commissioner determines that
188.17 a violation has not been corrected as indicated by the order, the commissioner may issue a
188.18 second fine. The commissioner shall notify the license holder by mail to the last known
188.19 address in the licensing record that a second fine has been assessed. The license holder may
188.20 appeal the second fine as provided under this subdivision.

188.21 (g) A home care provider that has been assessed a fine under this subdivision has a right
188.22 to a reconsideration or a hearing under this section and chapter 14.

188.23 (h) When a fine has been assessed, the license holder may not avoid payment by closing,
188.24 selling, or otherwise transferring the licensed program to a third party. In such an event, the
188.25 license holder shall be liable for payment of the fine.

188.26 (i) In addition to any fine imposed under this section, the commissioner may assess a
188.27 penalty amount based on costs related to an investigation that results in a final order assessing
188.28 a fine or other enforcement action authorized by this chapter.

188.29 (j) Fines collected under paragraph (a), clauses (1) to (4), shall be deposited in a dedicated
188.30 special revenue account. On an annual basis, the balance in the special revenue account
188.31 shall be appropriated to the commissioner to implement the recommendations of the advisory
188.32 council established in section 144A.4799. The commissioner must publish on the department's
188.33 website an annual report on the fines assessed and collected, and how the appropriated
188.34 money was allocated.

~~(k) Fines collected under paragraph (a), clause (5), shall be deposited in a dedicated special revenue account and appropriated to the commissioner to provide compensation according to subdivision 14 to clients subject to maltreatment. A client may choose to receive compensation from this fund, not to exceed \$5,000 for each substantiated finding of maltreatment, or take civil action. This paragraph expires July 31, 2021.~~

Sec. 2. Minnesota Statutes 2024, section 144A.4799, is amended to read:

144A.4799 DEPARTMENT OF HEALTH LICENSED HOME CARE PROVIDER AND ASSISTED LIVING ADVISORY COUNCIL.

Subdivision 1. **Membership.** The commissioner of health shall appoint ~~13~~ 14 persons to a home care and assisted living ~~program~~ advisory council consisting of the following:

(1) ~~two~~ four public members as defined in section 214.02 ~~who shall be persons who are currently receiving home care services, persons who have received home care services within five years of the application date, persons who have family members receiving home care services, or persons who have family members who have received home care services within five years of the application date,~~ one of whom must be a person who either is receiving or has received home care services preferably within the five years prior to initial appointment, one of whom must be a person who has or had a family member receiving home care services preferably within the five years prior to initial appointment, one of whom must be a person who either is or has been a resident in an assisted living facility preferably within the five years prior to initial appointment, and one of whom must be a person who has or had a family member residing in an assisted living facility preferably within the five years prior to initial appointment;

(2) two Minnesota home care licensees representing basic and comprehensive levels of licensure who may be a managerial official, an administrator, a supervising registered nurse, or an unlicensed personnel performing home care tasks;

(3) one member representing the Minnesota Board of Nursing;

(4) one member representing the Office of Ombudsman for Long-Term Care;

(5) one member representing the Office of Ombudsman for Mental Health and Developmental Disabilities;

(6) ~~beginning July 1, 2021,~~ one member of a county health and human services or county adult protection office;

(7) two Minnesota assisted living facility licensees representing assisted living facilities and assisted living facilities with dementia care levels of licensure who may be the facility's assisted living director, managerial official, or clinical nurse supervisor;

(8) one organization representing long-term care providers, home care providers, and assisted living providers in Minnesota; and

~~(9) two public members as defined in section 214.02. One public member shall be a person who either is or has been a resident in an assisted living facility and one public member shall be a person who has or had a family member living in an assisted living facility setting~~ one representative of a consumer advocacy organization representing individuals receiving long-term care from licensed home care or assisted living providers.

Subd. 2. Organizations and meetings. The advisory council shall be organized and administered under section 15.059 with per diems and costs paid within the limits of available appropriations. Meetings will be held quarterly and hosted by the department. Subcommittees may be developed as necessary by the commissioner. Advisory council meetings are subject to the Open Meeting Law under chapter 13D.

Subd. 3. Duties. (a) At the commissioner's request, the advisory council shall provide advice regarding regulations of Department of Health licensed assisted living and home care providers in this chapter and chapter 144G, including advice on the following:

(1) community standards for home care practices;

(2) enforcement of licensing standards and whether certain disciplinary actions are appropriate;

(3) ways of distributing information to licensees and consumers of home care and assisted living services defined under chapter 144G;

(4) training standards;

(5) identifying emerging issues and opportunities in home care and assisted living services defined under chapter 144G;

(6) identifying the use of technology in home and telehealth capabilities;

(7) allowable home care licensing modifications and exemptions, including a method for an integrated license with an existing license for rural licensed nursing homes to provide limited home care services in an adjacent independent living apartment building owned by the licensed nursing home; and

191.1 (8) recommendations for studies using the data in section 62U.04, subdivision 4, including
191.2 but not limited to studies concerning costs related to dementia and chronic disease among
191.3 an elderly population over 60 and additional long-term care costs, ~~as described in section~~
191.4 ~~62U.10, subdivision 6.~~

191.5 (b) The advisory council shall perform other duties as directed by the commissioner.

