

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2434

03/17/2025 Authored by Schomacker and Noor

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

04/21/2025 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

- 1.1 A bill for an act
- 1.2 relating to human services; modifying provisions relating to aging services,
- 1.3 disability services, health care services, behavioral health services, background
- 1.4 studies, Department of Human Services program integrity, direct care and treatment
- 1.5 services, and housing supports; establishing a patient driven payment model
- 1.6 phase-in, the Minnesota Caregiver Defined Contribution Retirement Fund Trust,
- 1.7 early intensive developmental and behavioral intervention provisional licensure,
- 1.8 and recovery residence certification; adjusting rates for nursing home wage
- 1.9 standards; establishing an advisory task force and workgroups; creating a civil
- 1.10 cause of action; creating grants; requiring reports; making forecast adjustments;
- 1.11 appropriating money; amending Minnesota Statutes 2024, sections 13.46,
- 1.12 subdivisions 2, 3; 142A.02, subdivision 1; 142A.09, subdivision 1; 144.0724,
- 1.13 subdivisions 2, 11, by adding a subdivision; 179A.54, by adding a subdivision;
- 1.14 245.095, subdivision 5, by adding a subdivision; 245.4661, subdivisions 2, 6, 7;
- 1.15 245.4871, subdivision 5; 245.91, subdivision 4; 245A.03, by adding a subdivision;
- 1.16 245A.04, subdivisions 1, 7; 245A.043, by adding a subdivision; 245A.05; 245A.07,
- 1.17 subdivision 2; 245A.10, subdivisions 2, 3, 4, 8; 245C.02, subdivision 7; 245C.03,
- 1.18 subdivisions 6, 13, 15; 245C.04, subdivision 6, by adding a subdivision; 245C.08,
- 1.19 subdivision 5; 245C.10, by adding a subdivision; 245C.13, subdivision 2; 245C.14,
- 1.20 by adding subdivisions; 245C.15, subdivisions 1, 4a; 245C.16, subdivision 1;
- 1.21 245C.22, subdivisions 3, 8; 245D.091, subdivisions 2, 3; 245G.01, subdivision
- 1.22 13b, by adding subdivisions; 245G.02, subdivision 2; 245G.07, subdivisions 1, 3,
- 1.23 4, by adding subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision;
- 1.24 245G.22, subdivisions 11, 15; 246.54, subdivisions 1a, 1b; 246B.10; 246C.091,
- 1.25 subdivision 3; 252.27, by adding subdivisions; 254A.19, subdivision 4; 254B.01,
- 1.26 subdivisions 10, 11; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3, 4;
- 1.27 254B.04, subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 1a, 5, by adding a
- 1.28 subdivision; 254B.052, by adding a subdivision; 254B.06, subdivision 2, by adding
- 1.29 a subdivision; 254B.09, subdivision 2; 254B.19, subdivision 1; 256.01, subdivisions
- 1.30 29, 34; 256.043, subdivision 3; 256.9657, subdivision 1; 256.983, subdivision 4;
- 1.31 256B.051, subdivision 6, by adding a subdivision; 256B.0625, subdivision 5m;
- 1.32 256B.0659, subdivisions 17a, 21; 256B.0757, subdivision 4c; 256B.0761,
- 1.33 subdivision 4; 256B.0911, subdivisions 24, 26, by adding subdivisions; 256B.0922,
- 1.34 subdivision 1, by adding a subdivision; 256B.0924, subdivision 6; 256B.0949,
- 1.35 subdivisions 15, 16, 16a, by adding a subdivision; 256B.14, subdivision 2; 256B.19,
- 1.36 subdivision 1; 256B.434, subdivision 4k; 256B.4912, subdivision 1; 256B.4914,
- 1.37 subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 8, 9, by adding subdivisions; 256B.766;
- 1.38 256B.85, subdivisions 7a, 8, 12, 16; 256B.851, subdivisions 5, 6; 256G.08,

subdivisions 1, 2; 256G.09, subdivisions 1, 2; 256I.03, subdivision 11a; 256I.04, subdivision 2a; 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l, 1m, 1n, 1p, 1q, 1r, 1s, 1t, 1u, 2; 256R.02, subdivision 19, by adding subdivisions; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25; 260E.14, subdivision 1; 325F.725; 609A.015, subdivision 4; 609A.055, subdivision 3; 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision; 626.5572, subdivision 13; Laws 2021, First Special Session chapter 7, article 13, sections 73; 75, subdivision 4, as amended; Laws 2023, chapter 61, article 1, sections 5; 27; 30; 32; 47; 61, subdivision 4; 85; article 9, section 2, subdivision 14, as amended; Laws 2024, chapter 127, article 53, section 2, subdivision 19; proposing coding for new law in Minnesota Statutes, chapters 245A; 245D; 254B; 256; 256K; 256R; repealing Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5; 254B.04, subdivision 2a; 254B.181; Laws 2021, First Special Session chapter 7, article 13, section 75, subdivisions 3, as amended, 6, as amended.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

AGING SERVICES

Section 1. Minnesota Statutes 2024, section 256.9657, subdivision 1, is amended to read:

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

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

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

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

(c) Effective January 1, 2026, or the first day of the month following federal approval, whichever is later, the surcharge under this subdivision shall be increased to \$5,900.

~~(e) (d) The commissioner may reduce, and may subsequently restore, the surcharge under paragraph (d) based on the commissioner's determination of a permissible surcharge must decrease the amount under this subdivision as necessary to remain under the allowable federal tax percent in Code of Federal Regulations, title 42, part 433.~~

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

Sec. 2. Minnesota Statutes 2024, section 256B.0922, subdivision 1, is amended to read:

Subdivision 1. **Essential community supports.** (a) The purpose of the essential community supports program is to provide targeted services to persons ~~age 65 and older~~ who need essential community support, but whose needs do not meet the level of care required for nursing facility placement under section 144.0724, subdivision 11, and who are either 60 years of age or older or are persons with dementia.

(b) Essential community supports are available not to exceed \$400 per person per month. Essential community supports may be used as authorized within an authorization period not to exceed 12 months. Services must be available to a person who:

(1) is age ~~65~~ 60 or older or has dementia;

(2) is not eligible for medical assistance;

(3) has received a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;

(4) meets the financial eligibility criteria ~~for the alternative care program under section 256B.0913, subdivision 4~~ under subdivision 3;

(5) has an assessment summary; and

(6) has been determined by a community assessment under section 256B.0911, subdivisions 17 to 21, 23, 24, or 27, to be a person who would require provision of at least one of the following services, as defined in the approved elderly waiver plan, in order to maintain their community residence:

(i) adult day services;

(ii) caregiver support;

(iii) homemaker support;

(iv) chores;

4.1 (v) a personal emergency response device or system;

4.2 (vi) home-delivered meals; ~~or~~

4.3 (vii) community living assistance as defined by the commissioner; or

4.4 (viii) respite care.

4.5 (c) The person receiving any of the essential community supports in this subdivision
4.6 must also receive service coordination, not to exceed \$600 in a 12-month authorization
4.7 period, as part of their assessment summary.

4.8 (d) A person who has been determined to be eligible for essential community supports
4.9 must be reassessed at least annually and continue to meet the criteria in paragraph (b) to
4.10 remain eligible for essential community supports.

4.11 (e) The commissioner is authorized to use federal matching funds for essential community
4.12 supports as necessary and to meet demand for essential community supports as outlined in
4.13 subdivision 2, and that amount of federal funds is appropriated to the commissioner for this
4.14 purpose.

4.15 Sec. 3. Minnesota Statutes 2024, section 256B.0922, is amended by adding a subdivision
4.16 to read:

4.17 Subd. 3. **Financial eligibility criteria.** (a) To be eligible for essential community
4.18 supports, a person may have an income up to 400 percent of the federal poverty guidelines
4.19 for the household size. When determining financial eligibility under this subdivision, the
4.20 commissioner must use the income methodology described in section 256B.056, subdivision
4.21 1a, paragraph (b).

4.22 (b) No asset limit applies to a person eligible for essential community supports.

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

4.24 Subd. 4k. **Property rate increase for certain nursing facilities.** (a) A rate increase
4.25 under this subdivision ends upon the effective date of the transition of the facility's property
4.26 rate to a property payment rate under section 256R.26, subdivision 8, ~~or May 31, 2026,~~
4.27 ~~whichever is earlier.~~

4.28 (b) The commissioner shall increase the property rate of a nursing facility located in the
4.29 city of St. Paul at 1415 Almond Avenue in Ramsey County by \$10.65 on January 1, 2025.

4.30 (c) The commissioner shall increase the property rate of a nursing facility located in the
4.31 city of Duluth at 3111 Church Place in St. Louis County by \$20.81 on January 1, 2025.

(d) The commissioner shall increase the property rate of a nursing facility located in the city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on January 1, 2025.

~~(e) Effective January 1, 2025, through June 30, 2025, the commissioner shall increase the property rate of a nursing facility located in the city of Fergus Falls at 1131 South Mabelle Avenue in Ottertail County by \$38.56.~~

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

Sec. 5. Minnesota Statutes 2024, section 256R.02, subdivision 19, is amended to read:

Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256R.37; planned closure rate adjustments under section 256R.40; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single-bed room incentives under section 256R.41; property taxes, special assessments, and payments in lieu of taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under section 256R.39; performance-based incentive payments under section 256R.38; special dietary needs under section 256R.51; Public Employees Retirement Association employer costs; ~~and~~ border city rate adjustments under section 256R.481; and the rate adjustment for nursing home wage standards under section 256R.495.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2026. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to read:

Subd. 25b. **Known cost change factor.** "Known cost change factor" means 1.00 plus the average amount of increase in minimum wages for nursing home employees approved by the Nursing Home Workforce Standards Board established under section 181.212 that have taken effect within the previous 12 months.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The

6.1 commissioner of human services shall notify the revisor of statutes when federal approval
6.2 is obtained.

6.3 Sec. 7. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to
6.4 read:

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

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

6.8 Sec. 8. Minnesota Statutes 2024, section 256R.02, is amended by adding a subdivision to
6.9 read:

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

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

6.13 Sec. 9. Minnesota Statutes 2024, section 256R.23, subdivision 2, is amended to read:

6.14 Subd. 2. **Calculation of direct care cost per standardized day.** Each facility's direct
6.15 care cost per standardized day is calculated as follows: (1) multiply the facility's direct care
6.16 costs ~~divided~~ and the known cost change factor; and (2) divide the result of clause (1) by
6.17 the sum of the facility's standardized days. A facility's direct care cost per standardized day
6.18 is the facility's cost per day for direct care services associated with a case mix index of 1.00.

6.19 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
6.20 whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The
6.21 commissioner of human services shall notify the revisor of statutes when federal approval
6.22 is obtained.

6.23 Sec. 10. Minnesota Statutes 2024, section 256R.23, subdivision 3, is amended to read:

6.24 Subd. 3. **Calculation of other care-related cost per resident day.** Each facility's other
6.25 care-related cost per resident day is ~~its~~ calculated as follows:

6.26 (1) multiply the facility's other care-related costs, ~~divided~~ and the known cost change
6.27 factor; and

6.28 (2) divide the result of clause (1) by the sum of the facility's resident days.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2024, section 256R.24, subdivision 1, is amended to read:

Subdivision 1. **Determination of other operating cost per day.** Each facility's other operating cost per day is ~~its~~ calculated as follows:

(1) multiply the facility's other operating costs ~~divided~~ and the known cost change factor; and

(2) divide the result of clause (1) by the sum of the facility's resident days.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later, and applies retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2024, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to ~~(p)~~ (q).

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds. The commissioner must decrease the portion related to the provider surcharge as necessary to conform to decreases in the nursing home license surcharge fee under section 256.9657.

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

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

(e) The portion related to scholarships is determined under section 256R.37.

8.1 (f) The portion related to planned closure rate adjustments is as determined under section
8.2 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

8.3 (g) The portion related to consolidation rate adjustments shall be as determined under
8.4 section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

8.5 (h) The portion related to single-bed room incentives is as determined under section
8.6 256R.41.

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

8.14 (j) The portion related to employer health insurance costs is ~~the~~ calculated as follows:

8.15 (1) multiply the facility's allowable employer health insurance costs divided and the
8.16 known cost change factor; and

8.17 (2) divide the result of clause (1) by the sum of the facility's resident days.

8.18 (k) The portion related to the Public Employees Retirement Association is the allowable
8.19 costs divided by the sum of the facility's resident days.

8.20 (l) The portion related to quality improvement incentive payment rate adjustments is
8.21 the amount determined under section 256R.39.

8.22 (m) The portion related to performance-based incentive payments is the amount
8.23 determined under section 256R.38.

8.24 (n) The portion related to special dietary needs is the amount determined under section
8.25 256R.51.

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

8.28 (p) The portion related to the rate adjustment for critical access nursing facilities is the
8.29 amount determined under section 256R.47.

8.30 (q) The portion related to the rate adjustment for nursing home wage standards is the
8.31 amount determined under section 256R.495. This paragraph expires January 1, 2029.

EFFECTIVE DATE. The amendment to paragraph (a) and the new paragraph (q) are effective January 1, 2026, or upon federal approval, whichever is later, and apply retroactively to the rate year beginning January 1, 2026. The amendments to paragraph (b) are effective January 1, 2026, or the first day of the month following federal approval, whichever is later. The amendments to paragraph (j) are effective January 1, 2027, or upon federal approval, whichever is later, and apply retroactively to the rate year beginning January 1, 2027. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. **[256R.495] RATE ADJUSTMENT FOR NURSING HOME WAGE STANDARDS.**

Subdivision 1. Nursing facility rate adjustment. Effective for the rate years beginning January 1, 2026, and January 1, 2027, nursing facility rates under this chapter must include a rate adjustment to pay for the nursing home wage standards promulgated by the Nursing Home Workforce Standards Board and adopted as proposed on October 28, 2024. Each nursing facility reimbursed under this chapter must report to the commissioner the wage rate for every employee and contracted employee below the minimum wage standards established by the board under section 181.212.

Subd. 2. Application for January 1, 2026, and January 1, 2027, rate adjustments. (a) To receive a rate adjustment, a nursing facility must submit an application for each rate year in which the rate adjustment under this section is in effect to the commissioner in a form and manner determined by the commissioner. The application must include data for a period beginning with the first pay period after July 1 of the year prior to the rate year in which the rate adjustment takes effect, including at least three months of employee compensated hours by wage rate and a spending plan that describes how the funds from the rate adjustment will be allocated for compensation to employees as defined by Minnesota Rules, part 5200.2060, that are paid less than the general wage standards defined in Minnesota Rules, part 5200.2080, and the wage standards for certain positions defined by Minnesota Rules, part 5200.2090. The application must be submitted by October 1 of the year prior to the rate year in which the rate adjustment takes effect. The commissioner may request any additional information needed to determine the rate adjustment within 20 calendar days of receiving a completed application. The nursing facility must provide any additional information requested by the commissioner within 20 calendar days of receiving a request from the commissioner for additional information. The commissioner may waive the deadlines in this subdivision under extraordinary circumstances.

(b) For a nursing facility in which employees are represented by an exclusive bargaining representative, the commissioner shall approve an application submitted under this subdivision only upon receipt of a letter of acceptance of the spending plan in regard to members of the bargaining unit, signed by the exclusive bargaining agent and dated after July 1 of the year prior to the rate year in which the rate adjustment takes effect. Upon receipt of the letter of acceptance, the commissioner shall deem all requirements of this paragraph met in regard to the members of the bargaining unit.

Subd. 3. January 1, 2026, rate adjustment calculation. Based on the application in subdivision 2, the commissioner shall calculate the annualized compensation costs by adding the totals of clauses (1) to (5). The result must be divided by the resident days from the most recently available cost report to determine a per diem amount, which must be included in the external fixed costs payment rate under section 256R.25:

(1) for all nursing home workers, the sum of the difference between \$19 and any hourly wage rate of less than \$19 multiplied by the number of compensated hours at that wage rate;

(2) for certified nursing assistants, the sum of the difference between \$22.50 and any hourly wage rate of less than \$22.50 multiplied by the number of compensated hours at that wage rate;

(3) for trained medication aides, the sum of the difference between \$23.50 and any hourly wage rate of less than \$23.50 multiplied by the number of compensated hours at that wage rate;

(4) for licensed practical nurses, the sum of the difference between \$27 and any hourly wage rate of less than \$27 multiplied by the number of compensated hours at that wage rate; and

(5) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, pensions, and contributions to employee retirement accounts attributable to the amounts in clauses (1) to (4).

Subd. 4. January 1, 2027, rate adjustment calculation. Based on the application in subdivision 2, the commissioner shall calculate the annualized compensation costs by adding the totals of clauses (1) to (5). The result must be divided by the resident days from the most recently available cost report to determine a per diem amount, which must be included in the external fixed costs payment rate under section 256R.25:

11.1 (1) for all nursing home workers, the sum of the difference between \$20.50 and any
11.2 hourly wage rate of less than \$20.50 multiplied by the number of compensated hours at that
11.3 wage rate;

11.4 (2) for certified nursing assistants, the sum of the difference between \$24 and any hourly
11.5 wage rate of less than \$24 multiplied by the number of compensated hours at that wage
11.6 rate;

11.7 (3) for trained medication aides, the sum of the difference between \$25 and any hourly
11.8 wage rate of less than \$25 multiplied by the number of compensated hours at that wage
11.9 rate;

11.10 (4) for licensed practical nurses, the sum of the difference between \$28.50 and any hourly
11.11 wage rate of less than \$28.50 multiplied by the number of compensated hours at that wage
11.12 rate; and

11.13 (5) the sum of the employer's share of FICA taxes, Medicare taxes, state and federal
11.14 unemployment taxes, workers' compensation, pensions, and contributions to employee
11.15 retirement accounts attributable to the amounts in clauses (1) to (4).

