

2025 DHS OIG and Operations Judiciary Clone – HF 2260

Background Studies Chapter 245C policy and technical

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

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

Anti-Kickback

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

This proposal would incorporate federal anti-kickback language into Minnesota statute, including those directing the state's MA and CCAP programs, as a way to combat fraud, waste, and abuse. This proposal would create criminal penalties for individuals and entities that knowingly and willfully offer, pay, solicit, or receive compensation where payment may be made under a health care program. If enacted, the new state law would apply to providers and recipients of MA and CCAP.

Human Services Judges Personal Data Protection

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

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

| Proposal Title | HF 2260 Section | MN Stat Section | Section Description |
|--|-----------------|---------------------|--|
| IG-19 Anti-kickback | 1 | 142E.51, subd 5 | Administratively disqualifies child care providers caring for children receiving child care assistance if the provider intentionally receives or provides a kickback |
| IG-19 Anti-kickback | 2 | 142E.51, subd 6 | Prohibits program applicants, participants, and providers from receiving or providing a kickback or payment in exchange for child care assistance benefits or financial gain. |
| IG-12 Background Studies Chapter 245C policy and technical | 3 | 245C.05, new subd 9 | Codifies in 245C the use of electronic signatures in NETStudy 2.0. |
| IG-12 Background Studies Chapter 245C policy and technical | 4 | 245C.08, subd 3 | Updates the arrest and investigative information enumerated in statute that the commissioner may review for a background study. |
| IG-12 Background Studies Chapter 245C policy and technical | 5 | 245C.22, subd 5 | Expands the scope of a limited set aside to allow for financial management services (FMS), consumer-directed community supports (CDCS), and unlicensed home and community-based services (HCBS). |
| IG-19 Anti-kickback | 6 | 256.98, subd 1 | A person is guilty of theft if they receive or provide a prohibited payment, including a kickback or by submitting, aiding, or abetting the submission of a false claim for child care assistance. |
| IG-19 Anti-kickback | 7 | 256B.12 | Adds 609.542 to sections able to be prosecuted. |

| Proposal Title | HF 2260 Section | MN Stat Section | Section Description |
|--|--------------------|--------------------|---|
| OP-01 Human Services Judges Personal Data Protection | 8 | 480.40 | Adds employees of the DHS Appeals Division to the definition of judicial official for purposes of providing protections, remedies, and penalties around the dissemination of personal data. This protection includes the officials' and their dependents' personal information from being knowingly publicly posted, displayed, published, and/or sold on the internet. |
| IG-19 Anti-kickback | 9 | [609.542] | Adds section on Human Services Programs Crimes. Subd 2 - Makes a person guilty of a crime if intentionally offers a kickback, bribe, rebate, directly or indirectly, overtly/covertly, in case or in kind, to another person. Subd 3 - crime if a person receives the kickback. |