191.6 (c) The advisory council shall ~~annually~~ make recommendations annually to the
191.7 commissioner for the purposes of allocating the appropriation in section sections 144A.474,
191.8 subdivision 11, paragraph (i) (j), and 144G.31, subdivision 8. The commissioner shall act
191.9 upon the recommendations of the advisory council within one year of the advisory council
191.10 submitting its recommendations to the commissioner. The recommendations shall address
191.11 ways the commissioner may improve protection of the public under existing statutes and
191.12 laws and improve quality of care. The council's recommendations may include but are not
191.13 limited to special projects or initiatives that:

191.14 (1) create and administer training of licensees and ongoing training for their employees
191.15 to improve clients' and residents' lives, supporting ways that support licensees, and improve
191.16 and enhance quality care, and ways to provide technical assistance to licensees to improve
191.17 compliance;

191.18 (2) develop and implement information technology and data projects that analyze and
191.19 communicate information about trends of in violations or lead to ways of improving resident
191.20 and client care;

191.21 (3) improve communications strategies to licensees and the public;

191.22 (4) recruit and retain direct care staff;

191.23 (5) recommend education related to the care of vulnerable adults in professional nursing
191.24 programs, nurse aide programs, and home health aide programs; and

191.25 (6) ~~other projects or pilots that~~ benefit residents, clients, families, and the public in other
191.26 ways.

191.27 **EFFECTIVE DATE.** This section is effective July 1, 2025, and the amendments to
191.28 subdivision 1, clause (1), apply to members whose initial appointment occurs on or after
191.29 that date.

191.30 Sec. 3. Minnesota Statutes 2024, section 144G.31, subdivision 8, is amended to read:

191.31 Subd. 8. **Deposit of fines.** Fines collected under this section shall be deposited in a
191.32 dedicated special revenue account. On an annual basis, the balance in the special revenue

192.1 account shall be appropriated to the commissioner for special projects to improve resident
192.2 quality of care and outcomes in assisted living facilities licensed under this chapter in
192.3 Minnesota as recommended by the advisory council established in section 144A.4799. The
192.4 commissioner must publish on the department's website an annual report on the fines assessed
192.5 and collected, and how the appropriated money was allocated.

192.6 Sec. 4. Minnesota Statutes 2024, section 144G.52, subdivision 1, is amended to read:

192.7 Subdivision 1. **Definition.** For purposes of sections 144G.52 to 144G.55, "termination"
192.8 means:

192.9 (1) a facility-initiated termination of ~~housing provided to the resident under the contract~~
192.10 an assisted living contract; or

192.11 (2) a facility-initiated termination ~~or nonrenewal~~ of all assisted living services the resident
192.12 receives from the facility under the assisted living contract.

192.13 Sec. 5. Minnesota Statutes 2024, section 144G.52, subdivision 2, is amended to read:

192.14 Subd. 2. **Prerequisite to termination of a contract.** (a) Before issuing a notice of
192.15 termination of an assisted living contract, a facility must schedule and participate in a meeting
192.16 with the resident and the resident's legal representative and designated representative. The
192.17 purposes of the meeting are to:

192.18 (1) explain in detail the reasons for the proposed termination; and

192.19 (2) identify and offer reasonable accommodations or modifications, interventions, or
192.20 alternatives to avoid the termination or enable the resident to remain in the facility, including
192.21 but not limited to securing services from another provider of the resident's choosing that
192.22 may allow the resident to avoid the termination. A facility is not required to offer
192.23 accommodations, modifications, interventions, or alternatives that fundamentally alter the
192.24 nature of the operation of the facility.

192.25 (b) For a termination pursuant to subdivision 3 or 4, the meeting must be scheduled to
192.26 take place at least seven days before a notice of termination is issued. The facility must
192.27 make reasonable efforts to ensure that the resident, legal representative, and designated
192.28 representative are able to attend the meeting.

192.29 (c) For a termination pursuant to subdivision 5, the meeting must be scheduled to take
192.30 place at least 24 hours before a notice of termination is issued. The facility must make
192.31 reasonable efforts to ensure that the resident, legal representative, and designated

193.1 representative are able to attend the meeting. Notice of the meeting must be provided at
193.2 least 24 hours prior to the meeting.

193.3 (d) The facility must notify the resident that the resident may invite family members,
193.4 relevant health professionals, a representative of the Office of Ombudsman for Long-Term
193.5 Care, a representative of the Office of Ombudsman for Mental Health and Developmental
193.6 Disabilities, or other persons of the resident's choosing to participate in the meeting. For
193.7 residents who receive home and community-based waiver services under chapter 256S and
193.8 section 256B.49, the facility must notify the resident's case manager of the meeting.