11.16 Subd. 5. **Rate adjustment timeline.** (a) For the rate year beginning January 1, 2026,
11.17 nursing facilities that receive approval of the application in subdivision 2 must receive a
11.18 rate adjustment according to subdivision 3. The rate adjustment must continue to be included
11.19 in the external fixed costs payment rate under section 256R.25 until January 1, 2028.

11.20 (b) For the rate year beginning January 1, 2027, nursing facilities that receive approval
11.21 of the application in subdivision 2 must receive a rate adjustment according to subdivision
11.22 4. The rate adjustment must continue to be included in the external fixed costs payment rate
11.23 under section 256R.25 until January 1, 2029.

11.24 Subd. 6. **Expiration.** This section expires January 1, 2029.

11.25 **EFFECTIVE DATE.** This section is effective July 1, 2025, or upon federal approval,
11.26 whichever is later. The commissioner of human services shall notify the revisor of statutes
11.27 when federal approval is obtained.

11.28 Sec. 14. **[256R.531] PATIENT DRIVEN PAYMENT MODEL PHASE-IN.**

11.29 Subdivision 1. **Model phase-in.** From October 1, 2025, to December 31, 2028, the
11.30 commissioner shall determine an adjustment to the total payment rate for each facility as
11.31 determined under sections 256R.21 and 256R.27 to phase in the direct care payment rate

12.1 from the RUG-IV case mix classification system to the patient driven payment model
12.2 (PDPM) case mix classification system.

12.3 Subd. 2. **RUG-IV standardized days and facility case mix index.** (a) The commissioner
12.4 must determine the RUG-IV standardized days and facility average case mix using the sum
12.5 of the resident days by case mix classification for all payers on the Minnesota Statistical
12.6 and Cost Report.

12.7 (b) For the rate year beginning January 1, 2028, to December 31, 2028:

12.8 (1) the commissioner must determine the RUG-IV facility average case mix using the
12.9 sum of the resident days by the case mix classification for all payers on the September 30,
12.10 2025, Minnesota Statistical and Cost Report; and

12.11 (2) the commissioner must determine the RUG-IV standardized days by multiplying the
12.12 resident days on the September 30, 2026, Minnesota Statistical and Cost Report by the
12.13 RUG-IV facility case mix index determined under clause (1).

12.14 Subd. 3. **RUG-IV medical assistance case mix adjusted direct care payment rate.** The
12.15 commissioner must determine a facility's RUG-IV medical assistance case mix adjusted
12.16 direct care payment rate as the product of:

12.17 (1) the facility's RUG-IV direct care and payment rate determined in section 256R.23,
12.18 subdivision 7, using the RUG-IV standardized days determined in subdivision 2; and

12.19 (2) the corresponding medical assistance facility average case mix index for medical
12.20 assistance days determined in subdivision 2.

12.21 Subd. 4. **PDPM medical assistance case mix adjusted direct care payment rate.** The
12.22 commissioner must determine a facility's PDPM medical assistance case mix adjusted direct
12.23 care payment rate as the product of:

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

12.26 (2) the corresponding medical assistance facility average case mix index for medical
12.27 assistance days as defined in section 256R.02, subdivision 20.

12.28 Subd. 5. **Blended medical assistance case mix adjusted direct care payment rate.** The
12.29 commissioner must determine a facility's blended medical assistance case mix adjusted
12.30 direct care payment rate as the sum of:

12.31 (1) the RUG-IV medical assistance case mix adjusted direct care payment rate determined
12.32 in subdivision 3 multiplied by the following percentages:

- 13.1 (i) from October 1, 2025, to December 31, 2026, 75 percent;
- 13.2 (ii) from January 1, 2027, to December 31, 2027, 50 percent; and
- 13.3 (iii) from January 1, 2028, to December 31, 2028, 25 percent; and
- 13.4 (2) the PDPM medical assistance case mix adjusted direct care payment rate determined
- 13.5 in subdivision 4 multiplied by the following percentages:
- 13.6 (i) October 1, 2025, to December 31, 2026, 25 percent;
- 13.7 (ii) January 1, 2027, to December 31, 2027, 50 percent; and
- 13.8 (iii) January 1, 2028, to December 31, 2028, 75 percent.
- 13.9 Subd. 6. **PDPM phase-in rate adjustment.** The commissioner shall determine a facility's
- 13.10 PDPM phase-in rate adjustment as the difference between:
- 13.11 (1) the blended medical assistance case mix adjusted direct care payment rate determined
- 13.12 in subdivision 5; and
- 13.13 (2) the PDPM medical assistance case mix adjusted direct care payment rate determined
- 13.14 in section 256R.23, subdivision 7.
- 13.15 **EFFECTIVE DATE.** This section is effective October 1, 2025.
- 13.16 Sec. 15. **[256R.532] NURSING FACILITY RATE ADD-ON FOR WORKFORCE**
- 13.17 **STANDARDS.**
- 13.18 (a) Effective for rate years beginning on and after January 1, 2028, or upon federal
- 13.19 approval, whichever is later, the commissioner shall annually provide a rate add-on amount
- 13.20 for nursing facilities reimbursed under this chapter for the initial standards for wages for
- 13.21 nursing home workers adopted by the Nursing Home Workforce Standards Board in
- 13.22 Minnesota Rules, parts 5200.2060 to 5200.2090, pursuant to section 181.213, subdivision
- 13.23 2, paragraph (c). The add-on amount is equal to:
- 13.24 (1) \$3.93 per resident day, effective January 1, 2028; and
- 13.25 (2) \$8.55 per resident day, effective January 1, 2029.
- 13.26 (b) Effective upon federal approval, the commissioner must determine the add-on amount
- 13.27 for subsequent rate years in consultation with the commissioner of labor and industry.
- 13.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

ARTICLE 2**DISABILITY SERVICES**

Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 2, is amended to read:

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

(a) "Assessment reference date" or "ARD" means the specific end point for look-back periods in the MDS assessment process. This look-back period is also called the observation or assessment period.

(b) "Case mix index" means the weighting factors assigned to the case mix reimbursement classifications determined by an assessment.

(c) "Index maximization" means classifying a resident who could be assigned to more than one category, to the category with the highest case mix index.

(d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment, and functional status elements, that include common definitions and coding categories specified by the Centers for Medicare and Medicaid Services and designated by the Department of Health.

(e) "Representative" means a person who is the resident's guardian or conservator, the person authorized to pay the nursing home expenses of the resident, a representative of the Office of Ombudsman for Long-Term Care whose assistance has been requested, or any other individual designated by the resident.

(f) "Activities of daily living" includes personal hygiene, dressing, bathing, transferring, bed mobility, locomotion, eating, and toileting.

(g) "Nursing facility level of care determination" means the assessment process that results in a determination of a resident's or prospective resident's need for nursing facility level of care as established in subdivision 11 for purposes of medical assistance payment of long-term care services for:

(1) nursing facility services under chapter 256R;

(2) elderly waiver services under chapter 256S; and

~~(3) CADI and BI waiver services under section 256B.49; and~~

~~(4)~~ (3) state payment of alternative care services under section 256B.0913.

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

15.4 Sec. 2. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

15.5 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment
15.6 of long-term care services determined under subdivision 2, paragraph (g), a recipient must
15.7 be determined, using assessments defined in subdivision 4, to meet one of the following
15.8 nursing facility level of care criteria:

15.9 (1) the person requires formal clinical monitoring at least once per day;

15.10 (2) the person needs the assistance of another person or constant supervision to begin
15.11 and complete at least four of the following activities of living: bathing, bed mobility, dressing,
15.12 eating, grooming, toileting, transferring, and walking;

15.13 (3) the person needs the assistance of another person or constant supervision to begin
15.14 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

15.15 (4) the person has significant difficulty with memory, using information, daily decision
15.16 making, or behavioral needs that require intervention;

15.17 (5) the person has had a qualifying nursing facility stay of at least 90 days;

15.18 (6) the person meets the nursing facility level of care criteria determined 90 days after
15.19 admission or on the first quarterly assessment after admission, whichever is later; or

15.20 (7) the person is determined to be at risk for nursing facility admission or readmission
15.21 through a face-to-face long-term care consultation assessment as specified in section
15.22 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
15.23 organization under contract with the Department of Human Services. The person is
15.24 considered at risk under this clause if the person currently lives alone or will live alone or
15.25 be homeless without the person's current housing and also meets one of the following criteria:

15.26 (i) the person has experienced a fall resulting in a fracture;

15.27 (ii) the person has been determined to be at risk of maltreatment or neglect, including
15.28 self-neglect; or

15.29 (iii) the person has a sensory impairment that substantially impacts functional ability
15.30 and maintenance of a community residence.

(b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, paragraphs (b) and (c), that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.

(c) The assessment used to establish medical assistance payment for long-term care services provided under chapter 256S and section 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28, that occurred no more than 60 calendar days before the effective date of medical assistance eligibility for payment of long-term care services.

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

Sec. 3. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision to read:

Subd. 11a. Determination of nursing facility level of care for the brain injury and community access for disability inclusion waivers. (a) Effective January 1, 2026, or upon federal approval, whichever is later, a person must be determined to meet one of the following nursing facility level of care criteria for the brain injury and community access for disability inclusion waivers under section 256B.49:

(1) the person requires formal clinical monitoring at least once per day;

(2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of daily living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

(3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;
or

(4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention.

17.1 (b) Nursing facility level of care determinations for purposes of initial and ongoing
17.2 access to the brain injury and community access for disability inclusion waiver programs
17.3 must be conducted by a MnCHOICES certified assessor under section 256B.0911.

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

17.5 Sec. 4. Minnesota Statutes 2024, section 179A.54, is amended by adding a subdivision to
17.6 read:

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

17.12 (b) The state must make financial contributions to the Minnesota Caregiver Retirement
17.13 Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The
17.14 financial contributions by the state must be held in trust for the purpose of paying, from
17.15 principal, income, or both, the costs associated with creating, implementing, and
17.16 administering a defined contribution or other individual account retirement program for
17.17 individual providers of direct support services working under a collective bargaining
17.18 agreement and providing services through a covered program under section 256B.0711. A
17.19 board of trustees composed of an equal number of trustees appointed by the governor and
17.20 trustees appointed by the exclusive representative under this section must administer, manage,
17.21 and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust
17.22 must not be an agent of either the state or the exclusive representative.

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

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

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

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

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

18.4 Sec. 5. **[245A.142] EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL**
18.5 **INTERVENTION PROVISIONAL LICENSURE.**

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

18.8 Subd. 2. **Provisional license.** (a) Beginning on January 1, 2026, the commissioner shall
18.9 begin issuing provisional licenses to enrolled EIDBI agencies while permanent licensing
18.10 standards are developed and shall not enroll new EIDBI agencies to provide EIDBI services.
18.11 EIDBI agencies enrolled by December 31, 2025, have until April 1, 2026, to submit an
18.12 application for provisional licensure on the forms and in the manner prescribed by the
18.13 commissioner.

18.14 (b) Beginning April 2, 2026, an EIDBI agency shall not operate if it has not submitted
18.15 an application for provisional licensure under this section. Failure to submit an application
18.16 for provisional licensure by April 2, 2026, will result in disenrollment from providing EIDBI
18.17 services.

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

18.22 (d) Beginning January 1, 2027, no agency providing EIDBI services may operate in
18.23 Minnesota unless licensed under this section.

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

18.25 (1) access the program without advance notice in accordance with section 245A.04,
18.26 subdivision 5;

18.27 (2) investigate reports of maltreatment;

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

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

18.31 (5) deny an application for provisional licensure; and

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

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

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

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

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

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

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

19.15 Subd. 5. **Reporting of maltreatment.** An EIDBI agency must comply with the
19.16 requirements of reporting maltreatment of vulnerable adults and minors under section
19.17 626.557 and chapter 260E.

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

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

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

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

19.30 (c) A complete reconsideration request and supporting documentation must be received
19.31 by the commissioner within 15 calendar days after the date the provisional license holder

20.1 receives notice of the revocation under subdivision 7 or a denial of a provisional license
20.2 application.

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

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

20.6 (2) during the pendency of a reconsideration.

20.7 Subd. 10. **Disenrollment.** An EIDBI agency whose application has been denied under
20.8 subdivision 2 or whose provisional license has been revoked is disenrolled from providing
20.9 EIDBI services.

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

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

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

20.17 Sec. 6. Minnesota Statutes 2024, section 245C.16, subdivision 1, is amended to read:

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

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

20.25 (1) the recency of the disqualifying characteristic;

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

20.27 (3) the number of disqualifying characteristics;

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

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

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

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

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

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

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

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

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

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

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

22.2 Sec. 7. Minnesota Statutes 2024, section 245D.091, subdivision 2, is amended to read:

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

22.8 (1) ethical considerations;

22.9 (2) functional assessment;

22.10 (3) functional analysis;

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

22.12 (5) selecting intervention outcomes and strategies;

22.13 (6) behavior reduction and elimination strategies that promote least restrictive approved
22.14 alternatives;

22.15 (7) data collection;

22.16 (8) staff and caregiver training;

22.17 (9) support plan monitoring;

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

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

22.20 (12) must be a:

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

22.23 (ii) clinical social worker licensed as an independent clinical social worker under chapter
22.24 148D, or a person with a master's degree in social work from an accredited college or
22.25 university, with at least 4,000 hours of post-master's supervised experience in the delivery
22.26 of clinical services in the areas identified in clauses (1) to (11);

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

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

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

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

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

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

23.19 Sec. 8. Minnesota Statutes 2024, section 245D.091, subdivision 3, is amended to read:

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

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

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

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

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

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

24.4 (1) have two years of supervised experience conducting functional behavior assessments
24.5 and designing, implementing, and evaluating effectiveness of positive practices behavior
24.6 support strategies for people who exhibit challenging behaviors as well as co-occurring
24.7 mental disorders and neurocognitive disorder;

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

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

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

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

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

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

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

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

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

24.24 Sec. 9. **[245D.13] OUT-OF-HOME RESPITE CARE SERVICES FOR CHILDREN.**

24.25 Subdivision 1. Licensed setting required. A license holder with a home and
24.26 community-based services license providing out-of-home respite care services for children
24.27 may do so only in a licensed setting, unless exempt under subdivision 2. For purposes of
24.28 this section, "respite care services" has the meaning given in section 245A.02, subdivision
24.29 15.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26.4 (1) background studies completed under chapter 245C;

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

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

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

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

26.14 Sec. 10. **[256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY**
26.15 **EXPANSION GRANT.**

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

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

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

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

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

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

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

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

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

26.29 (1) develop and deliver comprehensive training programs for lead agencies, disability
26.30 service providers, schools, employment support agencies, and individuals with disabilities

27.1 and their families to ensure effective use of assistive technology and remote support tools.
27.2 Training must address specific challenges faced by individuals with disabilities, such as
27.3 accessibility, independence, and health monitoring;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28.28 Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions
28.29 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the
28.30 requirements of this subdivision. Remote reassessments conducted by interactive video or
28.31 telephone may substitute for in-person reassessments.

28.32 (b) For services provided by the developmental disabilities waiver under section
28.33 256B.092, and the community access for disability inclusion, community alternative care,

29.1 and brain injury waiver programs under section 256B.49, remote reassessments may be
29.2 substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

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

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

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

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

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

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

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

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

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

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

29.29 Subd. 25a. Attesting to no changes in needs or services. (a) A person who is 22 to 64
29.30 years of age and receiving home and community-based waiver services under the
29.31 developmental disabilities waiver program under section 256B.092; community access for

30.1 disability inclusion, community alternative care, and brain injury waiver programs under
30.2 section 256B.49; and community first services and supports under section 256B.85 may
30.3 attest that the person has unchanged needs from the most recent prior assessment or
30.4 reassessment for up to two consecutive reassessments, if the lead agency provides informed
30.5 choice and the person being reassessed or the person's legal representative provides informed
30.6 consent. Lead agencies must document that informed choice was offered.

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

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

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

30.17 (1) verify current assessed support needs;

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

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

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

30.21 and

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

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

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

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

30.30 (b) The determination of need for nursing facility level of care must be made based on
30.31 criteria in section 144.0724, subdivision 11. This paragraph expires upon the effective date
30.32 of paragraph (c).

(c) Effective January 1, 2026, or upon federal approval, whichever is later, the determination of need for nursing facility level of care must be made based on criteria in section 144.0724, subdivision 11, except for determinations of need for purposes of the brain injury and community access for disability inclusion waivers under section 256B.49. Determinations of need for the brain injury and community access for disability inclusion waivers must be made based on criteria in section 144.0724, subdivision 11a.

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

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

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

(b) Except as provided under paragraph (m), payment for targeted case management provided by county staff under this subdivision shall be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one combined average rate together with adult mental health case management under section 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate for case management under this section shall be the same as the rate for adult mental health case management in effect as of December 31, 2001. Billing and payment must identify the recipient's primary population group to allow tracking of revenues.

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

(d) If the service is provided by a team that includes contracted vendors and county staff, the costs for county staff participation on the team shall be included in the rate for county-provided services. In this case, the contracted vendor and the county may each

32.1 receive separate payment for services provided by each entity in the same month. In order
32.2 to prevent duplication of services, the county must document, in the recipient's file, the need
32.3 for team targeted case management and a description of the different roles of the team
32.4 members.

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

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

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

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

32.19 (i) Notwithstanding section 256B.041, county payments for the cost of case management
32.20 services provided by county staff shall not be made to the commissioner of management
32.21 and budget. For the purposes of targeted case management services provided by county
32.22 staff under this section, the centralized disbursement of payments to counties under section
32.23 256B.041 consists only of federal earnings from services provided under this section.