193.9 ~~(d)~~ (e) In the event of an emergency relocation under subdivision 9, where the facility
193.10 intends to issue a notice of termination and an in-person meeting is impractical or impossible,
193.11 the facility must use telephone, video, or other electronic means to conduct and participate
193.12 in the meeting required under this subdivision and rules within Minnesota Rules, chapter
193.13 4659.

193.14 Sec. 6. Minnesota Statutes 2024, section 144G.52, subdivision 3, is amended to read:

193.15 Subd. 3. **Termination for nonpayment.** (a) A facility may initiate a termination of
193.16 ~~housing an assisted living contract~~ because of nonpayment of rent or a termination of services
193.17 because of nonpayment for services. Upon issuance of a notice of termination for
193.18 nonpayment, the facility must inform the resident that public benefits may be available and
193.19 must provide contact information for the Senior LinkAge Line under section 256.975,
193.20 subdivision 7, or the Disability Hub under section 256.01, subdivision 24.

193.21 (b) An interruption to a resident's public benefits that lasts for no more than 60 days
193.22 does not constitute nonpayment.

193.23 Sec. 7. Minnesota Statutes 2024, section 144G.52, subdivision 5, is amended to read:

193.24 Subd. 5. **Expedited termination.** ~~(a)~~ A facility may initiate an expedited termination
193.25 of ~~housing or services~~ an assisted living contract, including both the housing and assisted
193.26 living services provided thereunder, or of assisted living services if:

193.27 (1) the resident has engaged in conduct that substantially interferes with the rights, health,
193.28 or safety of other residents;

193.29 (2) the resident has engaged in conduct that substantially and intentionally interferes
193.30 with the safety or physical health of facility staff; ~~or~~

193.31 (3) the resident has committed an act listed in section 504B.171 that substantially
193.32 interferes with the rights, health, or safety of other residents;

194.1 ~~(b) A facility may initiate an expedited termination of services if:~~

194.2 ~~(1) the resident has engaged in conduct that substantially interferes with the resident's~~
194.3 ~~health or safety;~~

194.4 ~~(2)~~ (4) the resident's assessed needs exceed the scope of services agreed upon in the
194.5 assisted living contract and are not included in the services the facility disclosed in the
194.6 uniform checklist; or

194.7 ~~(3)~~ (5) extraordinary circumstances exist, causing the facility to be unable to provide
194.8 the resident with the services disclosed in the uniform checklist that are necessary to meet
194.9 the resident's needs.

194.10 Sec. 8. Minnesota Statutes 2024, section 144G.52, subdivision 7, is amended to read:

194.11 Subd. 7. **Notice of contract termination required.** (a) A facility terminating a contract
194.12 must issue a written notice of termination according to this section. The facility must also
194.13 send a copy of the termination notice to the Office of Ombudsman for Long-Term Care
194.14 and, for residents who receive home and community-based waiver services under chapter
194.15 256S and section 256B.49, to the resident's case manager, as soon as practicable after
194.16 providing notice to the resident. A facility may terminate an assisted living contract only
194.17 as permitted under subdivisions 3, 4, and 5.

194.18 (b) A facility terminating a contract under subdivision 3 or 4 must provide a written
194.19 termination notice at least 30 days before the effective date of the termination to the resident,
194.20 legal representative, and designated representative.

194.21 (c) A facility terminating a contract under subdivision 5 must provide a written
194.22 termination notice at least ~~15~~ seven days before the effective date of the termination to the
194.23 resident, legal representative, and designated representative.

194.24 (d) If a resident moves out of a facility or cancels services received from the facility,
194.25 nothing in this section prohibits a facility from enforcing against the resident any notice
194.26 periods with which the resident must comply under the assisted living contract.

194.27 Sec. 9. Minnesota Statutes 2024, section 144G.52, subdivision 8, is amended to read:

194.28 Subd. 8. **Content of notice of termination.** (a) The notice required under subdivision
194.29 7 must contain, at a minimum:

194.30 (1) the effective date of the termination of the assisted living contract;

195.1 (2) a detailed explanation of the basis for the termination, including the clinical or other
195.2 supporting rationale;

195.3 (3) a detailed explanation of the conditions under which a new or amended contract may
195.4 be executed;

195.5 (4) a statement that the resident has the right to appeal the termination by requesting a
195.6 hearing, and information concerning the time frame within which the request must be
195.7 submitted and the contact information for the agency to which the request must be submitted;

195.8 (5) a statement that the facility must participate in a coordinated move to another provider
195.9 or caregiver, as required under section 144G.55;

195.10 (6) the name and contact information of the person employed by the facility with whom
195.11 the resident may discuss the notice of termination;

195.12 (7) information on how to contact the Office of Ombudsman for Long-Term Care and
195.13 the Office of Ombudsman for Mental Health and Developmental Disabilities to request an
195.14 advocate to assist regarding the termination;

195.15 (8) information on how to contact the Senior LinkAge Line under section 256.975,
195.16 subdivision 7, or the Disability Hub under section 256.01, subdivision 24, and an explanation
195.17 that the Senior LinkAge Line and the Disability Hub may provide information about other
195.18 available housing or service options; and

195.19 (9) if the termination is only for services, a statement that the resident may remain in
195.20 the facility and may secure any necessary services from another provider of the resident's
195.21 choosing.

195.22 (b) When a facility used good faith efforts to substantially comply with the content or
195.23 timing requirements of this subdivision or corresponding rules, and the noncompliance did
195.24 not prejudice the resident, a failure to comply does not invalidate the termination process
195.25 and is not permissible grounds for appeal of a termination under section 144G.54, subdivision
195.26 2.

195.27 Sec. 10. Minnesota Statutes 2024, section 144G.52, subdivision 9, is amended to read:

195.28 Subd. 9. **Emergency relocation.** (a) A facility may remove a resident from the facility
195.29 in an emergency if necessary due to a resident's urgent medical needs or an imminent risk
195.30 the resident poses to the health or safety of another facility resident or facility staff member.
195.31 An emergency relocation is not a termination. An emergency relocation does not occur
195.32 when a resident or the resident's representative requests or consents to be transported to the

196.1 emergency room or hospital regardless of whether the facility initiates communications
196.2 regarding the need to relocate the resident.

196.3 (b) In the event of an emergency relocation, the facility must provide a written notice
196.4 that contains, at a minimum:

196.5 (1) the reason for the relocation;

196.6 (2) the name and contact information for the location to which the resident has been
196.7 relocated and any new service provider;

196.8 (3) contact information for the Office of Ombudsman for Long-Term Care and the Office
196.9 of Ombudsman for Mental Health and Developmental Disabilities;

196.10 (4) if known and applicable, the approximate date or range of dates within which the
196.11 resident is expected to return to the facility, or a statement that a return date is not currently
196.12 known; and

196.13 (5) a statement that, if the facility refuses to provide housing or services after a relocation,
196.14 the resident has the right to appeal under section 144G.54. The facility must provide contact
196.15 information for the agency to which the resident may submit an appeal.

196.16 (c) The notice required under paragraph (b) must be delivered as soon as practicable to:

196.17 (1) the resident, legal representative, and designated representative;

196.18 (2) for residents who receive home and community-based waiver services under chapter
196.19 256S and section 256B.49, the resident's case manager; and

196.20 (3) the Office of Ombudsman for Long-Term Care if the resident has been relocated
196.21 and has not returned to the facility within four days.

196.22 (d) Following an emergency relocation, a facility's refusal to provide housing or services
196.23 constitutes a termination and triggers the termination process in this section.

196.24 (e) In the event of an emergency relocation during which a resident is removed by law
196.25 enforcement, ambulance personnel, or other first responders, the notice required under
196.26 paragraph (b) may be provided retroactively but in no event no more than 72 hours after
196.27 the emergency relocation.

196.28 Sec. 11. Minnesota Statutes 2024, section 144G.52, subdivision 10, is amended to read:

196.29 Subd. 10. **Right to return.** (a) If a resident is absent from a facility for any reason,
196.30 including an emergency relocation, the facility shall not refuse to allow a resident to return
196.31 if a termination of ~~housing~~ the assisted living contract has not been effectuated.

197.1 (b) Notwithstanding paragraph (a), a facility may refuse to allow a resident to return if:
197.2 (1) another resident or employee of the facility has obtained a harassment restraining
197.3 order, order for protection, or similar court order seeking to protect them from the resident;
197.4 or
197.5 (2) the resident has been charged with a crime where the alleged victim is another resident
197.6 or employee of the facility.

197.7 Sec. 12. Minnesota Statutes 2024, section 144G.53, is amended to read:

197.8 **144G.53 NONRENEWAL OF HOUSING ASSISTED LIVING CONTRACT**
197.9 **NONRENEWAL.**

197.10 (a) If a facility decides to not renew a resident's ~~housing under a contract~~ assisted living
197.11 contract, including both the housing and assisted living services provided thereunder, the
197.12 facility must either (1) provide the resident with 60 calendar days' notice of the nonrenewal
197.13 and assistance with relocation planning, or (2) follow the termination procedure under
197.14 section 144G.52. A facility may not decline to renew only the assisted living services
197.15 provided to a resident under the resident's assisted living contract.

197.16 (b) The notice must include the reason for the nonrenewal and contact information of
197.17 the Office of Ombudsman for Long-Term Care and the Office of Ombudsman for Mental
197.18 Health and Developmental Disabilities.

197.19 (c) A facility must:

197.20 (1) provide notice of the nonrenewal to the Office of Ombudsman for Long-Term Care;

197.21 (2) for residents who receive home and community-based waiver services under chapter
197.22 256S and section 256B.49, provide notice to the resident's case manager;

197.23 (3) ensure a coordinated move to a safe location, as defined in section 144G.55,
197.24 subdivision 2, that is appropriate for the resident;

197.25 (4) ensure a coordinated move to an appropriate service provider identified by the facility,
197.26 if services are still needed and desired by the resident;

197.27 (5) consult and cooperate with the resident, legal representative, designated representative,
197.28 case manager for a resident who receives home and community-based waiver services under
197.29 chapter 256S and section 256B.49, relevant health professionals, and any other persons of
197.30 the resident's choosing to make arrangements to move the resident, including consideration
197.31 of the resident's goals; and

198.1 (6) prepare a written plan to prepare for the move.