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

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

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

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

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

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

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

33.6 Sec. 17. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34.26 (2) a person who has:

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

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

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

(4) a person who is a graduate student in a behavioral science, child development science, or related field and is receiving clinical supervision by a QSP affiliated with an agency to meet the clinical training requirements for experience and training with people with ASD or a related condition; or

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

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

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

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

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

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

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

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

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

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

Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

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

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

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

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

(4) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

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

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

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

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

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

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

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

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

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

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

(15) provide clinical, in-person supervision sessions by a qualified supervising 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. 19. 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. 20. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. **Division of cost.** 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

38.1 with developmental disabilities that have seven or more beds. This provision includes
38.2 pass-through payments made under section 256B.5015; ~~and~~

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

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

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

38.18 (5) beginning July 1, 2026, or upon federal approval, whichever is later, 67 percent state
38.19 funds and 33 percent county funds for the costs of services for all individual waiver recipients
38.20 who receive rates determined under section 256B.4914, subdivision 14.

38.21 Sec. 21. Minnesota Statutes 2024, section 256B.4914, subdivision 3, is amended to read:

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

38.26 (1) 24-hour customized living;

38.27 (2) adult day services;

38.28 (3) adult day services bath;

38.29 (4) community residential services;

38.30 (5) customized living;

38.31 (6) day support services;

- 39.1 (7) employment development services;
- 39.2 (8) employment exploration services;
- 39.3 (9) employment support services;
- 39.4 (10) family residential services;
- 39.5 (11) individualized home supports;
- 39.6 (12) individualized home supports with family training;
- 39.7 (13) individualized home supports with training;
- 39.8 (14) integrated community supports;
- 39.9 (15) life sharing;
- 39.10 (16) effective until the effective date of clauses (17) and (18), night supervision;
- 39.11 (17) effective January 1, 2026, or upon federal approval, whichever is later, awake night
- 39.12 supervision;
- 39.13 (18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night
- 39.14 supervision;
- 39.15 ~~(17)~~ (19) positive support services;
- 39.16 ~~(18)~~ (20) prevocational services;
- 39.17 ~~(19)~~ (21) residential support services;
- 39.18 ~~(20)~~ (22) respite services;
- 39.19 ~~(21)~~ (23) transportation services; and
- 39.20 ~~(22)~~ (24) other services as approved by the federal government in the state home and
- 39.21 community-based services waiver plan.
- 39.22 (b) Effective January 1, 2024, or upon federal approval, whichever is later, respite
- 39.23 services under paragraph (a), clause ~~(20)~~ (22), are not an applicable service under this
- 39.24 section.
- 39.25 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
- 39.26 that the amendments to paragraph (b) are effective January 1, 2026, or upon federal approval,
- 39.27 whichever is later. The commissioner of human services shall notify the revisor of statutes
- 39.28 when federal approval is obtained.

Sec. 22. 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 the base wage index in subdivision 5a, publish these updated values, and load them into the rate management system as ~~follows:~~ required under subdivision 5b.

~~(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 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. 23. 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);

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

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

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

41.8 (ii) 85 percent of the subtotal of 40 percent of the median wage for home health and
41.9 personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant
41.10 (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code
41.11 29-2053); and 20 percent of the median wage for social and human services aide (SOC code
41.12 21-1093);

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

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

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

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

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

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

41.31 (12) for individualized home supports with training services staff, 40 percent of the
41.32 median wage for community social service specialist (SOC code 21-1099); 50 percent of

42.1 the median wage for social and human services aide (SOC code 21-1093); and ten percent
42.2 of the median wage for psychiatric technician (SOC code 29-2053);

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

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

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

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

42.15 (17) effective until the effective date of clauses (18) and (19), for night supervision staff,
42.16 40 percent of the median wage for home health and personal care aide (SOC code 31-1120);
42.17 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the
42.18 median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median
42.19 wage for social and human services aide (SOC code 21-1093);;

42.20 (18) effective January 1, 2026, or upon federal approval, whichever is later, for awake
42.21 night supervision staff, 40 percent of the median wage for home health and personal care
42.22 aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code
42.23 31-1131); 20 percent the median wage for psychiatric technician (SOC code 29-2053); and
42.24 20 percent of the median wage for social and human services aid (SOC code 21-1093); and

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

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

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

42.29 Subd. 5b. **Standard component value adjustments.** The commissioner shall update
42.30 the base wage index, client and programming support, transportation, and program facility
42.31 cost component values as required in subdivisions 5a and 6 to 9 and the rates identified in
42.32 subdivision 19 for changes in the Consumer Price Index. If the result of this update exceeds

four percent, the commissioner shall implement a change to these component values of four percent. If the result of this update is less than four percent, the commissioner shall implement the full value of the change. 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 of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. 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;

(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; and

(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;

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 26. Minnesota Statutes 2024, section 256B.4914, subdivision 6b, is amended to read:

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

(1) competitive workforce factor: 6.7 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: 3.3 percent; and

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

~~(7) absence factor: 1.7 percent.~~

(b) Payments for family 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;

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

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

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

(6) multiply the number of shared direct staffing and individual direct staffing hours provided on site or through monitoring technology and nursing hours by the product of the

46.1 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
46.2 5a, clause (1);

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

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

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

46.12 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
46.13 by 365 if customized for adapted transport, based on the resident with the highest assessed
46.14 need. The commissioner shall update the amounts in this clause as specified in subdivision
46.15 5b;

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

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

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

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

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

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

46.29 Subd. 6c. **Integrated community supports; component values and calculation of**
46.30 **payment rates.** (a) Component values for integrated community supports are:

46.31 (1) competitive workforce factor: 6.7 percent;

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

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

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

47.4 (5) general administrative support ratio: 13.25 percent; and

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

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

47.7 (b) Payments for integrated community supports must be calculated as follows:

47.8 (1) determine the number of shared direct staffing and individual direct staffing hours
47.9 to meet a recipient's needs. The base shared direct staffing hours must be eight hours divided
47.10 by the number of people receiving support in the integrated community support setting, and
47.11 the individual direct staffing hours must be the average number of direct support hours
47.12 provided directly to the service recipient;

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

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

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

47.20 (5) multiply the number of shared direct staffing and individual direct staffing hours in
47.21 clause (1) by the appropriate staff wages;

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

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

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

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

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

48.2 (11) add the standard general administrative support ratio; and the program-related
48.3 expense ratio; ~~and the absence and utilization factor ratio;~~

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

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

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

48.11 Sec. 28. Minnesota Statutes 2024, section 256B.4914, subdivision 8, is amended to read:

48.12 Subd. 8. **Unit-based services with programming; component values and calculation**
48.13 **of payment rates.** (a) For the purpose of this section, unit-based services with programming
48.14 include employment exploration services, employment development services, employment
48.15 support services, individualized home supports with family training, individualized home
48.16 supports with training, and positive support services provided to an individual outside of
48.17 any service plan for a day program or residential support service.

48.18 (b) Component values for unit-based services with programming are:

48.19 (1) competitive workforce factor: 6.7 percent;

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

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

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

48.23 (5) program plan support ratio: 15.5 percent;

48.24 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision
48.25 5b;

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

48.27 (8) program-related expense ratio: 6.1 percent; and

48.28 (9) absence and utilization factor ratio: 3.9 percent.

48.29 (c) A unit of service for unit-based services with programming is 15 minutes.

49.1 (d) Payments for unit-based services with programming must be calculated as follows,
49.2 unless the services are reimbursed separately as part of a residential support services or day
49.3 program payment rate:

49.4 (1) determine the number of units of service to meet a recipient's needs;

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

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

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

49.12 (5) multiply the number of direct staffing hours by the appropriate staff wage;

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

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

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

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

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

49.24 (11) this is the subtotal rate;

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

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

49.29 (14) for services provided in a shared manner, divide the total payment in clause (13)
49.30 as follows:

50.1 (i) for employment exploration services, divide by the number of service recipients, not
50.2 to exceed five;

50.3 (ii) for employment support services, divide by the number of service recipients, not to
50.4 exceed six;

50.5 (iii) for individualized home supports with training and individualized home supports
50.6 with family training, divide by the number of service recipients, not to exceed three; and

50.7 (iv) for night supervision, divide by the number of service recipients, not to exceed two;
50.8 and

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

50.11 (e) Effective January 1, 2027, or upon federal approval, whichever is later, providers
50.12 may not bill more than eight hours per day for individualized home supports with training
50.13 and individualized home supports with family training. This maximum does not limit a
50.14 person's use of other disability waiver services.

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

50.16 Sec. 29. Minnesota Statutes 2024, section 256B.4914, subdivision 9, is amended to read:

50.17 Subd. 9. **Unit-based services without programming; component values and**
50.18 **calculation of payment rates.** (a) For the purposes of this section, unit-based services
50.19 without programming include individualized home supports without training and night
50.20 supervision provided to an individual outside of any service plan for a day program or
50.21 residential support service. Unit-based services without programming do not include respite.
50.22 This paragraph expires upon the effective date of paragraph (b).

50.23 (b) Effective January 1, 2026, or upon federal approval, whichever is later, for the
50.24 purposes of this section, unit-based services without programming include individualized
50.25 home supports without training, awake night supervision, and asleep night supervision
50.26 provided to an individual outside of any service plan for a day program or residential support
50.27 service.

50.28 ~~(b)~~ (c) Component values for unit-based services without programming are:

50.29 (1) competitive workforce factor: 6.7 percent;

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

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

- 51.1 (4) employee-related cost ratio: 23.6 percent;
- 51.2 (5) program plan support ratio: 7.0 percent;
- 51.3 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision
- 51.4 5b;
- 51.5 (7) general administrative support ratio: 13.25 percent;
- 51.6 (8) program-related expense ratio: 2.9 percent; and
- 51.7 (9) absence and utilization factor ratio: 3.9 percent.
- 51.8 ~~(e)~~ (d) A unit of service for unit-based services without programming is 15 minutes.
- 51.9 ~~(d)~~ (e) Payments for unit-based services without programming must be calculated as
- 51.10 follows unless the services are reimbursed separately as part of a residential support services
- 51.11 or day program payment rate:
- 51.12 (1) determine the number of units of service to meet a recipient's needs;
- 51.13 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 51.14 provided in subdivisions 5 to 5a;
- 51.15 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 51.16 product of one plus the competitive workforce factor;
- 51.17 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 51.18 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 51.19 to the result of clause (3);
- 51.20 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 51.21 (6) multiply the number of direct staffing hours by the product of the supervisory span
- 51.22 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 51.23 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 51.24 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 51.25 rate;
- 51.26 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 51.27 plan support ratio;
- 51.28 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 51.29 employee-related cost ratio;

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

52.3 (11) this is the subtotal rate;

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

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

52.8 (14) for individualized home supports without training provided in a shared manner,
52.9 divide the total payment amount in clause (13) by the number of service recipients, not to
52.10 exceed three; and

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

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

52.14 Sec. 30. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
52.15 to read:

52.16 **Subd. 14a. Limitations on rate exceptions for residential services.** (a) Effective July
52.17 1, 2026, the commissioner must implement limitations on the size and number of rate
52.18 exceptions for community residential services, customized living services, family residential
52.19 services, and integrated community supports.

52.20 **(b) For rate exceptions related to behavioral needs, the commissioner must include:**

52.21 **(1) a documented behavioral diagnosis; or**

52.22 **(2) determined assessed needs for behavioral supports as identified in the person's most**
52.23 **recent assessment.**

52.24 **(c) Community residential services rate exceptions must not include positive supports**
52.25 **costs.**

52.26 **(d) The commissioner must not approve rate exception requests related to increased**
52.27 **community time or transportation.**

52.28 **(e) For the commissioner to approve a rate exception annual renewal, the person's most**
52.29 **recent assessment must indicate continued extraordinary needs in the areas cited in the**
52.30 **exception request. If a person's assessment continues to identify these extraordinary needs,**

53.1 lead agencies requesting an annual renewal of rate exceptions must submit provider-created
53.2 documentation supporting the continuation of the exception, including but not limited to:

53.3 (1) payroll records for direct care wages cited in the request;

53.4 (2) payment records or receipts for other costs cited in the request; and

53.5 (3) documentation of expenses paid that were identified as necessary for the initial rate
53.6 exception.

53.7 (f) The commissioner must not increase rate exception annual renewals that request an
53.8 exception to direct care or supervision wages more than the most recently implemented
53.9 base wage index determined under subdivision 5.

53.10 (g) The commissioner must publish online an annual report detailing the impact of the
53.11 limitations under this subdivision on home and community-based services spending, including
53.12 but not limited to:

53.13 (1) the number and percentage of rate exceptions granted and denied;

53.14 (2) total spending on community residential setting services and rate exceptions;

53.15 (3) trends in the percentage of spending attributable to rate exceptions; and

53.16 (4) an evaluation of the effectiveness of the limitations in controlling spending growth.

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

53.18 Sec. 31. Minnesota Statutes 2024, section 256B.4914, is amended by adding a subdivision
53.19 to read:

53.20 Subd. 20. **Sanctions and monetary recovery.** Payments under this section are subject
53.21 to the sanctions and monetary recovery requirements under section 256B.064.

53.22 Sec. 32. Minnesota Statutes 2024, section 256B.85, subdivision 7a, is amended to read:

53.23 Subd. 7a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for
53.24 CFSS must be paid for services provided to persons who qualify for ten or more hours of
53.25 CFSS per day when provided by a support worker who meets the requirements of subdivision
53.26 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

53.27 (b) Effective January 1, 2026, or upon federal approval, whichever is later, an enhanced
53.28 rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons
53.29 who qualify for ten or more hours of CFSS per day when provided by a support worker
53.30 who meets the requirements of subdivision 16, paragraph (e).

~~(b)~~ (c) An agency provider must use all additional revenue attributable to the rate enhancements under this subdivision for the wages and wage-related costs of the support workers, 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 provider 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.

~~(e)~~ (d) Any change in the eligibility criteria for the enhanced rate for CFSS as described in this subdivision and referenced in subdivision 16, paragraph (e), 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.

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

Sec. 33. Minnesota Statutes 2024, section 256B.85, subdivision 8, is amended to read:

Subd. 8. **Determination of CFSS service authorization amount.** (a) All community first services and supports must be authorized by the commissioner or the commissioner's designee before services begin. The authorization for CFSS must be completed as soon as possible following an assessment but no later than 40 calendar days from the date of the assessment.

(b) The amount of CFSS authorized must be based on the participant's home care rating described in paragraphs (d) and (e) and any additional service units for which the participant qualifies as described in paragraph (f).

(c) The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following for a participant:

(1) the total number of dependencies of activities of daily living;

(2) the presence of complex health-related needs; and

(3) the presence of Level I behavior.

(d) The methodology to determine the total service units for CFSS for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the PCA program.

55.1 (e) Each home care rating is designated by the letters P through Z and EN and has the
55.2 following base number of service units assigned:

55.3 (1) P home care rating requires Level I behavior or one to three dependencies in ADLs
55.4 and qualifies the person for five service units;

55.5 (2) Q home care rating requires Level I behavior and one to three dependencies in ADLs
55.6 and qualifies the person for six service units;

55.7 (3) R home care rating requires a complex health-related need and one to three
55.8 dependencies in ADLs and qualifies the person for seven service units;

55.9 (4) S home care rating requires four to six dependencies in ADLs and qualifies the person
55.10 for ten service units;

55.11 (5) T home care rating requires four to six dependencies in ADLs and Level I behavior
55.12 and qualifies the person for 11 service units;

55.13 (6) U home care rating requires four to six dependencies in ADLs and a complex
55.14 health-related need and qualifies the person for 14 service units;

55.15 (7) V home care rating requires seven to eight dependencies in ADLs and qualifies the
55.16 person for 17 service units;

55.17 (8) W home care rating requires seven to eight dependencies in ADLs and Level I
55.18 behavior and qualifies the person for 20 service units;

55.19 (9) Z home care rating requires seven to eight dependencies in ADLs and a complex
55.20 health-related need and qualifies the person for 30 service units; and

55.21 (10) EN home care rating includes ventilator dependency as defined in section 256B.0651,
55.22 subdivision 1, paragraph (g). A person who meets the definition of ventilator-dependent
55.23 and the EN home care rating and utilize a combination of CFSS and home care nursing
55.24 services is limited to a total of 96 service units per day for those services in combination.
55.25 Additional units may be authorized when a person's assessment indicates a need for two
55.26 staff to perform activities. Additional time is limited to 16 service units per day.

55.27 (f) Additional service units are provided through the assessment and identification of
55.28 the following:

55.29 (1) 30 additional minutes per day for a dependency in each critical activity of daily
55.30 living;

55.31 (2) 30 additional minutes per day for each complex health-related need; and

56.1 (3) 30 additional minutes per day for each behavior under this clause that requires
56.2 assistance at least four times per week:

56.3 (i) level I behavior that requires the immediate response of another person;

56.4 (ii) increased vulnerability due to cognitive deficits or socially inappropriate behavior;

56.5 or

56.6 (iii) increased need for assistance for participants who are verbally aggressive or resistive
56.7 to care so that the time needed to perform activities of daily living is increased.

56.8 (g) The service budget for budget model participants shall be based on:

56.9 (1) assessed units as determined by the home care rating; and

56.10 (2) an adjustment needed for administrative expenses. This paragraph expires upon the
56.11 effective date of paragraph (h).

56.12 (h) Effective January 1, 2026, or upon federal approval, whichever is later, the service
56.13 budget for budget model participants shall be based on:

56.14 (1) assessed units as determined by the home care rating and the payment methodologies
56.15 under section 256B.851; and

56.16 (2) an adjustment needed for administrative expenses.