198.2 (d) A resident may decline to move to the location the facility identifies or to accept
198.3 services from a service provider the facility identifies, and may instead choose to move to
198.4 a location of the resident's choosing or receive services from a service provider of the
198.5 resident's choosing within the timeline prescribed in the nonrenewal notice.

198.6 Sec. 13. Minnesota Statutes 2024, section 144G.54, subdivision 2, is amended to read:

198.7 Subd. 2. **Permissible grounds to appeal termination.** (a) A resident may appeal a
198.8 termination initiated under section 144G.52, subdivision 3, 4, or 5, on the ground that:

198.9 (1) there is a factual dispute as to whether the facility had a permissible basis to initiate
198.10 the termination;

198.11 (2) the termination would result in great harm or the potential for great harm to the
198.12 resident as determined by the totality of the circumstances, except in circumstances where
198.13 there is a greater risk of harm to other residents or staff at the facility;

198.14 (3) the resident has cured or demonstrated the ability to cure the reasons for the
198.15 termination, or has identified a reasonable accommodation or modification, intervention,
198.16 or alternative to the termination; or

198.17 (4) the facility has terminated the contract in violation of state or federal law.

198.18 (b) When submitting an appeal, a resident must specify which permissible grounds under
198.19 paragraph (a) are grounds for the appeal.

198.20 (c) The resident or resident's representative must provide the facility a copy of all appeals
198.21 within three calendar days of filing them.

198.22 Sec. 14. Minnesota Statutes 2024, section 144G.54, subdivision 3, is amended to read:

198.23 Subd. 3. **Appeals process.** (a) The Office of Administrative Hearings must conduct an
198.24 expedited hearing as soon as practicable under this section, but in no event later than 14
198.25 calendar days after the office receives the request, unless the parties agree otherwise or the
198.26 chief administrative law judge deems the timing to be unreasonable, given the complexity
198.27 of the issues presented. For terminations initiated pursuant to section 144G.52, subdivision
198.28 5, the Office of Administrative Hearings must conduct an expedited hearing as soon as
198.29 practicable but in no event later than seven calendar days after the office receives the request.

198.30 (b) The hearing must be held at the facility where the resident lives, unless holding the
198.31 hearing at that location is impractical, the parties agree to hold the hearing at a different

199.1 location, or the chief administrative law judge grants a party's request to appear at another
199.2 location or by telephone or interactive video.

199.3 (c) The hearing is not a formal contested case proceeding, except when determined
199.4 necessary by the chief administrative law judge.

199.5 (d) Parties may but are not required to be represented by counsel. The appearance of a
199.6 party without counsel does not constitute the unauthorized practice of law.

199.7 (e) Parties may provide the administrative law judge relevant evidence in the form of
199.8 in-person or sworn written testimony, including that of other residents of the facility,
199.9 representatives of other residents of the facility, facility staff, or individuals representing
199.10 the interests of other residents of the facility.

199.11 (f) The hearing shall be limited to the amount of time necessary for the participants to
199.12 expeditiously present the facts about the proposed termination. The administrative law judge
199.13 shall issue a recommendation to the commissioner as soon as practicable, but in no event
199.14 later than ten business days after the hearing related to a termination issued under section
199.15 144G.52, subdivision 3 or 4, or five business days for a hearing related to a termination
199.16 issued under section 144G.52, subdivision 5.

199.17 Sec. 15. Minnesota Statutes 2024, section 144G.54, subdivision 7, is amended to read:

199.18 Subd. 7. **Application of chapter 504B to appeals of terminations.** A resident may not
199.19 bring an action under chapter 504B to challenge a termination that has occurred and ~~been~~
199.20 ~~upheld under this section~~ for which an appeal under this section was not requested or for
199.21 which an appeal under this section was requested, but the termination was upheld in
199.22 accordance with this section. If a facility prevails in a challenged termination under this
199.23 section, the facility is entitled to a writ of recovery and order to vacate pursuant to section
199.24 504B.361.

199.25 Sec. 16. Minnesota Statutes 2024, section 144G.55, subdivision 1, is amended to read:

199.26 Subdivision 1. **Duties of facility.** (a) If a facility terminates an assisted living contract,
199.27 reduces services to the extent that a resident needs to move or obtain a new service provider
199.28 or the facility has its license restricted under section 144G.20, or the facility conducts a
199.29 planned closure under section 144G.57, the facility:

199.30 (1) must ensure, subject to paragraph (c), a coordinated move to a safe location that is
199.31 appropriate for the resident and that is identified by the facility prior to any hearing under
199.32 section 144G.54;

(2) must ensure a coordinated move of the resident to an appropriate service provider identified by the facility prior to any hearing under section 144G.54, provided services are still needed and desired by the resident; and

(3) must consult and cooperate with the resident, legal representative, designated representative, case manager for a resident who receives home and community-based waiver services under chapter 256S and section 256B.49, relevant health professionals, and any other persons of the resident's choosing to make arrangements to move the resident, including consideration of the resident's goals.