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

56.18 Sec. 34. Minnesota Statutes 2024, section 256B.85, subdivision 16, is amended to read:

56.19 Subd. 16. **Support workers requirements.** (a) Support workers shall:

56.20 (1) enroll with the department as a support worker after a background study under chapter
56.21 245C has been completed and the support worker has received a notice from the
56.22 commissioner that the support worker:

56.23 (i) is not disqualified under section 245C.14; or

56.24 (ii) is disqualified, but has received a set-aside of the disqualification under section
56.25 245C.22;

56.26 (2) have the ability to effectively communicate with the participant or the participant's
56.27 representative;

56.28 (3) have the skills and ability to provide the services and supports according to the
56.29 participant's CFSS service delivery plan and respond appropriately to the participant's needs;

57.1 (4) complete the basic standardized CFSS training as determined by the commissioner
57.2 before completing enrollment. The training must be available in languages other than English
57.3 and to those who need accommodations due to disabilities. CFSS support worker training
57.4 must include successful completion of the following training components: basic first aid,
57.5 vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and
57.6 responsibilities of support workers including information about basic body mechanics,
57.7 emergency preparedness, orientation to positive behavioral practices, orientation to
57.8 responding to a mental health crisis, fraud issues, time cards and documentation, and an
57.9 overview of person-centered planning and self-direction. Upon completion of the training
57.10 components, the support worker must pass the certification test to provide assistance to
57.11 participants;

57.12 (5) complete employer-directed training and orientation on the participant's individual
57.13 needs;

57.14 (6) maintain the privacy and confidentiality of the participant; and

57.15 (7) not independently determine the medication dose or time for medications for the
57.16 participant.

57.17 (b) The commissioner may deny or terminate a support worker's provider enrollment
57.18 and provider number if the support worker:

57.19 (1) does not meet the requirements in paragraph (a);

57.20 (2) fails to provide the authorized services required by the employer;

57.21 (3) has been intoxicated by alcohol or drugs while providing authorized services to the
57.22 participant or while in the participant's home;

57.23 (4) has manufactured or distributed drugs while providing authorized services to the
57.24 participant or while in the participant's home; or

57.25 (5) has been excluded as a provider by the commissioner of human services, or by the
57.26 United States Department of Health and Human Services, Office of Inspector General, from
57.27 participation in Medicaid, Medicare, or any other federal health care program.

57.28 (c) A support worker may appeal in writing to the commissioner to contest the decision
57.29 to terminate the support worker's provider enrollment and provider number.

57.30 (d) A support worker must not provide or be paid for more than 310 hours of CFSS per
57.31 month, regardless of the number of participants the support worker serves or the number
57.32 of agency-providers or participant employers by which the support worker is employed.

58.1 The department shall not disallow the number of hours per day a support worker works
58.2 unless it violates other law.

58.3 (e) CFSS qualify for an enhanced rate if the support worker providing the services:

58.4 (1) provides services, within the scope of CFSS described in subdivision 7, to a participant
58.5 who qualifies for ten or more hours per day of CFSS; and

58.6 (2) satisfies the current requirements of Medicare for training and competency or
58.7 competency evaluation of home health aides or nursing assistants, as provided in the Code
58.8 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved
58.9 training or competency requirements. This paragraph expires upon the effective date of
58.10 paragraph (f).

58.11 (f) Effective January 1, 2026, or upon federal approval, whichever is later, CFSS qualify
58.12 for an enhanced rate or budget if the support worker providing the services:

58.13 (1) provides services, within the scope of CFSS described in subdivision 7, to a participant
58.14 who qualifies for ten or more hours per day of CFSS; and

58.15 (2) satisfies the current requirements of Medicare for training and competency or
58.16 competency evaluation of home health aides or nursing assistants, as provided in the Code
58.17 of Federal Regulations, title 42, section 483.151 or 484.36, or alternative state-approved
58.18 training or competency requirements.

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

58.20 Sec. 35. Minnesota Statutes 2024, section 256B.851, subdivision 5, is amended to read:

58.21 Subd. 5. **Payment rates; component values.** (a) The commissioner must use the
58.22 following component values:

58.23 (1) employee vacation, sick, and training factor, 8.71 percent;

58.24 (2) employer taxes and workers' compensation factor, 11.56 percent;

58.25 (3) employee benefits factor, 12.04 percent;

58.26 (4) client programming and supports factor, 2.30 percent;

58.27 (5) program plan support factor, 7.00 percent;

58.28 (6) general business and administrative expenses factor, 13.25 percent;

58.29 (7) program administration expenses factor, 2.90 percent; and

58.30 (8) absence and utilization factor, 3.90 percent.

59.1 (b) For purposes of implementation, the commissioner shall use the following
59.2 implementation components:

59.3 (1) personal care assistance services and CFSS: 88.19 percent;

59.4 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19
59.5 percent; and

59.6 (3) qualified professional services and CFSS worker training and development: 88.19
59.7 percent. This paragraph expires upon the effective date of paragraph (c).

59.8 (c) Effective January 1, 2026, or upon federal approval, whichever is later, for purposes
59.9 of implementation, the commissioner shall use the following implementation components:

59.10 (1) personal care assistance services and CFSS: 92.20 percent;

59.11 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20
59.12 percent; and

59.13 (3) qualified professional services and CFSS worker training and development: 92.20
59.14 percent.

59.15 ~~(e)~~ (d) Effective January 1, 2025, for purposes of implementation, the commissioner
59.16 shall use the following implementation components:

59.17 (1) personal care assistance services and CFSS: 92.08 percent;

59.18 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08
59.19 percent; and

59.20 (3) qualified professional services and CFSS worker training and development: 92.08
59.21 percent. This paragraph expires upon the effective date of paragraph (c).

59.22 ~~(d)~~ (e) The commissioner shall use the following worker retention components:

59.23 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
59.24 assistance services or CFSS, the worker retention component is zero percent;

59.25 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
59.26 care assistance services or CFSS, the worker retention component is 2.17 percent;

59.27 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal
59.28 care assistance services or CFSS, the worker retention component is 4.36 percent;

59.29 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
59.30 personal care assistance services or CFSS, the worker retention component is 7.35 percent;
59.31 and

60.1 (5) for workers who have provided more than 10,000 cumulative hours in personal care
60.2 assistance services or CFSS, the worker retention component is 10.81 percent. This paragraph
60.3 expires upon the effective date of paragraph (f).

60.4 (f) Effective January 1, 2026, or upon federal approval, whichever is later, the
60.5 commissioner shall use the following worker retention components:

60.6 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
60.7 assistance services or CFSS, the worker retention component is zero percent;

60.8 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
60.9 care assistance services or CFSS, the worker retention component is 4.05 percent;

60.10 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal
60.11 care assistance services or CFSS, the worker retention component is 6.24 percent;

60.12 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
60.13 personal care assistance services or CFSS, the worker retention component is 9.23 percent;
60.14 and

60.15 (5) for workers who have provided more than 10,000 cumulative hours in personal care
60.16 assistance services or CFSS, the worker retention component is 12.69 percent.

60.17 ~~(e)~~ (g) The commissioner shall define the appropriate worker retention component based
60.18 on the total number of units billed for services rendered by the individual provider since
60.19 July 1, 2017. The worker retention component must be determined by the commissioner
60.20 for each individual provider and is not subject to appeal.

60.21 (h) Effective January 1, 2027, or upon federal approval, whichever is later, for purposes
60.22 of implementation, the commissioner shall use the following implementation components
60.23 if a worker has completed either the orientation for individual providers offered through
60.24 the Home Care Orientation Trust or an orientation defined and offered by the commissioner:

60.25 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
60.26 assistance services or CFSS, the worker retention component is 1.88 percent;

60.27 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
60.28 care assistance services or CFSS, the worker retention component is 5.92 percent;

60.29 (3) for workers who have provided between 2,001, and 6,000 cumulative hours in personal
60.30 care assistance services or CFSS, the worker retention component is 8.11 percent;

61.1 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
61.2 personal care assistance services or CFSS, the worker retention component is 11.10 percent;
61.3 and

61.4 (5) for workers who have provided more than 10,000 cumulative hours in personal care
61.5 assistance services or CFSS, the worker retention component is 14.56 percent.

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

61.7 Sec. 36. Minnesota Statutes 2024, section 256B.851, subdivision 6, is amended to read:

61.8 Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine
61.9 the rate for personal care assistance services, CFSS, extended personal care assistance
61.10 services, extended CFSS, enhanced rate personal care assistance services, enhanced rate
61.11 CFSS, qualified professional services, and CFSS worker training and development as
61.12 follows:

61.13 (1) multiply the appropriate total wage component value calculated in subdivision 4 by
61.14 one plus the employee vacation, sick, and training factor in subdivision 5;

61.15 (2) for program plan support, multiply the result of clause (1) by one plus the program
61.16 plan support factor in subdivision 5;

61.17 (3) for employee-related expenses, add the employer taxes and workers' compensation
61.18 factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is
61.19 employee-related expenses. Multiply the product of clause (2) by one plus the value for
61.20 employee-related expenses;

61.21 (4) for client programming and supports, multiply the product of clause (3) by one plus
61.22 the client programming and supports factor in subdivision 5;

61.23 (5) for administrative expenses, add the general business and administrative expenses
61.24 factor in subdivision 5, the program administration expenses factor in subdivision 5, and
61.25 the absence and utilization factor in subdivision 5;

61.26 (6) divide the result of clause (4) by one minus the result of clause (5). The quotient is
61.27 the hourly rate;

61.28 (7) multiply the hourly rate by the appropriate implementation component under
61.29 subdivision 5. This is the adjusted hourly rate; and

61.30 (8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment
61.31 rate.

(b) In processing personal care assistance provider agency and CFSS provider agency claims, the commissioner shall incorporate the worker retention component specified in subdivision 5, by multiplying one plus the total adjusted payment rate by the appropriate worker retention component under subdivision 5, paragraph (d).

(c) The commissioner must publish the total final payment rates.

(d) The commissioner shall increase the authorization for the CFSS budget model of those CFSS participant-employers employing individual providers who have provided more than 1,000 hours of services as well as individual providers who have completed the orientation offered by the Home Care Orientation Trust or an orientation defined and offered by the commissioner. The commissioner shall determine the amount and method of the authorization increase.

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. 37. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency responsible for investigating allegations of maltreatment in child foster care, family child care, legally nonlicensed child care, and reports involving children served by an unlicensed personal care provider organization under section 256B.0659. Copies of findings related to personal care provider organizations under section 256B.0659 must be forwarded to the Department of Human Services provider enrollment.

(b) The Department of Children, Youth, and Families is the agency responsible for screening and investigating allegations of maltreatment in juvenile correctional facilities listed under section 241.021 located in the local welfare agency's county and in facilities licensed or certified under chapters 245A and 245D.

(c) The Department of Health is the agency responsible for screening and investigating allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43 to 144A.482 or chapter 144H.

(d) The Department of Education is the agency responsible for screening and investigating allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E. The Department of Education's responsibility to screen and investigate includes allegations of maltreatment involving students 18 through 21 years of

63.1 age, including students receiving special education services, up to and including graduation
63.2 and the issuance of a secondary or high school diploma.

63.3 (e) The Department of Human Services is the agency responsible for screening and
63.4 investigating allegations of maltreatment of minors in an EIDBI agency operating under
63.5 sections 245A.142 and 256B.0949.

63.6 ~~(e)~~ (f) A health or corrections agency receiving a report may request the local welfare
63.7 agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

63.8 ~~(f)~~ (g) The Department of Children, Youth, and Families is the agency responsible for
63.9 screening and investigating allegations of maltreatment in facilities or programs not listed
63.10 in paragraph (a) that are licensed or certified under chapters 142B and 142C.

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

63.12 Sec. 38. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

63.13 Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary
63.14 administrative agency responsible for investigating reports made under section 626.557.

63.15 (a) The Department of Health is the lead investigative agency for facilities or services
63.16 licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding
63.17 care homes, hospice providers, residential facilities that are also federally certified as
63.18 intermediate care facilities that serve people with developmental disabilities, or any other
63.19 facility or service not listed in this subdivision that is licensed or required to be licensed by
63.20 the Department of Health for the care of vulnerable adults. "Home care provider" has the
63.21 meaning provided in section 144A.43, subdivision 4, and applies when care or services are
63.22 delivered in the vulnerable adult's home.

63.23 (b) The Department of Human Services is the lead investigative agency for facilities or
63.24 services licensed or required to be licensed as adult day care, adult foster care, community
63.25 residential settings, programs for people with disabilities, family adult day services, mental
63.26 health programs, mental health clinics, substance use disorder programs, the Minnesota Sex
63.27 Offender Program, or any other facility or service not listed in this subdivision that is licensed
63.28 or required to be licensed by the Department of Human Services, including EIDBI agencies
63.29 under sections 245A.142 and 256B.0949.

63.30 (c) The county social service agency or its designee is the lead investigative agency for
63.31 all other reports, including, but not limited to, reports involving vulnerable adults receiving
63.32 services from a personal care provider organization under section 256B.0659.

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

64.2 Sec. 39. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to
64.3 read:

64.4 Sec. 73. **WAIVER REIMAGINE PHASE II.**

64.5 (a) Effective January 1, 2028, or upon federal approval, whichever is later, the
64.6 commissioner of human services must implement a two-home and community-based services
64.7 waiver program structure, as authorized under section 1915(c) of the federal Social Security
64.8 Act, that serves persons who are determined by a certified assessor to require the levels of
64.9 care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate
64.10 care facility for persons with developmental disabilities.

64.11 (b) Effective January 1, 2028, or upon federal approval, whichever is later, the
64.12 commissioner of human services must implement an individualized budget methodology,
64.13 as authorized under section 1915(c) of the federal Social Security Act, that serves persons
64.14 who are determined by a certified assessor to require the levels of care provided in a nursing
64.15 home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons
64.16 with developmental disabilities.

64.17 (c) The commissioner must develop an individualized budget methodology exception
64.18 to support access to home care nursing services. Lead agencies must submit budget exception
64.19 requests to the commissioner in a form and manner prescribed by the commissioner.
64.20 Eligibility for the budget exception in this paragraph is limited to persons meeting all of the
64.21 following criteria in their most recent assessment:

64.22 (1) the person needs the level of care delivered in a hospital setting;

64.23 (2) the person receives a support range budget of E; and

64.24 (3) the person does not receive community residential services, family residential services,
64.25 integrated community supports, or customized living. Nursing supports funded through the
64.26 budget exception identified in this paragraph must be delivered by a Medicare-certified
64.27 home health nurse or a licensed home care nurse under section 256B.0654.

64.28 (d) If any of the requirements outlined in paragraph (c) are no longer met following a
64.29 person's annual reassessment under section 256B.0911, the commissioner must terminate
64.30 the budget exception. Lead agencies must require documentation to ensure that all home
64.31 care nursing services authorized under this budget exception are used for home care nursing
64.32 services and not used to fund nonhome care nursing services.

65.1 ~~(e)~~ (e) The commissioner of human services may seek all federal authority necessary to
65.2 implement this section.

65.3 ~~(d)~~ (f) The commissioner must ensure that the new waiver service menu and individual
65.4 budgets allow people to live in their own home, family home, or any home and
65.5 community-based setting of their choice. The commissioner must ensure, within available
65.6 resources and subject to state and federal regulations and law, that waiver reimagine does
65.7 not result in unintended service disruptions.

65.8 (g) No later than January 1, 2027, the commissioner must:

65.9 (1) develop and implement an online support planning and tracking tool to provide
65.10 information in an accessible format to support informed choice for people using disability
65.11 waiver services that allows access to the total budget available to a person, the services for
65.12 which they are eligible, and the services they have chosen and used;

65.13 (2) explore operability options that facilitate real-time tracking of a person's remaining
65.14 available budget throughout the service year; and

65.15 (3) seek input from people with disabilities about the online support planning tool prior
65.16 to the tool's implementation.

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

65.18 Sec. 40. Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4,
65.19 as amended by Laws 2024, chapter 108, article 1, section 28, is amended to read:

65.20 Subd. 4. **Required report.** Prior to seeking federal approval for any aspect of waiver
65.21 reimagine phase II and ~~in collaboration with the Waiver Reimagine Advisory Committee~~
65.22 no later than December 15, 2026, the commissioner must submit to the chairs and ranking
65.23 minority members of the legislative committees and divisions with jurisdiction over health
65.24 and human services a report on plans for waiver reimagine phase II, as well as the actual
65.25 Waiver Reimagine plan intended to be submitted for federal approval. The report must also
65.26 include any plans to adjust or modify the streamlined menu of services, the existing rate or
65.27 budget exemption criteria or process; ~~the proposed individual budget ranges,~~ based on need
65.28 and not location of services, including additional budget resources beyond the resources
65.29 required to meet assessed need that may be necessary for the individual to live in the least
65.30 restrictive environment; and the role of MnCHOICES 2.0 assessment tool in determining
65.31 service needs and individual ~~budget ranges~~ budgets.

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

66.1 Sec. 41. Laws 2023, chapter 61, article 1, section 5, the effective date, is amended to read:

66.2 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
66.3 approval, whichever is later. The commissioner of human services shall notify the revisor
66.4 of statutes when federal approval is obtained.

66.5 Sec. 42. Laws 2023, chapter 61, article 1, section 27, the effective date, is amended to
66.6 read:

66.7 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
66.8 approval, whichever is later, except that paragraph (b) is effective the day following final
66.9 enactment. The commissioner of human services shall notify the revisor of statutes when
66.10 federal approval is obtained.

66.11 Sec. 43. Laws 2023, chapter 61, article 1, section 30, the effective date, is amended to
66.12 read:

66.13 **EFFECTIVE DATE.** The amendment to clause (5), item (ii), the amendment to clause
66.14 (14), and the amendment striking clause (18) are effective January 1, 2024, or upon federal
66.15 approval, whichever is later. The amendment to clause (4) is effective January 1, ~~2026~~ 2028,
66.16 or upon federal approval, whichever is later. The commissioner of human services shall
66.17 notify the revisor of statutes when federal approval is obtained.

66.18 Sec. 44. Laws 2023, chapter 61, article 1, section 32, the effective date, is amended to
66.19 read:

66.20 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
66.21 approval, whichever is later. The commissioner of human services shall notify the revisor
66.22 of statutes when federal approval is obtained.

66.23 Sec. 45. Laws 2023, chapter 61, article 1, section 47, the effective date, is amended to
66.24 read:

66.25 **EFFECTIVE DATE.** This section is effective January 1, ~~2026~~ 2028, or upon federal
66.26 approval, whichever is later. The commissioner of human services shall notify the revisor
66.27 of statutes when federal approval is obtained.

66.28 Sec. 46. Laws 2023, chapter 61, article 1, section 61, subdivision 4, is amended to read:

66.29 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit
66.30 to the chairs and ranking minority members of the legislative committees with jurisdiction

over human services finance and policy an interim report on the impact and outcomes of the grants, including the number of grants awarded and the organizations receiving the grants. The interim report must include any available evidence of how grantees were able to increase utilization of supported decision making and reduce or avoid more restrictive forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~ 2027, the commissioner must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy a final report on the impact and outcomes of the grants, including any updated information from the interim report and the total number of people served by the grants. The final report must also detail how the money was used to achieve the requirements in subdivision 3, paragraph (b).

Sec. 47. Laws 2023, chapter 61, article 1, section 85, the effective date, is amended to read:

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024, or upon federal approval, whichever is later, and paragraph (b) is effective January 1, ~~2026~~ 2028, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 48. **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 positive support specialist, positive support analyst, and positive support professional level;

(2) create tools providers may use to track whether the provider's positive support 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 the provider's 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 via preexisting regional networks of experts, including communities of practice, and develop new avenues for disseminating these resources and guidance, including through implementation of ECHO models.

Sec. 49. **ADVISORY TASK FORCE ON WAIVER REIMAGINE.**

Subdivision 1. **Membership; co-chairs.** (a) The Advisory Task Force on Waiver Reimagine consists of the following members:

(1) one member of the house of representatives, appointed by the speaker of the house;

(2) one member of the house of representatives, appointed by the leader of the house of representatives Democratic-Farmer-Labor caucus;

(3) one member of the senate, appointed by the senate majority leader;

(4) one member of the senate, appointed by the senate minority leader;

(5) four individuals currently receiving disability waiver services who are under the age of 65, appointed by the governor;

(6) one county employee who conducts long-term care consultation services assessments for persons under the age of 65, appointed by the Minnesota Association of County Social Services Administrators;

(7) one representative of the Department of Human Services with knowledge of the requirements for a provider to participate in disability waiver service programs and of the administration of benefits, appointed by the commissioner of human services;

(8) one employee of the Minnesota Council on Disability, appointed by the Minnesota Council on Disability;

(9) two representatives of disability advocacy organizations, appointed by the governor;

(10) two family members of individuals who are receiving disability waiver services, appointed by the governor;

69.1 (11) two providers of disability waiver services for persons who are under the age of
69.2 65, appointed by the governor;

69.3 (12) one employee from the Office of Ombudsman for Mental Health and Developmental
69.4 Disabilities, appointed by the ombudsman;

69.5 (13) one employee from the Olmstead Implementation Office, appointed by the director
69.6 of the office;

69.7 (14) the assistant commissioner of the Department of Human Services administration
69.8 that oversees disability services; and

69.9 (15) a member of the Minnesota Disability Law Center, appointed by the executive
69.10 director of Mid-Minnesota Legal Aid.

69.11 (b) Each appointing authority must make appointments by September 30, 2025.
69.12 Appointments made by an agency or commissioner may also be made by a designee.

69.13 (c) In making task force appointments, the governor must ensure representation from
69.14 greater Minnesota.

69.15 (d) The Office of Collaboration and Dispute Resolution must convene the task force.

69.16 (e) The task force members must elect co-chairs from the membership of the task force
69.17 at the first task force meeting.

69.18 Subd. 2. **Meetings; administrative support.** (a) The first meeting of the task force must
69.19 be convened no later than November 30, 2025. The task force must meet at least quarterly.
69.20 Meetings are subject to Minnesota Statutes, chapter 13D. The task force may meet by
69.21 telephone or interactive technology consistent with Minnesota Statutes, section 13D.015.

69.22 (b) The Department of Human Services shall provide meeting space and administrative
69.23 and research support to the task force.

69.24 Subd. 3. **Duties.** (a) The task force must make findings and recommendations related
69.25 to Waiver Reimagine in Minnesota, including but not limited to the following:

69.26 (1) consolidation of the existing four disability home and community-based waiver
69.27 service programs into two waiver programs;

69.28 (2) budgets based on the needs of the individual that are not tied to location of services,
69.29 including additional resources beyond the resources required to meet assessed needs that
69.30 may be necessary for the individual to live in the least restrictive environment;

70.1 (3) criteria and processes for provider rate exceptions and individualized budget
70.2 exceptions;

70.3 (4) appropriate assessments, including the MnCHOICES 2.0 assessment tool, in
70.4 determining service needs and individualized budgets;

70.5 (5) covered services under each disability waiver program, including any proposed
70.6 adjustments to the menu of services;

70.7 (6) service planning and authorization processes for disability waiver services;

70.8 (7) a plan of support, financial and otherwise, to live in the person's own home and in
70.9 the most integrated setting as defined under Title 2 of the Americans with Disability Act
70.10 (ADA) Integration Mandate and in Minnesota's Olmstead Plan;

70.11 (8) intended and unintended outcomes of Waiver Reimagine; and

70.12 (9) other items related to Waiver Reimagine as necessary.

70.13 (b) The task force must seek input from the public, counties, persons receiving disability
70.14 waiver services, families of persons receiving disability waiver services, providers, state
70.15 agencies, and advocacy groups.

70.16 (c) The task force must hold public meetings to gather information to fulfill the purpose
70.17 of the task force. The meetings must be accessible by remote participants.

70.18 (d) The Department of Human Services shall provide relevant data and research to the
70.19 task force to facilitate the task force's work.

70.20 Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation
70.21 and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision
70.22 3.

70.23 Subd. 5. **Report.** (a) The task force shall submit a report to the chairs and ranking
70.24 minority members of the legislative committees with jurisdiction over disability waiver
70.25 services no later than January 15, 2027, that describes any concerns or recommendations
70.26 related to Waiver Reimagine as identified by the task force.

70.27 (b) The report required under Laws 2021, First Special Session chapter 7, article 13,
70.28 section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28,
70.29 must be presented to the task force prior to December 15, 2026.

70.30 Subd. 6. **Expiration.** The task force expires upon submission of the task force's report,
70.31 or December 31, 2027, whichever is earlier.

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

71.2 Sec. 50. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY**
71.3 **SUPPORTS.**

71.4 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
71.5 must increase the consumer-directed community support budgets identified in the waiver
71.6 plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S; and
71.7 the alternative care program under Minnesota Statutes, section 256B.0913, by 0.13 percent.

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

71.9 Sec. 51. **ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED**
71.10 **COMMUNITY SUPPORTS.**

71.11 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
71.12 must increase the consumer-directed community supports budget exception percentage
71.13 identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49,
71.14 and chapter 256S; and the alternative care program under Minnesota Statutes, section
71.15 256B.0913, from 7.5 to 12.5.

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

71.17 Sec. 52. **REPEALER.**

71.18 (a) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 3, as
71.19 amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day
71.20 following final enactment.

71.21 (b) Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 6, as
71.22 amended by Laws 2024, chapter 108, article 1, section 28, is repealed effective the day
71.23 following final enactment.

71.24 **ARTICLE 3**

71.25 **HEALTH CARE**

71.26 Section 1. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision
71.27 to read:

71.28 Subd. 1b. **Definitions.** (a) For purposes of this section, the following terms have the
71.29 meanings given.

72.1 (b) "Income" means the adjusted gross income of the natural or adoptive parents
72.2 determined according to the previous year's federal tax form, except that taxable capital
72.3 gains, to the extent the money has been used to purchase a home, shall not be counted as
72.4 income.

72.5 (c) "Insurance" means health and accident insurance coverage or enrollment in a nonprofit
72.6 health service plan, health maintenance organization, self-insured plan, or preferred provider
72.7 organization.

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

72.9 Sec. 2. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
72.10 read:

72.11 Subd. 7. **Parental responsibility.** Parents with household adjusted gross income equal
72.12 to or greater than 675 percent of the federal poverty guidelines are responsible for a portion
72.13 of the cost of services, according to subdivision 8, when:

72.14 (1) insurance or other health care benefits pay some but not all of the cost of services;
72.15 and

72.16 (2) no insurance or other health care benefits are available.

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

72.18 Sec. 3. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
72.19 read:

72.20 Subd. 8. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
72.21 not including a child determined eligible for medical assistance without consideration of
72.22 parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a
72.23 child accessing home and community-based waiver services, must contribute to the cost of
72.24 services used by making monthly payments on a sliding scale based on income, unless the
72.25 child is married or has been married, parental rights have been terminated, or the child's
72.26 adoption is subsidized according to chapter 259A or through Title IV-E of the Social Security
72.27 Act. The parental contribution is a partial or full payment for medical services provided for
72.28 diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal
72.29 care services as defined in United States Code, title 26, section 213, needed by the child
72.30 with a chronic illness or disability.

72.31 (b) For households with adjusted gross income equal to or greater than 675 percent of
72.32 federal poverty guidelines, the commissioner shall compute the parental contribution by

73.1 applying the following schedule of rates to the adjusted gross income of the natural or
73.2 adoptive parents:

73.3 (1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
73.4 guidelines and less than 975 percent of federal poverty guidelines, the commissioner shall
73.5 determine the parental contribution using a sliding fee scale established by the commissioner
73.6 that begins at 4.5 percent of adjusted gross income at 675 percent of federal poverty
73.7 guidelines and increases to 5.99 percent of adjusted gross income for households with
73.8 adjusted gross income up to 975 percent of federal poverty guidelines; and

73.9 (2) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
73.10 guidelines, the parental contribution is 7.49 percent of adjusted gross income.

73.11 (c) If the child lives with the parent, the commissioner shall reduce the annual adjusted
73.12 gross income by \$2,400 prior to calculating the parental contribution. If the child resides
73.13 in an institution specified in section 256B.35, the parent is responsible for the personal needs
73.14 allowance specified under that section in addition to the parental contribution determined
73.15 under this section. The parental contribution is reduced by any amount required to be paid
73.16 directly to the child pursuant to a court order, but only if actually paid.

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

73.18 Sec. 4. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
73.19 read:

73.20 Subd. 9. **Household size; contribution adjustments.** (a) The household size used in
73.21 determining the amount of contribution under subdivision 8 includes natural and adoptive
73.22 parents and their dependents, including the child receiving services.

73.23 (b) The commissioner shall implement adjustments in the contribution amount due to
73.24 annual changes in the federal poverty guidelines on the first day of July following publication
73.25 of the changes.

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

73.27 Sec. 5. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
73.28 read:

73.29 Subd. 10. **Contribution explained in writing.** (a) The commissioner shall explain the
73.30 contribution in writing to the parents at the time eligibility for services is determined. The
73.31 parents shall make the contribution on a monthly basis starting with the first month in which
73.32 the child receives services.

(b) Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse the excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted. All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

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

Sec. 6. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 11. Annual review; written notice. (a) The commissioner must review the monthly contribution amount at least once every 12 months, when there is a change in household size, and when there is a loss of or gain in income from one month to another in excess of ten percent.

(b) The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

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

Sec. 7. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to read:

Subd. 12. Parents who do not live with each other; contribution. Parents of a minor child who do not live with each other shall each pay the contribution required under subdivision 8. The commissioner shall deduct an amount equal to the annual court-ordered child support payment actually paid on behalf of the child receiving services from the adjusted gross income of the parent making the payment prior to calculating the parental contribution under subdivision 8.

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

75.1 Sec. 8. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
75.2 read:

75.3 Subd. 13. **Parents with more than one child receiving services; contribution.** The
75.4 commissioner shall not require parents who have more than one child receiving services to
75.5 pay more than the amount for the child with the highest expenditures. The commissioner
75.6 shall not require the parent to pay a contribution in excess of the cost of the services provided
75.7 to the child, not counting payments made to school districts for education-related services.

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

75.9 Sec. 9. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
75.10 read:

75.11 Subd. 14. **Insurance coverage.** (a) The commissioner shall increase the contribution
75.12 under subdivision 8 by an additional five percent if the local agency determines that insurance
75.13 coverage is available but not obtained for the child.

75.14 (b) For purposes of this subdivision, "available" means insurance that is a benefit of
75.15 employment for a family member at an annual cost of no more than five percent of the
75.16 family's annual income.

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

75.18 Sec. 10. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
75.19 read:

75.20 Subd. 15. **Contribution reduction.** (a) The commissioner shall reduce the contribution
75.21 under subdivision 8 by \$300 per fiscal year if, in the 12 months prior to July 1:

75.22 (1) the parent applied for insurance for the child;

75.23 (2) the insurer denied insurance;

75.24 (3) the parents submitted a complaint or appeal in writing to the insurer, submitted a
75.25 complaint or appeal in writing to the commissioner of health or the commissioner of
75.26 commerce, or litigated the complaint or appeal; and

75.27 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

75.28 (b) A parent who has requested a reduction in the contribution amount under this
75.29 subdivision must submit proof in the form and manner prescribed by the commissioner or
75.30 local agency, including but not limited to the insurer's denial of insurance, the written letter
75.31 or complaint of the parents, court documents, and the written response of the insurer

76.1 approving insurance. The determinations of the commissioner or local agency under this
76.2 subdivision are not rules subject to chapter 14.

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

76.4 Sec. 11. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
76.5 read:

76.6 Subd. 16. **Civil actions.** If the parent fails to make appropriate reimbursement as required
76.7 in subdivisions 7 and 8, the attorney general, at the request of the commissioner, may institute
76.8 or direct the appropriate county attorney to institute civil action to recover the required
76.9 reimbursement.

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

76.11 Sec. 12. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
76.12 read:

76.13 Subd. 17. **Order of payment.** If the parental contribution is for reimbursement for the
76.14 cost of services to both the local agency and the medical assistance program, the local agency
76.15 must be reimbursed for the agency's expenses first and the remainder must be deposited in
76.16 the medical assistance account.

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

76.18 Sec. 13. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
76.19 read:

76.20 Subd. 18. **Determination; redetermination; notice.** The commissioner shall mail a
76.21 determination order and written notice of parental fee to the parent at least annually, or more
76.22 frequently as provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination
76.23 order and notice must contain the following information:

76.24 (1) the amount the parent is required to contribute;

76.25 (2) the notice of the right to a redetermination and appeal; and

76.26 (3) the telephone number of the division at the Department of Human Services that is
76.27 responsible for redeterminations.

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

77.1 Sec. 14. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
77.2 read:

77.3 Subd. 19. **Appeals.** (a) A parent may appeal the determination or redetermination of an
77.4 obligation to make a contribution under this section according to section 256.045. The parent
77.5 must make a request for a hearing in writing within 30 days of the date the commissioner
77.6 mails the determination or redetermination order, or within 90 days of the written notice if
77.7 the parent shows good cause why the request was not submitted within the 30-day time
77.8 limit. The commissioner must provide the parent with a written notice that acknowledges
77.9 receipt of the request and notifies the parent of the date of the hearing. While the appeal is
77.10 pending, the parent has the rights regarding making payment that are provided in Minnesota
77.11 Rules, part 9550.6235.

77.12 (b) If the commissioner's determination or redetermination is affirmed, the parent shall,
77.13 within 90 calendar days after the date an order is issued under section 256.045, subdivision
77.14 5, pay the total amount due from the effective date of the notice of determination or
77.15 redetermination that was appealed by the parent. If the commissioner's order under this
77.16 subdivision results in a decrease in the parental fee amount, the commissioner shall credit
77.17 any payments made by the parent that result in an overpayment to the parent as provided
77.18 in Minnesota Rules, part 9550.6235, subpart 3.

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

77.20 Sec. 15. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

77.21 Subd. 29. **State medical review team.** (a) To ensure the timely processing of
77.22 determinations of disability by the commissioner's state medical review team under sections
77.23 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the
77.24 commissioner shall review all medical evidence and seek information from providers,
77.25 applicants, and enrollees to support the determination of disability where necessary. Disability
77.26 shall be determined according to the rules of title XVI and title XIX of the Social Security
77.27 Act and pertinent rules and policies of the Social Security Administration.

77.28 (b) Medical assistance providers must grant the state medical review team access to
77.29 electronic health records held by the medical assistance providers, when available, to support
77.30 efficient and accurate disability determinations.

77.31 (c) Medicaid providers shall accept electronically signed authorizations to release medical
77.32 records provided by the state medical review team.

~~(b)~~ (d) 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.

~~(e)~~ (e) 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 issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal must be immediately reviewed by the chief human services judge.

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

Sec. 16. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. All medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules ~~do not apply to~~ must be consistent with the requirements of section 252.27 for parents of children with household adjusted gross income equal to or greater than 675 percent of the federal poverty guidelines whose eligibility for medical assistance was determined without deeming of the parents' resources and income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or ~~to parents of children accessing~~ access home and community-based waiver services. The county agency shall give the responsible relative notice of the amount of the payment or repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

(b) The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

(c) In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

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

Sec. 17. Minnesota Statutes 2024, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

Subdivision 1. Payment reductions for base care services effective July 1, 2009. (a)

Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation.

Subd. 2. Classification of therapies as basic care services. ~~Effective July 1, 2010,~~ The

commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in ~~this paragraph~~ subdivision 1 shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

Subd. 3. Payment reductions to managed care plans effective October 1, 2009. (b)

Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction in subdivision 1 effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction in subdivision 1 effective July 1, 2010.

Subd. 4. Temporary payment reductions effective September 1, 2011. (c) (a) Effective

for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

(d) (b) Effective for services provided on or after September 1, 2011, through June 30,

2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not

80.1 subject to a volume purchase contract, hearing aids not subject to a volume purchase contract,
80.2 and anesthesia services shall be reduced by three percent from the rates in effect on August
80.3 31, 2011.

80.4 **Subd. 5. Payment increases effective September 1, 2014.** ~~(e)~~ (a) Effective for services
80.5 provided on or after September 1, 2014, payments for ambulatory surgery centers facility
80.6 fees, hospice services, renal dialysis services, laboratory services, public health nursing
80.7 services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject
80.8 to a volume purchase contract shall be increased by three percent and payments for outpatient
80.9 hospital facility fees shall be increased by three percent.