(b) A facility may satisfy the requirements of paragraph (a), clauses (1) and (2), by moving the resident to a different location within the same facility, if appropriate for the resident.

(c) A resident may decline to move to the location the facility identifies or to accept services from a service provider the facility identifies, and may choose instead to move to a location of the resident's choosing or receive services from a service provider of the resident's choosing within the timeline prescribed in the termination notice.

(d) A facility has met its obligations under this section, following a termination completed in accordance with section 144G.52 if:

(1) for residents receiving services under the home and community-based waiver services for the elderly under chapter 256S, waived services under community access for disability inclusion waiver under section 256B.49, or the brain injury waived services under section 256B.49, the resident or the resident's designated representative reject two or more options presented by the lead agency or the resident's waiver case manager; or

(2) for all other residents, the resident or the resident's designated representative reject two or more other facilities that are able to meet the individual's service needs, have an immediate opening, and are located within a reasonable geographic proximity. The absence of nearby facilities able to meet the individual's service needs and with immediate openings may increase what may be considered a reasonable geographic proximity.

(e) Sixty days before the facility plans to reduce or eliminate one or more services for a particular resident, the facility must provide written notice of the reduction that includes:

(1) a detailed explanation of the reasons for the reduction and the date of the reduction;

(2) the contact information for the Office of Ombudsman for Long-Term Care, the Office of Ombudsman for Mental Health and Developmental Disabilities, and the name and contact

201.1 information of the person employed by the facility with whom the resident may discuss the
201.2 reduction of services;

201.3 (3) a statement that if the services being reduced are still needed by the resident, the
201.4 resident may remain in the facility and seek services from another provider; and

201.5 (4) a statement that if the reduction makes the resident need to move, the facility must
201.6 participate in a coordinated move of the resident to another provider or caregiver, as required
201.7 under this section.

201.8 ~~(e)~~ (f) In the event of an unanticipated reduction in services caused by extraordinary
201.9 circumstances, the facility must provide the notice required under paragraph ~~(d)~~ (e) as soon
201.10 as possible.

201.11 ~~(f)~~ (g) If the facility, a resident, a legal representative, or a designated representative
201.12 determines that a reduction in services will make a resident need to move to a new location,
201.13 the facility must ensure a coordinated move in accordance with this section, and must provide
201.14 notice to the Office of Ombudsman for Long-Term Care.

201.15 ~~(g)~~ (h) Nothing in this section affects a resident's right to remain in the facility and seek
201.16 services from another provider.

201.17 Sec. 17. Minnesota Statutes 2024, section 144G.55, subdivision 2, is amended to read:

201.18 Subd. 2. **Safe location.** A safe location is not a private home where the occupant is
201.19 unwilling or unable to care for the resident, a homeless shelter, a hotel, or a motel. A facility
201.20 may not terminate a resident's housing or services if the resident will, as the result of the
201.21 termination, become homeless, as that term is defined in section 116L.361, subdivision 5,
201.22 or if an adequate and safe discharge location or adequate and needed service provider has
201.23 not been identified, unless the resident declines to move to the identified safe location or
201.24 needed service provider or chooses to become homeless. This subdivision does not preclude
201.25 a resident from declining to move to the location the facility identifies.

201.26 Sec. 18. **DIRECTION TO COMMISSIONER; PROVISIONAL OR TRANSITIONAL**
201.27 **LICENSURE.**

201.28 (a) The commissioner of human services and the commissioner of health must convene
201.29 a group of interested parties to examine the relationship between the costs incurred to comply
201.30 with the licensing requirements under Minnesota Statutes, chapter 144G, and reimbursement
201.31 rates for providing customized living services under Minnesota Statutes, chapter 256S, and
201.32 section 256B.4914, subdivision 6d. The commissioners must include among the interested

202.1 parties the Long-Term Care Imperative, the Residential Providers Association of Minnesota,
202.2 the Minnesota Association of County Social Service Administrators, and people with
202.3 disabilities currently receiving customized living services under the federally approved
202.4 brain injury, community access for disability inclusion, and elderly waiver plans.

202.5 (b) The commissioners of human services and health must develop draft legislative
202.6 language to better align the licensing requirements and reimbursement framework so that
202.7 the costs incurred to comply with licensing requirements and fees are adequately reimbursed
202.8 through the rates paid for providing customized living services.

202.9 (c) The commissioners must submit the draft legislation to the chairs and ranking minority
202.10 members of the legislative committees with jurisdiction over health and human services
202.11 policy and finance by January 1, 2026.