80.10 (b) Payments made to managed care plans and county-based purchasing plans shall not
80.11 be adjusted to reflect payments under this ~~paragraph~~ subdivision.

80.12 **Subd. 6. Temporary payment reductions effective July 1, 2014.** ~~(f)~~ Payments for
80.13 medical supplies and durable medical equipment not subject to a volume purchase contract,
80.14 and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall
80.15 be decreased by .33 percent.

80.16 **Subd. 7. Payment increases effective July 1, 2015.** (a) Payments for medical supplies
80.17 and durable medical equipment not subject to a volume purchase contract, and prosthetics
80.18 and orthotics, provided on or after July 1, 2015, shall be increased by three percent from
80.19 the rates as determined under ~~paragraphs (i) and (j)~~ subdivisions 9 and 10.

80.20 ~~(g)~~ (b) Effective for services provided on or after July 1, 2015, payments for outpatient
80.21 hospital facility fees, medical supplies and durable medical equipment not subject to a
80.22 volume purchase contract, prosthetics, and orthotics to a hospital meeting the criteria specified
80.23 in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent
80.24 from the rates in effect on June 30, 2015.

80.25 (c) Payments made to managed care plans and county-based purchasing plans shall not
80.26 be adjusted to reflect payments under ~~this paragraph~~ (b).

80.27 **Subd. 8. Exempt services.** ~~(h)~~ This section does not apply to physician and professional
80.28 services, inpatient hospital services, family planning services, mental health services, dental
80.29 services, prescription drugs, medical transportation, federally qualified health centers, rural
80.30 health centers, Indian health services, and Medicare cost-sharing.

80.31 **Subd. 9. Individually priced items.** ~~(i)~~ (a) Effective for services provided on or after
80.32 July 1, 2015, the following categories of medical supplies and durable medical equipment

81.1 shall be individually priced items: customized and other specialized tracheostomy tubes
81.2 and supplies, electric patient lifts, and durable medical equipment repair and service.

81.3 (b) This ~~paragraph~~ subdivision does not apply to medical supplies and durable medical
81.4 equipment subject to a volume purchase contract, products subject to the preferred diabetic
81.5 testing supply program, and items provided to dually eligible recipients when Medicare is
81.6 the primary payer for the item.

81.7 (c) The commissioner shall not apply any medical assistance rate reductions to durable
81.8 medical equipment as a result of Medicare competitive bidding.

81.9 Subd. 10. Rate increases effective July 1, 2015. ~~(j)~~ (a) Effective for services provided
81.10 on or after July 1, 2015, medical assistance payment rates for durable medical equipment,
81.11 prosthetics, orthotics, or supplies shall be increased as follows:

81.12 (1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that
81.13 were subject to the Medicare competitive bid that took effect in January of 2009 shall be
81.14 increased by 9.5 percent; and

81.15 (2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on
81.16 the medical assistance fee schedule, whether or not subject to the Medicare competitive bid
81.17 that took effect in January of 2009, shall be increased by 2.94 percent, with this increase
81.18 being applied after calculation of any increased payment rate under clause (1).

81.19 ~~This~~ (b) Paragraph (a) does not apply to medical supplies and durable medical equipment
81.20 subject to a volume purchase contract, products subject to the preferred diabetic testing
81.21 supply program, items provided to dually eligible recipients when Medicare is the primary
81.22 payer for the item, and individually priced items identified in ~~paragraph (i)~~ subdivision 9.

81.23 (c) Payments made to managed care plans and county-based purchasing plans shall not
81.24 be adjusted to reflect the rate increases in this ~~paragraph~~ subdivision.

81.25 Subd. 11. Rates for ventilators. ~~(k)~~ (a) Effective for nonpressure support ventilators
81.26 provided on or after January 1, 2016, the rate shall be the lower of the submitted charge or
81.27 the Medicare fee schedule rate.

81.28 (b) Effective for pressure support ventilators provided on or after January 1, 2016, the
81.29 rate shall be the lower of the submitted charge or 47 percent above the Medicare fee schedule
81.30 rate.

81.31 (c) For payments made in accordance with this ~~paragraph~~ subdivision, if, and to the
81.32 extent that, the commissioner identifies that the state has received federal financial
81.33 participation for ventilators in excess of the amount allowed effective January 1, 2018,

82.1 under United States Code, title 42, section 1396b(i)(27), the state shall repay the excess
82.2 amount to the Centers for Medicare and Medicaid Services with state funds and maintain
82.3 the full payment rate under this ~~paragraph~~ subdivision.

82.4 Subd. 12. Rates subject to the upper payment limit. ~~(4)~~ Payment rates for durable
82.5 medical equipment, prosthetics, orthotics or supplies, that are subject to the upper payment
82.6 limit in accordance with section 1903(i)(27) of the Social Security Act, shall be paid the
82.7 Medicare rate. Rate increases provided in this chapter shall not be applied to the items listed
82.8 in this ~~paragraph~~ subdivision.

82.9 Subd. 13. Temporary rates for enteral nutrition and supplies. ~~(m)~~ (a) For dates of
82.10 service on or after July 1, 2023, through June 30, ~~2025~~ 2027, enteral nutrition and supplies
82.11 must be paid according to this ~~paragraph~~ subdivision. If sufficient data exists for a product
82.12 or supply, payment must be based upon the 50th percentile of the usual and customary
82.13 charges per product code submitted to the commissioner, using only charges submitted per
82.14 unit. Increases in rates resulting from the 50th percentile payment method must not exceed
82.15 150 percent of the previous fiscal year's rate per code and product combination. Data are
82.16 sufficient if: (1) the commissioner has at least 100 paid claim lines by at least ten different
82.17 providers for a given product or supply; or (2) in the absence of the data in clause (1), the
82.18 commissioner has at least 20 claim lines by at least five different providers for a product or
82.19 supply that does not meet the requirements of clause (1). If sufficient data are not available
82.20 to calculate the 50th percentile for enteral products or supplies, the payment rate must be
82.21 the payment rate in effect on June 30, 2023.

82.22 (b) This subdivision expires June 30, 2027.

82.23 Subd. 14. Rates for enteral nutrition and supplies. ~~(n)~~ For dates of service on or after
82.24 July 1, ~~2025~~ 2027, enteral nutrition and supplies must be paid according to this ~~paragraph~~
82.25 subdivision and updated annually each January 1. If sufficient data exists for a product or
82.26 supply, payment must be based upon the 50th percentile of the usual and customary charges
82.27 per product code submitted to the commissioner for the previous calendar year, using only
82.28 charges submitted per unit. Increases in rates resulting from the 50th percentile payment
82.29 method must not exceed 150 percent of the previous year's rate per code and product
82.30 combination. Data are sufficient if: (1) the commissioner has at least 100 paid claim lines
82.31 by at least ten different providers for a given product or supply; or (2) in the absence of the
82.32 data in clause (1), the commissioner has at least 20 claim lines by at least five different
82.33 providers for a product or supply that does not meet the requirements of clause (1). If
82.34 sufficient data are not available to calculate the 50th percentile for enteral products or
82.35 supplies, the payment must be the manufacturer's suggested retail price of that product or

83.1 supply minus 20 percent. If the manufacturer's suggested retail price is not available, payment
83.2 must be the actual acquisition cost of that product or supply plus 20 percent.

83.3 **ARTICLE 4**
83.4 **BEHAVIORAL HEALTH**

83.5 Section 1. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

83.6 Subd. 2. **Program design and implementation.** Adult mental health initiatives shall
83.7 be responsible for designing, planning, improving, and maintaining a mental health service
83.8 delivery system for adults with serious and persistent mental illness that would:

83.9 (1) provide an expanded array of services from which clients can choose services
83.10 appropriate to their needs;

83.11 (2) be based on purchasing strategies that improve access and coordinate services without
83.12 cost shifting;

83.13 (3) prioritize evidence-based services and implement services that are promising practices
83.14 or theory-based practices so that the service can be evaluated according to subdivision 5a;

83.15 (4) incorporate existing state facilities and resources into the community mental health
83.16 infrastructure through creative partnerships with local vendors; and

83.17 (5) utilize ~~existing categorical funding streams and reimbursement sources in combined~~
83.18 ~~and creative ways, except~~ adult mental health initiative funding only after all other eligible
83.19 funding sources have been applied. Appropriations and all funds that are attributable to the
83.20 operation of state-operated services under the control of the Direct Care and Treatment
83.21 executive board are excluded unless appropriated specifically by the legislature for a purpose
83.22 consistent with this section.

83.23 Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

83.24 Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives,
83.25 the commissioner shall facilitate integration of funds or other resources as needed and
83.26 requested by each adult mental health initiative. These resources may include:

83.27 (1) community support services funds administered under Minnesota Rules, parts
83.28 9535.1700 to 9535.1760;

83.29 (2) other mental health special project funds;

(3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.

~~(b) The commissioner shall consider the following criteria in awarding grants for adult mental health initiatives:~~

~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

~~(2) the size of the target population to be served; and~~

~~(3) geographical distribution.~~

~~(e)~~ (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

~~(d)~~ (c) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the adult mental health initiative.

~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

Subd. 7. **Duties of adult mental health initiative board.** The adult mental health initiative board, or other entity which is approved to administer an adult mental health initiative, shall:

(1) administer the initiative in a manner that is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services that they would otherwise be eligible for; and

(3) provide the commissioner of human services with timely and pertinent information through ~~the following methods:~~

85.1 ~~(i) submission of mental health plans and plan amendments which are based on a format~~
85.2 ~~and timetable determined by the commissioner;~~

85.3 ~~(ii) submission of social services expenditure and grant reconciliation reports, based on~~
85.4 ~~a coding format to be determined by mutual agreement between the initiative's managing~~
85.5 ~~entity and the commissioner; and~~

85.6 (iii) submission of data and participation in an evaluation of the adult mental health
85.7 initiatives, to be designed cooperatively by the commissioner and the initiatives. For services
85.8 provided to American Indians in Tribal nations or urban Indian communities, oral reports
85.9 using a system designed in partnership between the commissioner and the reporting
85.10 community satisfy the requirements of this clause.

85.11 Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

85.12 Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of
85.13 age or older and under 21 years of age receiving continuous children's mental health targeted
85.14 case management services as defined in section 245.2875, subdivision 8.

85.15 Sec. 5. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

85.16 Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or
85.17 residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency,
85.18 facility, or program that provides services or treatment for mental illness, developmental
85.19 disability, substance use disorder, or emotional disturbance that is required to be licensed,
85.20 certified, or registered by the commissioner of human services, health, or education; a ~~sober~~
85.21 ~~home~~ recovery residence as defined in section 254B.01, subdivision 11; peer recovery
85.22 support services provided by a recovery community organization as defined in section
85.23 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment
85.24 for mental illness, developmental disability, substance use disorder, or emotional disturbance.

85.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

85.26 Sec. 6. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

85.27 Subd. 13b. **Guest speaker.** "Guest speaker" means an individual who is not an alcohol
85.28 and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified
85.29 according to the commissioner's list of professionals under section 245G.07, subdivision 3,
85.30 clause (1); and who works under the direct observation of an alcohol and drug counselor to
85.31 present to clients on topics in which the guest speaker has expertise and that the license

86.1 holder has determined to be beneficial to a client's recovery. Tribally licensed programs
86.2 have autonomy to identify the qualifications of their guest speakers.

86.3 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
86.4 whichever is later. The commissioner of human services shall notify the revisor of statutes
86.5 when federal approval is obtained.

86.6 Sec. 7. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
86.7 read:

86.8 Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led
86.9 psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one
86.10 setting or in a setting with the client and the client's family and other natural supports.

86.11 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
86.12 whichever is later. The commissioner of human services shall notify the revisor of statutes
86.13 when federal approval is obtained.

86.14 Sec. 8. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
86.15 read:

86.16 Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section
86.17 245G.07, subdivision 1a, clause (2).

86.18 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
86.19 whichever is later. The commissioner of human services shall notify the revisor of statutes
86.20 when federal approval is obtained.

86.21 Sec. 9. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
86.22 read:

86.23 Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means
86.24 the services described in section 245G.07, subdivision 1a.

86.25 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
86.26 whichever is later. The commissioner of human services shall notify the revisor of statutes
86.27 when federal approval is obtained.

87.1 Sec. 10. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
87.2 to read:

87.3 Subd. 20h. **Recovery support services.** "Recovery support services" means the services
87.4 described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

87.5 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
87.6 whichever is later. The commissioner of human services shall notify the revisor of statutes
87.7 when federal approval is obtained.

87.8 Sec. 11. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
87.9 to read:

87.10 Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services
87.11 described in section 245G.07, subdivision 1b.

87.12 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
87.13 whichever is later. The commissioner of human services shall notify the revisor of statutes
87.14 when federal approval is obtained.

87.15 Sec. 12. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

87.16 Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county
87.17 or recovery community organization that is providing a service for which the county or
87.18 recovery community organization is an eligible vendor under section 254B.05. This chapter
87.19 does not apply to an organization whose primary functions are information, referral,
87.20 diagnosis, case management, and assessment for the purposes of client placement, education,
87.21 support group services, or self-help programs. This chapter does not apply to the activities
87.22 of a licensed professional in private practice. A license holder providing the initial set of
87.23 substance use disorder services allowable under section 254A.03, subdivision 3, paragraph
87.24 (c), to an individual referred to a licensed nonresidential substance use disorder treatment
87.25 program after a positive screen for alcohol or substance misuse is exempt from sections
87.26 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses~~
87.27 ~~(2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

87.28 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
87.29 whichever is later. The commissioner of human services shall notify the revisor of statutes
87.30 when federal approval is obtained.

Sec. 13. 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;~~

~~(3) a service to help the client integrate gains made during treatment into daily living and to reduce the client's reliance on a staff member for support;~~

~~(4) a service to address issues related to co-occurring disorders, including client education on symptoms of mental illness, the possibility of comorbidity, and the need for continued medication compliance while recovering from substance use disorder. A group must address co-occurring disorders, as needed. When treatment for mental health problems is indicated, the treatment must be integrated into the client's individual treatment plan; and~~

~~(5) treatment coordination provided one-to-one by an individual who meets the staff qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

~~(i) assistance in coordination with significant others to help in the treatment planning process whenever possible;~~

~~(ii) assistance in coordination with and follow up for medical services as identified in the treatment plan;~~

~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's medical provider, comprehensive assessment, or treatment plan;~~

89.1 ~~(iv) facilitation of referrals to mental health services as identified by a client's~~
89.2 ~~comprehensive assessment or treatment plan;~~

89.3 ~~(v) assistance with referrals to economic assistance, social services, housing resources,~~
89.4 ~~and prenatal care according to the client's needs;~~

89.5 ~~(vi) life skills advocacy and support accessing treatment follow-up, disease management,~~
89.6 ~~and education services, including referral and linkages to long-term services and supports~~
89.7 ~~as needed; and~~

89.8 ~~(vii) documentation of the provision of treatment coordination services in the client's~~
89.9 ~~file.~~

89.10 (b) A treatment service provided to a client must be provided according to the individual
89.11 treatment plan and must consider cultural differences and special needs of a client.

89.12 (c) A supportive service alone does not constitute a treatment service. Supportive services
89.13 include:

89.14 (1) milieu management or supervising or monitoring clients without also providing a
89.15 treatment service identified in subdivision 1a, 1b, or 2a;

89.16 (2) transporting clients;

89.17 (3) waiting with clients for appointments at social service agencies, court hearings, and
89.18 similar activities; and

89.19 (4) collecting urinalysis samples.

89.20 (d) A treatment service provided in a group setting must be provided in a cohesive
89.21 manner and setting that allows every client receiving the service to interact and receive the
89.22 same service at the same time.

89.23 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
89.24 whichever is later. The commissioner of human services shall notify the revisor of statutes
89.25 when federal approval is obtained.

89.26 Sec. 14. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

89.27 Subdivision 1. **Treatment service.** (a) A licensed residential treatment program must
89.28 offer the treatment services in clauses (1) to (5) to each client, unless clinically inappropriate
89.29 and the justifying clinical rationale is documented. A nonresidential treatment program must
89.30 offer all treatment services in clauses (1) to (5) and document in the individual treatment

90.1 plan the specific services for which a client has an assessed need and the plan to provide
90.2 the services:

90.3 (1) individual and group counseling to help the client identify and address needs related
90.4 to substance use and develop strategies to avoid harmful substance use after discharge and
90.5 to help the client obtain the services necessary to establish a lifestyle free of the harmful
90.6 effects of substance use disorder;

90.7 (2) client education strategies to avoid inappropriate substance use and health problems
90.8 related to substance use and the necessary lifestyle changes to regain and maintain health.
90.9 Client education must include information on tuberculosis education on a form approved
90.10 by the commissioner, the human immunodeficiency virus according to section 245A.19,
90.11 other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;

90.12 (3) a service to help the client integrate gains made during treatment into daily living
90.13 and to reduce the client's reliance on a staff member for support;

90.14 (4) a service to address issues related to co-occurring disorders, including client education
90.15 on symptoms of mental illness, the possibility of comorbidity, and the need for continued
90.16 medication compliance while recovering from substance use disorder. A group must address
90.17 co-occurring disorders, as needed. When treatment for mental health problems is indicated,
90.18 the treatment must be integrated into the client's individual treatment plan; and

90.19 (5) treatment coordination provided one-to-one by an individual who meets the staff
90.20 qualifications in section 245G.11, subdivision 7. Treatment coordination services include:

90.21 (i) assistance in coordination with significant others to help in the treatment planning
90.22 process whenever possible;

90.23 (ii) assistance in coordination with and follow up for medical services as identified in
90.24 the treatment plan;

90.25 (iii) facilitation of referrals to substance use disorder services as indicated by a client's
90.26 medical provider, comprehensive assessment, or treatment plan;

90.27 (iv) facilitation of referrals to mental health services as identified by a client's
90.28 comprehensive assessment or treatment plan;

90.29 (v) ~~assistance with referrals to~~ and assistance with navigating economic assistance,
90.30 Minnesota health care programs under chapters 256B and 256L, social services, housing
90.31 resources, and prenatal care according to the client's needs;

91.1 (vi) life skills advocacy and support accessing treatment follow-up, disease management,
91.2 and education services, including referral and linkages to long-term services and supports
91.3 as needed; and

91.4 (vii) documentation of the provision of treatment coordination services in the client's
91.5 file.

91.6 (b) A treatment service provided to a client must be provided according to the individual
91.7 treatment plan and must consider cultural differences and special needs of a client.

91.8 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
91.9 whichever is later.

91.10 Sec. 15. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
91.11 to read:

91.12 Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be
91.13 provided according to the hours identified in section 254B.19 for the ASAM level of care
91.14 provided to the client. A license holder must provide the following psychosocial treatment
91.15 services as a part of the client's individual treatment:

91.16 (1) counseling services that provide a client with professional assistance in managing
91.17 substance use disorder and co-occurring conditions, either individually or in a group setting.
91.18 Counseling must:

91.19 (i) use evidence-based techniques to help a client modify behavior, overcome obstacles,
91.20 and achieve and sustain recovery through techniques such as active listening, guidance,
91.21 discussion, feedback, and clarification;

91.22 (ii) help the client to identify and address needs related to substance use, develop
91.23 strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects
91.24 of substance use disorder; and

91.25 (iii) work to improve well-being and mental health, resolve or mitigate symptomatic
91.26 behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and
91.27 social skills, while addressing client-centered psychological and emotional needs; and

91.28 (2) psychoeducation services to provide a client with information about substance use
91.29 and co-occurring conditions, either individually or in a group setting. Psychoeducation
91.30 includes structured presentations, interactive discussions, and practical exercises to help
91.31 clients understand and manage their conditions effectively. Topics include but are not limited
91.32 to:

- 92.1 (i) the causes of substance use disorder and co-occurring disorders;
- 92.2 (ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;
- 92.3 (iii) the importance of maintaining mental health, including understanding symptoms
- 92.4 of mental illness;
- 92.5 (iv) medications for addiction and psychiatric disorders and the importance of medication
- 92.6 adherence;
- 92.7 (v) the importance of maintaining physical health, health-related risk factors associated
- 92.8 with substance use disorder, and specific health education on tuberculosis, HIV, other
- 92.9 sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and
- 92.10 (vi) harm-reduction strategies.
- 92.11 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
- 92.12 whichever is later. The commissioner of human services shall notify the revisor of statutes
- 92.13 when federal approval is obtained.
- 92.14 Sec. 16. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
- 92.15 to read:
- 92.16 Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided to a
- 92.17 single client by an individual who meets the staff qualifications in section 245G.11,
- 92.18 subdivision 7. Treatment coordination services include:
- 92.19 (1) coordinating directly with others involved in the client's treatment and recovery,
- 92.20 including the referral source, family or natural supports, social services agencies, and external
- 92.21 care providers;
- 92.22 (2) providing clients with training and facilitating connections to community resources
- 92.23 that support recovery;
- 92.24 (3) assisting clients in obtaining necessary resources and services such as financial
- 92.25 assistance, housing, food, clothing, medical care, education, harm reduction services,
- 92.26 vocational support, and recreational services that promote recovery;
- 92.27 (4) helping clients connect and engage with self-help support groups and expand social
- 92.28 support networks with family, friends, and organizations; and
- 92.29 (5) assisting clients in transitioning between levels of care, including providing direct
- 92.30 connections to ensure continuity of care.

93.1 (b) Treatment coordination does not include coordinating services or communicating
93.2 with staff members within the licensed program.

93.3 (c) Treatment coordination may be provided in a setting with the individual client and
93.4 others involved in the client's treatment and recovery.

93.5 Sec. 17. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
93.6 to read:

93.7 Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary
93.8 services in addition to the hours of psychosocial treatment services identified in section
93.9 254B.19 for the ASAM level of care provided to the client.

93.10 (b) A license holder may provide the following ancillary treatment services as a part of
93.11 the client's individual treatment:

93.12 (1) recovery support services provided individually or in a group setting, that include:

93.13 (i) supporting clients in restoring daily living skills, such as health and health care
93.14 navigation and self-care to enhance personal well-being;

93.15 (ii) providing resources and assistance to help clients restore life skills, including effective
93.16 parenting, financial management, pro-social behavior, education, employment, and nutrition;

93.17 (iii) assisting clients in restoring daily functioning and routines affected by substance
93.18 use and supporting them in developing skills for successful community integration; and

93.19 (iv) helping clients respond to or avoid triggers that threaten their community stability,
93.20 assisting the client in identifying potential crises and developing a plan to address them,
93.21 and providing support to restore the client's stability and functioning; and

93.22 (2) peer recovery support services provided according to sections 254B.05, subdivision
93.23 5, and 254B.052.

93.24 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
93.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
93.26 when federal approval is obtained.

93.27 Sec. 18. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

93.28 Subd. 3. **Counselors Treatment service providers.** (a) All treatment services, except
93.29 peer recovery support services and treatment coordination, must be provided by an alcohol
93.30 and drug counselor qualified according to section 245G.11, subdivision 5, unless the
93.31 individual providing the service is specifically qualified according to the accepted credential

94.1 required to provide the service. ~~The commissioner shall maintain a current list of~~
94.2 ~~professionals qualified to provide treatment services.~~

94.3 (b) Psychosocial treatment services must be provided by an alcohol and drug counselor
94.4 qualified according to section 245G.11, subdivision 5, unless the individual providing the
94.5 service is specifically qualified according to the accepted credential required to provide the
94.6 service. The commissioner shall maintain a current list of professionals qualified to provide
94.7 psychosocial treatment services.

94.8 (c) Treatment coordination must be provided by a treatment coordinator qualified
94.9 according to section 245G.11, subdivision 7.

94.10 (d) Recovery support services must be provided by a behavioral health practitioner
94.11 qualified according to section 245G.11, subdivision 12.

94.12 (e) Peer recovery support services must be provided by a recovery peer qualified
94.13 according to section 245I.04, subdivision 18.

94.14 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
94.15 whichever is later. The commissioner of human services shall notify the revisor of statutes
94.16 when federal approval is obtained.

94.17 Sec. 19. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

94.18 Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment
94.19 services a client receives at one of the license holder's substance use disorder treatment
94.20 licensed locations or at a location allowed under paragraphs (b) to (f). If the services are
94.21 provided at the locations in paragraphs (b) to (d), the license holder must document in the
94.22 client record the location services were provided.

94.23 (b) The license holder may provide nonresidential individual treatment services at a
94.24 client's home or place of residence.

94.25 (c) If the license holder provides treatment services by telehealth, the services must be
94.26 provided according to this paragraph:

94.27 (1) the license holder must maintain a licensed physical location in Minnesota where
94.28 the license holder must offer all treatment services in subdivision 1, ~~paragraph (a), clauses~~
94.29 ~~(1) to (4),~~ 1a physically in-person to each client;

94.30 (2) the license holder must meet all requirements for the provision of telehealth in sections
94.31 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder
94.32 must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client

95.1 receiving services by telehealth, regardless of payment type or whether the client is a medical
95.2 assistance enrollee;

95.3 (3) the license holder may provide treatment services by telehealth to clients individually;

95.4 (4) the license holder may provide treatment services by telehealth to a group of clients
95.5 that are each in a separate physical location;

95.6 (5) the license holder must not provide treatment services remotely by telehealth to a
95.7 group of clients meeting together in person, unless permitted under clause (7);

95.8 (6) clients and staff may join an in-person group by telehealth if a staff member qualified
95.9 to provide the treatment service is physically present with the group of clients meeting
95.10 together in person; and

95.11 (7) the qualified professional providing a residential group treatment service by telehealth
95.12 must be physically present on-site at the licensed residential location while the service is
95.13 being provided. If weather conditions or short-term illness prohibit a qualified professional
95.14 from traveling to the residential program and another qualified professional is not available
95.15 to provide the service, a qualified professional may provide a residential group treatment
95.16 service by telehealth from a location away from the licensed residential location. In such
95.17 circumstances, the license holder must ensure that a qualified professional does not provide
95.18 a residential group treatment service by telehealth from a location away from the licensed
95.19 residential location for more than one day at a time, must ensure that a staff person who
95.20 qualifies as a paraprofessional is physically present with the group of clients, and must
95.21 document the reason for providing the remote telehealth service in the records of clients
95.22 receiving the service. The license holder must document the dates that residential group
95.23 treatment services were provided by telehealth from a location away from the licensed
95.24 residential location in a central log and must provide the log to the commissioner upon
95.25 request.

95.26 (d) The license holder may provide the ~~additional~~ ancillary treatment services under
95.27 subdivision 2, ~~clauses (2) to (6) and (8), 2a~~ away from the licensed location at a suitable
95.28 location appropriate to the treatment service.

95.29 (e) Upon written approval from the commissioner for each satellite location, the license
95.30 holder may provide nonresidential treatment services at satellite locations that are in a
95.31 school, jail, or nursing home. A satellite location may only provide services to students of
95.32 the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing
95.33 homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to

96.1 document compliance with building codes, fire and safety codes, health rules, and zoning
96.2 ordinances.

96.3 (f) The commissioner may approve other suitable locations as satellite locations for
96.4 nonresidential treatment services. The commissioner may require satellite locations under
96.5 this paragraph to meet all applicable licensing requirements. The license holder may not
96.6 have more than two satellite locations per license under this paragraph.

96.7 (g) The license holder must provide the commissioner access to all files, documentation,
96.8 staff persons, and any other information the commissioner requires at the main licensed
96.9 location for all clients served at any location under paragraphs (b) to (f).

96.10 (h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a
96.11 program abuse prevention plan is not required for satellite or other locations under paragraphs
96.12 (b) to (e). An individual abuse prevention plan is still required for any client that is a
96.13 vulnerable adult as defined in section 626.5572, subdivision 21.

96.14 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
96.15 whichever is later. The commissioner of human services shall notify the revisor of statutes
96.16 when federal approval is obtained.

96.17 Sec. 20. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

96.18 Subd. 6. **Paraprofessionals.** A paraprofessional who does not meet the qualifications
96.19 of the behavioral health practitioner under section 245G.11, subdivision 12, must have
96.20 knowledge of client rights, according to section 148F.165, and staff member responsibilities.
96.21 A paraprofessional may not make decisions to admit, transfer, or discharge a client but may
96.22 perform tasks related to intake and orientation. A paraprofessional may be the responsible
96.23 for the delivery of treatment service staff member according to section 245G.10, subdivision
96.24 3. A paraprofessional must not provide a treatment service unless qualified to do so according
96.25 to section 245G.07, subdivision 3.

96.26 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
96.27 whichever is later. The commissioner of human services shall notify the revisor of statutes
96.28 when federal approval is obtained.

96.29 Sec. 21. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

96.30 Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination
96.31 must be provided by qualified staff. An individual is qualified to provide treatment

97.1 coordination if the individual meets the qualifications of an alcohol and drug counselor
97.2 under subdivision 5 or if the individual:

97.3 (1) is skilled in the process of identifying and assessing a wide range of client needs;

97.4 (2) is knowledgeable about local community resources and how to use those resources
97.5 for the benefit of the client;

97.6 (3) has successfully completed 30 hours of classroom instruction on treatment
97.7 coordination for an individual with substance use disorder;

97.8 (4) has ~~either:~~ a high school diploma or equivalent; and

97.9 ~~(i) a bachelor's degree in one of the behavioral sciences or related fields; or~~

97.10 ~~(ii) current certification as an alcohol and drug counselor, level I, by the Upper Midwest~~
97.11 ~~Indian Council on Addictive Disorders; and~~

97.12 (5) has at least ~~2,000~~ 1,000 hours of supervised experience working with individuals
97.13 with substance use disorder.

97.14 (b) A treatment coordinator must receive at least one hour of supervision regarding
97.15 individual service delivery from an alcohol and drug counselor, or a mental health
97.16 professional who has substance use treatment and assessments within the scope of their
97.17 practice, on a monthly basis.

97.18 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
97.19 whichever is later. The commissioner of human services shall notify the revisor of statutes
97.20 when federal approval is obtained.

97.21 Sec. 22. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision
97.22 to read:

97.23 Subd. 12. **Behavioral health practitioners.** (a) A behavioral health practitioner must
97.24 meet the qualifications in section 245I.04, subdivision 4.

97.25 (b) A behavioral health practitioner working within a substance use disorder treatment
97.26 program licensed under this chapter has the following scope of practice:

97.27 (1) a behavioral health practitioner may provide clients with recovery support services,
97.28 as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

97.29 (2) a behavioral health practitioner must not provide treatment supervision to other staff
97.30 persons.

98.1 (c) A behavioral health practitioner working within a substance use disorder treatment
98.2 program licensed under this chapter must receive at least one hour of supervision per month
98.3 on individual service delivery from an alcohol and drug counselor or a mental health
98.4 professional who has substance use treatment and assessments within the scope of their
98.5 practice.

98.6 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
98.7 whichever is later. The commissioner of human services shall notify the revisor of statutes
98.8 when federal approval is obtained.

98.9 Sec. 23. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

98.10 Subd. 11. **Waiting list.** An opioid treatment program must have a waiting list system.
98.11 If the person seeking admission cannot be admitted within 14 days of the date of application,
98.12 each person seeking admission must be placed on the waiting list, unless the person seeking
98.13 admission is assessed by the program and found ineligible for admission according to this
98.14 chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e),
98.15 and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each
98.16 person seeking treatment while awaiting admission. A person seeking admission on a waiting
98.17 list who receives no services under section 245G.07, subdivision ~~1~~ 1a or 1b, must not be
98.18 considered a client as defined in section 245G.01, subdivision 9.

98.19 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
98.20 whichever is later. The commissioner of human services shall notify the revisor of statutes
98.21 when federal approval is obtained.

98.22 Sec. 24. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

98.23 Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must
98.24 offer at least 50 consecutive minutes of individual or group therapy treatment services as
98.25 defined in section 245G.07, subdivision ~~1, paragraph (a)~~ 1a, clause (1), per week, for the
98.26 first ten weeks following the day of service initiation, and at least 50 consecutive minutes
98.27 per month thereafter. As clinically appropriate, the program may offer these services
98.28 cumulatively and not consecutively in increments of no less than 15 minutes over the required
98.29 time period, and for a total of 60 minutes of treatment services over the time period, and
98.30 must document the reason for providing services cumulatively in the client's record. The
98.31 program may offer additional levels of service when deemed clinically necessary.

98.32 (b) Notwithstanding the requirements of comprehensive assessments in section 245G.05,
98.33 the assessment must be completed within 21 days from the day of service initiation.

99.1 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
99.2 whichever is later. The commissioner of human services shall notify the revisor of statutes
99.3 when federal approval is obtained.

99.4 Sec. 25. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

99.5 Subd. 4. **Civil commitments.** For the purposes of determining level of care, a
99.6 comprehensive assessment does not need to be completed for an individual being committed
99.7 as a chemically dependent person, as defined in section 253B.02, and for the duration of a
99.8 civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual
99.9 to access be eligible for the behavioral health fund under section 254B.04. The ~~county~~
99.10 commissioner must determine if the individual meets the financial eligibility requirements
99.11 for the behavioral health fund under section 254B.04.

99.12 **EFFECTIVE DATE.** This section is effective January 1, 2027.

99.13 Sec. 26. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

99.14 Subd. 10. ~~Skilled~~ **Psychosocial treatment services.** "~~Skilled~~ Psychosocial treatment
99.15 services" includes the treatment services described in section 245G.07, ~~subdivisions 1,~~
99.16 ~~paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6).~~ Skilled subdivision 1a. Psychosocial
99.17 treatment services must be provided by qualified professionals as identified in section
99.18 245G.07, subdivision 3, paragraph (b).

99.19 **EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,
99.20 whichever is later. The commissioner of human services shall notify the revisor of statutes
99.21 when federal approval is obtained.

99.22 Sec. 27. Minnesota Statutes 2024, section 254B.01, subdivision 11, is amended to read:

99.23 Subd. 11. ~~Sober home~~ **Recovery residence.** A ~~sober home~~ recovery residence is a
99.24 cooperative living residence, a room and board residence, an apartment, or any other living
99.25 accommodation that:

99.26 (1) provides temporary housing to persons with substance use disorders;

99.27 (2) stipulates that residents must abstain from using alcohol or other illicit drugs or
99.28 substances not prescribed by a physician;

99.29 (3) charges a fee for living there;

99.30 (4) does not provide counseling or treatment services to residents;

(5) promotes sustained recovery from substance use disorders; and

(6) follows the sober living guidelines published by the federal Substance Abuse and Mental Health Services Administration.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 28. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

Subd. 5. ~~Local agency~~ **Tribal allocation.** The commissioner may make payments to ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to support individuals with substance use disorders and determine eligibility for behavioral health fund payments. The payment must not be less than 133 percent of the ~~local agency~~ Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.

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

Sec. 29. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. ~~Local agency duties~~ **Financial eligibility determinations.** (a) ~~Every local agency~~ The commissioner of human services or Tribal Nation servicing agencies must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. ~~Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05.~~ The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

(c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section

101.1 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual
101.2 must comply with any provider network requirements or limitations.

101.3 ~~(d) Beginning July 1, 2022, local agencies shall not make placement location~~
101.4 ~~determinations.~~

101.5 **EFFECTIVE DATE.** This section is effective January 1, 2027.

101.6 Sec. 30. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

101.7 Subd. 3. ~~Local agencies~~ **Counties to pay state for county share.** ~~Local agencies~~
101.8 Counties shall pay the state for the county share of the services authorized by the ~~local~~
101.9 ~~agency commissioner~~, except when the payment is made according to section 254B.09,
101.10 subdivision 8.