202.12 Sec. 19. **DIRECTION TO THE COMMISSIONER OF HEALTH; COMMUNITY**
202.13 **CARE HUB GRANT.**

202.14 Subdivision 1. **Establishment.** The commissioner of health shall establish a single grant
202.15 to expand and strengthen the community care hub model in Minnesota by organizing and
202.16 supporting a network of health and social care service providers to address health-related
202.17 social needs.

202.18 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
202.19 meanings given.

202.20 (b) "Community-based organization" means a public or private nonprofit organization
202.21 of demonstrated effectiveness that is representative of a community or significant segments
202.22 of a community and provides services that address the social drivers of health, education,
202.23 or related services to individuals in the community.

202.24 (c) "Community care hub" means a nonprofit organization that provides a centralized
202.25 administrative and operational interface between health care institutions and a network of
202.26 community-based organizations that provide health promotion and social care services.

202.27 (d) "Health-related social needs" means the individual-level, adverse social conditions
202.28 that can negatively impact a person's health or health care, such as poor health literacy, food
202.29 insecurity, housing instability, and lack of access to transportation.

202.30 (e) "Social care services" means culturally informed services to address health-related
202.31 social needs and community-informed health promotion programs.

203.1 Subd. 3. **Eligible applicants.** To be eligible for the single grant available under this
203.2 section, a grant applicant must:

203.3 (1) be recognized as a selected community care hub by the federal Administration for
203.4 Community Living and the Centers for Disease Control and Prevention;

203.5 (2) be the recipient of the community care hub planning grant under Laws 2024, chapter
203.6 127, article 53, section 3, subdivision 2, paragraph (a);

203.7 (3) hold contracts with health plans within Minnesota that allow the applicant to provide
203.8 social care services to a plan's covered member population; and

203.9 (4) demonstrate active engagement in providing, coordinating, and aiding health care
203.10 and social care services at the community level.

203.11 Subd. 4. **Eligible uses.** The grantee must use awarded money to:

203.12 (1) engage and organize community-based organizations to deliver social care services;

203.13 (2) expand the reach and scope of social care services;

203.14 (3) centralize administrative functions and operational infrastructure of community care
203.15 hubs related to:

203.16 (i) contracting with health care organizations;

203.17 (ii) payment operations;

203.18 (iii) management of referrals;

203.19 (iv) service delivery fidelity and compliance;

203.20 (v) quality improvement;

203.21 (vi) technology;

203.22 (vii) information security; and

203.23 (viii) data collection, data analysis, and reporting; and

203.24 (4) create sustainable financial pathways for services that address health-related social
203.25 needs throughout the state of Minnesota.

203.26 Subd. 5. **Grantee report.** The grantee must report community care hub initiative
203.27 outcomes as determined by the commissioner of health to the commissioner on the forms
203.28 and according to the timelines established by the commissioner.

204.1 Subd. 6. **Evaluation.** The commissioner of health shall design, conduct, and evaluate
204.2 the community care hub initiative implemented by the grantee using measures to assess
204.3 cost savings, impact, and health impact outcomes.

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

204.5 **ARTICLE 10**

204.6 **MISCELLANEOUS**

204.7 Section 1. Laws 2023, chapter 61, article 1, section 61, subdivision 4, is amended to read:

204.8 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit
204.9 to the chairs and ranking minority members of the legislative committees with jurisdiction
204.10 over human services finance and policy an interim report on the impact and outcomes of
204.11 the grants, including the number of grants awarded and the organizations receiving the
204.12 grants. The interim report must include any available evidence of how grantees were able
204.13 to increase utilization of supported decision making and reduce or avoid more restrictive
204.14 forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~
204.15 2026, the commissioner must submit to the chairs and ranking minority members of the
204.16 legislative committees with jurisdiction over human services finance and policy a final
204.17 report on the impact and outcomes of the grants, including any updated information from
204.18 the interim report and the total number of people served by the grants. The final report must
204.19 also detail how the money was used to achieve the requirements in subdivision 3, paragraph
204.20 (b)."

204.21 Delete the title and insert:

204.22 "A bill for an act

204.23 relating to human services; modifying provisions relating to aging and older adult
204.24 services, disability services, substance use disorder treatment, housing supports,
204.25 health care, direct care and treatment services, and the Department of Health;
204.26 establishing the Department of Direct Care and Treatment and the Advisory Council
204.27 on Direct Care and Treatment; dissolving the Direct Care and Treatment executive
204.28 board; establishing the Minnesota Caregiver Retirement Fund Trust; creating early
204.29 intensive developmental and behavioral intervention provisional licensure;
204.30 modifying the Home Care and Assisted Living Advisory Council; establishing the
204.31 Age-Friendly Minnesota Council; requiring a patient driving payment model
204.32 phase-in; creating a rate add-on for workforce standards; making conforming
204.33 changes; establishing grants; requiring reports; appropriating money; amending
204.34 Minnesota Statutes 2024, sections 10.65, subdivision 2; 15.01; 15.06, subdivision
204.35 1; 15A.0815, subdivision 2; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions
204.36 1, 1a; 43A.241; 144A.071, subdivisions 4a, 4c, 4d; 144A.161, subdivision 10;
204.37 144A.1888; 144A.351, subdivision 1; 144A.474, subdivision 11; 144A.4799;
204.38 144G.31, subdivision 8; 144G.52, subdivisions 1, 2, 3, 5, 7, 8, 9, 10; 144G.53;
204.39 144G.54, subdivisions 2, 3, 7; 144G.55, subdivisions 1, 2; 179A.54, by adding a
204.40 subdivision; 245.021; 245.073; 245C.16, subdivision 1; 245D.091, subdivisions
204.41 2, 3; 245D.12; 245G.01, subdivision 13b, by adding subdivisions; 245G.02,

205.1 subdivision 2; 245G.05, subdivision 1; 245G.07, subdivisions 1, 3, 4, by adding
205.2 subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision; 245G.22,
205.3 subdivisions 11, 15; 246.13, subdivision 1; 246B.01, by adding a subdivision;
205.4 246C.01; 246C.015, subdivision 3, by adding a subdivision; 246C.02, subdivision
205.5 1; 246C.04, subdivisions 2, 3; 246C.07, subdivisions 1, 2, 8; 246C.08; 246C.09,
205.6 subdivision 3; 246C.091, subdivisions 2, 3, 4; 252.021, by adding a subdivision;
205.7 252.50, subdivision 5; 253.195, by adding a subdivision; 253B.02, subdivisions
205.8 3, 4c, by adding a subdivision; 253B.03, subdivision 7; 253B.041, subdivision 4;
205.9 253B.09, subdivision 3a; 253B.18, subdivision 6; 253B.19, subdivision 2; 253B.20,
205.10 subdivision 2; 253D.02, subdivision 3, by adding a subdivision; 254A.19,
205.11 subdivision 4; 254B.01, subdivision 10; 254B.02, subdivision 5; 254B.03,
205.12 subdivisions 1, 3; 254B.04, subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 4,
205.13 5, by adding a subdivision; 254B.06, by adding a subdivision; 254B.09, subdivision
205.14 2; 254B.19, subdivision 1; 256.01, subdivision 29; 256.045, subdivisions 6, 7, by
205.15 adding a subdivision; 256.9657, subdivision 1; 256B.04, subdivision 21; 256B.0625,
205.16 subdivisions 5m, 17; 256B.0659, subdivision 17a; 256B.0757, subdivision 4c;
205.17 256B.0911, subdivisions 24, 26, by adding subdivisions; 256B.0924, subdivision
205.18 6; 256B.0949, subdivisions 2, 15, 16, 16a, by adding a subdivision; 256B.19,
205.19 subdivision 1; 256B.431, subdivision 30; 256B.434, subdivision 4; 256B.4914,
205.20 subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 7a, 7b, 7c, 8, 9, by adding subdivisions;
205.21 256B.761; 256B.85, subdivisions 7a, 8, 16; 256B.851, subdivisions 5, 6, 7, by
205.22 adding subdivisions; 256G.08, subdivisions 1, 2; 256G.09, subdivisions 1, 2, 3;
205.23 256I.05, by adding a subdivision; 256R.02, subdivisions 18, 19, 22, by adding
205.24 subdivisions; 256R.10, subdivision 8; 256R.23, subdivisions 5, 7, 8; 256R.24,
205.25 subdivision 3; 256R.25; 256R.26, subdivision 9; 256R.27, subdivisions 2, 3;
205.26 256R.43; 260E.14, subdivision 1; 352.91, subdivisions 2a, 3c, 3d, 4a; 524.3-801;
205.27 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a
205.28 subdivision; 611.57, subdivision 2; 626.5572, subdivision 13; Laws 2021, chapter
205.29 30, article 12, section 5, as amended; Laws 2021, First Special Session chapter 7,
205.30 article 13, sections 73; 75, subdivision 6, as amended; Laws 2024, chapter 127,
205.31 article 50, section 41, subdivision 2; article 53, section 2, subdivision 15; proposing
205.32 coding for new law in Minnesota Statutes, chapters 245A; 245D; 246; 246C; 256;
205.33 256R; repealing Minnesota Statutes 2024, sections 245G.01, subdivision 20d;
205.34 245G.07, subdivision 2; 246B.01, subdivision 2; 246C.015, subdivisions 5a, 6;
205.35 246C.06, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 246C.07, subdivisions 4, 5;
205.36 252.021, subdivision 2; 253.195, subdivision 2; 253B.02, subdivision 7b; 253D.02,
205.37 subdivision 7a; 254B.01, subdivisions 5, 15; 256.045, subdivision 1a; 256G.02,
205.38 subdivision 5a; 256R.02, subdivision 38; 256R.12, subdivision 10; 256R.23,
205.39 subdivision 6; 256R.36; 256R.40; 256R.41; 256R.481; Laws 2024, chapter 79,
205.40 article 1, section 20; Laws 2024, chapter 125, article 5, sections 40; 41; Laws 2024,
205.41 chapter 127, article 46, section 39; article 50, sections 40; 41, subdivisions 1, 3."