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

101.12 Sec. 31. Minnesota Statutes 2024, section 254B.03, subdivision 4, is amended to read:

101.13 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section
101.14 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out
101.15 of local money, pay the state for ~~22.95~~ 50 percent of the cost of substance use disorder
101.16 services, except for ~~those~~ individuals living in carceral settings. The county shall pay the
101.17 state 22.95 percent of the cost of substance use disorder services for individuals in carceral
101.18 settings. Services provided to persons enrolled in medical assistance under chapter 256B
101.19 and room and board services under section 254B.05, subdivision 5, paragraph (b), are
101.20 exempted from county contributions. Counties may use the indigent hospitalization levy
101.21 for treatment and hospital payments made under this section.

101.22 (b) ~~22.95~~ 50 percent of any state collections from private or third-party pay, less 15
101.23 percent for the cost of payment and collections, must be distributed to the county that paid
101.24 for a portion of the treatment under this section.

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

101.26 Sec. 32. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

101.27 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
101.28 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
101.29 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
101.30 fund services. State money appropriated for this paragraph must be placed in a separate
101.31 account established for this purpose.

102.1 (b) Persons with dependent children who are determined to be in need of substance use
102.2 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
102.3 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
102.4 subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access
102.5 needed treatment services. Treatment services must be appropriate for the individual or
102.6 family, which may include long-term care treatment or treatment in a facility that allows
102.7 the dependent children to stay in the treatment facility. The county shall pay for out-of-home
102.8 placement costs, if applicable.

102.9 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
102.10 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision
102.11 5, paragraph (b), clause (9).

102.12 (d) A client is eligible to have substance use disorder treatment paid for with funds from
102.13 the behavioral health fund when the client:

102.14 (1) is eligible for MFIP as determined under chapter 142G;

102.15 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
102.16 9505.0010 to ~~9505.0150~~ 9505.140;

102.17 (3) is eligible for general assistance, general assistance medical care, or work readiness
102.18 as determined under Minnesota Rules, parts 9500.1200 to ~~9500.1318~~ 9500.1272; or

102.19 (4) has income that is within current household size and income guidelines for entitled
102.20 persons, as defined in this subdivision and subdivision 7.

102.21 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
102.22 a third-party payment source are eligible for the behavioral health fund if the third-party
102.23 payment source pays less than 100 percent of the cost of treatment services for eligible
102.24 clients.

102.25 (f) A client is ineligible to have substance use disorder treatment services paid for with
102.26 behavioral health fund money if the client:

102.27 (1) has an income that exceeds current household size and income guidelines for entitled
102.28 persons as defined in this subdivision and subdivision 7; or

102.29 (2) has an available third-party payment source that will pay the total cost of the client's
102.30 treatment.

102.31 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
102.32 is eligible for continued treatment service that is paid for by the behavioral health fund until

103.1 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
103.2 if the client:

103.3 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
103.4 medical care; or

103.5 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local
103.6 ~~agency~~ the commissioner under section 254B.04.

103.7 (h) When a county commits a client under chapter 253B to a regional treatment center
103.8 for substance use disorder services and the client is ineligible for the behavioral health fund,
103.9 the county is responsible for the payment to the regional treatment center according to
103.10 section 254B.05, subdivision 4.

103.11 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
103.12 provided through intensive residential treatment services and residential crisis services under
103.13 section 256B.0622.

103.14 (j) A person is eligible for one 60-consecutive-calendar-day period per year. A person
103.15 may submit a request for additional eligibility to the commissioner. A person denied
103.16 additional eligibility under this paragraph may request a state agency hearing under section
103.17 256.045.

103.18 **EFFECTIVE DATE.** This section is effective January 1, 2027.

103.19 Sec. 33. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

103.20 Subd. 5. ~~Local agency~~ **Commissioner responsibility to provide administrative**
103.21 **services.** The ~~local agency~~ commissioner of human services may employ individuals to
103.22 conduct administrative activities and facilitate access to substance use disorder treatment
103.23 services.

103.24 **EFFECTIVE DATE.** This section is effective January 1, 2027.

103.25 Sec. 34. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

103.26 Subd. 6. ~~Local agency~~ **Commissioner to determine client financial eligibility.** (a)
103.27 The ~~local agency~~ commissioner shall determine a client's financial eligibility for the
103.28 behavioral health fund according to section 254B.04, subdivision 1a, with the income
103.29 calculated prospectively for one year from the date of request. The ~~local agency~~ commissioner
103.30 shall pay for eligible clients according to chapter 256G. Client eligibility must be determined
103.31 using only forms prescribed by the commissioner ~~unless the local agency has a reasonable~~

104.1 ~~basis for believing that the information submitted on a form is false.~~ To determine a client's
104.2 eligibility, the ~~local agency~~ commissioner must determine the client's income, the size of
104.3 the client's household, the availability of a third-party payment source, and a responsible
104.4 relative's ability to pay for the client's substance use disorder treatment.

104.5 (b) A client who is a minor child must not be deemed to have income available to pay
104.6 for substance use disorder treatment, unless the minor child is responsible for payment under
104.7 section 144.347 for substance use disorder treatment services sought under section 144.343,
104.8 subdivision 1.

104.9 (c) The ~~local agency~~ commissioner must determine the client's household size as follows:

104.10 (1) if the client is a minor child, the household size includes the following persons living
104.11 in the same dwelling unit:

104.12 (i) the client;

104.13 (ii) the client's birth or adoptive parents; and

104.14 (iii) the client's siblings who are minors; and

104.15 (2) if the client is an adult, the household size includes the following persons living in
104.16 the same dwelling unit:

104.17 (i) the client;

104.18 (ii) the client's spouse;

104.19 (iii) the client's minor children; and

104.20 (iv) the client's spouse's minor children.

104.21 For purposes of this paragraph, household size includes a person listed in clauses (1) and
104.22 (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing
104.23 to the cost of care of the person in out-of-home placement.

104.24 (d) The ~~local agency~~ commissioner must determine the client's current prepaid health
104.25 plan enrollment, the availability of a third-party payment source, including the availability
104.26 of total payment, partial payment, and amount of co-payment.

104.27 ~~(e) The local agency must provide the required eligibility information to the department~~
104.28 ~~in the manner specified by the department.~~

104.29 ~~(f)~~ (e) The ~~local agency~~ commissioner shall require the client and policyholder to
104.30 conditionally assign to the department the client and policyholder's rights and the rights of

105.1 minor children to benefits or services provided to the client if the department is required to
105.2 collect from a third-party pay source.

105.3 ~~(g)~~ (f) The ~~local agency~~ commissioner must ~~redetermine~~ determine a client's eligibility
105.4 for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period
105.5 per calendar year.

105.6 ~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage
105.7 verification, household size verification, and must make an assignment of third-party payment
105.8 rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not
105.9 comply with the provisions of this subdivision, the client is ineligible for behavioral health
105.10 fund payment for substance use disorder treatment, and the client and responsible relative
105.11 must be obligated to pay for the full cost of substance use disorder treatment services
105.12 provided to the client.

105.13 **EFFECTIVE DATE.** This section is effective January 1, 2027.

105.14 Sec. 35. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

105.15 Subd. 6a. **Span of eligibility.** The ~~local agency~~ commissioner must enter the financial
105.16 eligibility span within five business days of a request. If the comprehensive assessment is
105.17 completed within the timelines required under chapter 245G, then the span of eligibility
105.18 must begin on the date services were initiated. If the comprehensive assessment is not
105.19 completed within the timelines required under chapter 245G, then the span of eligibility
105.20 must begin on the date the comprehensive assessment was completed.

105.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

105.22 Sec. 36. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

105.23 Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the
105.24 commissioner are eligible vendors. Hospitals may apply for and receive licenses to be
105.25 eligible vendors, notwithstanding the provisions of section 245A.03. American Indian
105.26 programs that provide substance use disorder treatment, extended care, transitional residence,
105.27 or outpatient treatment services, and are licensed by tribal government are eligible vendors.

105.28 (b) A licensed professional in private practice as defined in section 245G.01, subdivision
105.29 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible
105.30 vendor of a comprehensive assessment provided according to section 254A.19, subdivision
105.31 3, and treatment services provided according to sections 245G.06 and 245G.07, ~~subdivision~~

106.1 ~~1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6). subdivisions~~
106.2 1, 1a, and 1b.

106.3 (c) A county is an eligible vendor for a comprehensive assessment when provided by
106.4 an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5,
106.5 and completed according to the requirements of section 254A.19, subdivision 3. A county
106.6 is an eligible vendor of ~~care~~ treatment coordination services when provided by an individual
106.7 who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided
106.8 according to the requirements of section 245G.07, subdivision ~~1, paragraph (a), clause (5).~~
106.9 1b. A county is an eligible vendor of peer recovery services when the services are provided
106.10 by an individual who meets the requirements of section 245G.11, subdivision 8, and
106.11 according to section 254B.052.

106.12 (d) A recovery community organization that meets the requirements of clauses (1) to
106.13 (14), complies with the training requirements in section 254B.052, subdivision 4, and meets
106.14 certification or accreditation requirements of the Alliance for Recovery Centered
106.15 Organizations, the Council on Accreditation of Peer Recovery Support Services, or a
106.16 Minnesota statewide recovery organization identified by the commissioner is an eligible
106.17 vendor of peer recovery support services. A Minnesota statewide recovery organization
106.18 identified by the commissioner must update recovery community organization applicants
106.19 for certification or accreditation on the status of the application within 45 days of receipt.
106.20 If the approved statewide recovery organization denies an application, it must provide a
106.21 written explanation for the denial to the recovery community organization. Eligible vendors
106.22 under this paragraph must:

106.23 (1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be
106.24 free from conflicting self-interests, and be autonomous in decision-making, program
106.25 development, peer recovery support services provided, and advocacy efforts for the purpose
106.26 of supporting the recovery community organization's mission;

106.27 (2) be led and governed by individuals in the recovery community, with more than 50
106.28 percent of the board of directors or advisory board members self-identifying as people in
106.29 personal recovery from substance use disorders;

106.30 (3) have a mission statement and conduct corresponding activities indicating that the
106.31 organization's primary purpose is to support recovery from substance use disorder;

106.32 (4) demonstrate ongoing community engagement with the identified primary region and
106.33 population served by the organization, including individuals in recovery and their families,
106.34 friends, and recovery allies;

107.1 (5) be accountable to the recovery community through documented priority-setting and
107.2 participatory decision-making processes that promote the engagement of, and consultation
107.3 with, people in recovery and their families, friends, and recovery allies;

107.4 (6) provide nonclinical peer recovery support services, including but not limited to
107.5 recovery support groups, recovery coaching, telephone recovery support, skill-building,
107.6 and harm-reduction activities, and provide recovery public education and advocacy;

107.7 (7) have written policies that allow for and support opportunities for all paths toward
107.8 recovery and refrain from excluding anyone based on their chosen recovery path, which
107.9 may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based
107.10 paths;

107.11 (8) maintain organizational practices to meet the needs of Black, Indigenous, and people
107.12 of color communities, LGBTQ+ communities, and other underrepresented or marginalized
107.13 communities. Organizational practices may include board and staff training, service offerings,
107.14 advocacy efforts, and culturally informed outreach and services;

107.15 (9) use recovery-friendly language in all media and written materials that is supportive
107.16 of and promotes recovery across diverse geographical and cultural contexts and reduces
107.17 stigma;

107.18 (10) establish and maintain a publicly available recovery community organization code
107.19 of ethics and grievance policy and procedures;

107.20 (11) not classify or treat any recovery peer hired on or after July 1, 2024, as an
107.21 independent contractor;

107.22 (12) not classify or treat any recovery peer as an independent contractor on or after
107.23 January 1, 2025;

107.24 (13) provide an orientation for recovery peers that includes an overview of the consumer
107.25 advocacy services provided by the Ombudsman for Mental Health and Developmental
107.26 Disabilities and other relevant advocacy services; and

107.27 (14) provide notice to peer recovery support services participants that includes the
107.28 following statement: "If you have a complaint about the provider or the person providing
107.29 your peer recovery support services, you may contact the Minnesota Alliance of Recovery
107.30 Community Organizations. You may also contact the Office of Ombudsman for Mental
107.31 Health and Developmental Disabilities." The statement must also include:

108.1 (i) the telephone number, website address, email address, and mailing address of the
108.2 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman
108.3 for Mental Health and Developmental Disabilities;

108.4 (ii) the recovery community organization's name, address, email, telephone number, and
108.5 name or title of the person at the recovery community organization to whom problems or
108.6 complaints may be directed; and

108.7 (iii) a statement that the recovery community organization will not retaliate against a
108.8 peer recovery support services participant because of a complaint.

108.9 (e) A recovery community organization approved by the commissioner before June 30,
108.10 2023, must have begun the application process as required by an approved certifying or
108.11 accrediting entity and have begun the process to meet the requirements under paragraph (d)
108.12 by September 1, 2024, in order to be considered as an eligible vendor of peer recovery
108.13 support services.

108.14 (f) A recovery community organization that is aggrieved by an accreditation, certification,
108.15 or membership determination and believes it meets the requirements under paragraph (d)
108.16 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause
108.17 (14), for reconsideration as an eligible vendor. If the human services judge determines that
108.18 the recovery community organization meets the requirements under paragraph (d), the
108.19 recovery community organization is an eligible vendor of peer recovery support services.

108.20 (g) All recovery community organizations must be certified or accredited by an entity
108.21 listed in paragraph (d) by June 30, 2025.

108.22 (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to
108.23 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or
108.24 nonresidential substance use disorder treatment or withdrawal management program by the
108.25 commissioner or by tribal government or do not meet the requirements of subdivisions 1a
108.26 and 1b are not eligible vendors.

108.27 (i) Hospitals, federally qualified health centers, and rural health clinics are eligible
108.28 vendors of a comprehensive assessment when the comprehensive assessment is completed
108.29 according to section 254A.19, subdivision 3, and by an individual who meets the criteria
108.30 of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol
108.31 and drug counselor must be individually enrolled with the commissioner and reported on
108.32 the claim as the individual who provided the service.

109.1 (j) Any complaints about a recovery community organization or peer recovery support
109.2 services may be made to and reviewed or investigated by the ombudsperson for behavioral
109.3 health and developmental disabilities under sections 245.91 and 245.94.

109.4 Sec. 37. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

109.5 Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board
109.6 are eligible for behavioral health fund payment if the vendor:

109.7 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
109.8 while residing in the facility and provide consequences for infractions of those rules;

109.9 (2) is determined to meet applicable health and safety requirements;

109.10 (3) is not a jail or prison;

109.11 (4) is not concurrently receiving funds under chapter 256I for the recipient;

109.12 (5) admits individuals who are 18 years of age or older;

109.13 (6) is registered as a board and lodging or lodging establishment according to section
109.14 157.17;

109.15 (7) has awake staff on site whenever a client is present;

109.16 (8) has staff who are at least 18 years of age and meet the requirements of section
109.17 245G.11, subdivision 1, paragraph (b);

109.18 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

109.19 (10) meets the requirements of section 245G.08, subdivision 5, if administering
109.20 medications to clients;

109.21 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
109.22 fraternization and the mandatory reporting requirements of section 626.557;

109.23 (12) documents coordination with the treatment provider to ensure compliance with
109.24 section 254B.03, subdivision 2;

109.25 (13) protects client funds and ensures freedom from exploitation by meeting the
109.26 provisions of section 245A.04, subdivision 13;

109.27 (14) has a grievance procedure that meets the requirements of section 245G.15,
109.28 subdivision 2; and

109.29 (15) has sleeping and bathroom facilities for men and women separated by a door that
109.30 is locked, has an alarm, or is supervised by awake staff.

110.1 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
110.2 paragraph (a), clauses (5) to (15).

110.3 (c) Programs providing children's mental health crisis admissions and stabilization under
110.4 section 245.4882, subdivision 6, are eligible vendors of room and board.

110.5 (d) Programs providing children's residential services under section 245.4882, except
110.6 services for individuals who have a placement under chapter 260C or 260D, are eligible
110.7 vendors of room and board.

110.8 (e) Licensed programs providing intensive residential treatment services or residential
110.9 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors
110.10 of room and board and are exempt from paragraph (a), clauses (6) to (15).

110.11 (f) A vendor that is not licensed as a residential treatment program must have a policy
110.12 to address staffing coverage when a client may unexpectedly need to be present at the room
110.13 and board site.

110.14 (g) No new vendors for room and board services may be approved after June 30, 2025,
110.15 to receive payments from the behavioral health fund, under the provisions of section 254B.04,
110.16 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,
110.17 2025, may continue to receive payments from the behavioral health fund for services provided
110.18 until June 30, 2027. Room and board vendors providing services in accordance with section
110.19 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and
110.20 board services provided on or after July 1, 2027.

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

110.22 Sec. 38. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

110.23 Subd. 5. **Rate requirements.** (a) Subject to the requirements of subdivision 6, the
110.24 commissioner shall establish rates for the following substance use disorder treatment services
110.25 and service enhancements funded under this chapter.:

110.26 ~~(b) Eligible substance use disorder treatment services include:~~

110.27 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
110.28 and provided according to the following ASAM levels of care:

110.29 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,
110.30 subdivision 1, clause (1);

110.31 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,
110.32 subdivision 1, clause (2);

- 111.1 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
111.2 subdivision 1, clause (3);
- 111.3 (iv) ASAM level 2.5 partial hospitalization services provided according to section
111.4 254B.19, subdivision 1, clause (4);
- 111.5 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
111.6 according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the~~
111.7 ~~base payment rate of \$79.84 per day for services provided under this item;~~
- 111.8 (vi) ASAM level 3.1 clinically managed low-intensity residential services provided
111.9 according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled
111.10 treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13~~
111.11 ~~per day for services provided under this item;~~
- 111.12 (vii) ASAM level 3.3 clinically managed population-specific high-intensity residential
111.13 services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner~~
111.14 ~~shall use the specified base payment rate of \$224.06 per day for services provided under~~
111.15 ~~this item; and~~
- 111.16 (viii) ASAM level 3.5 clinically managed high-intensity residential services provided
111.17 according to section 254B.19, subdivision 1, clause (7). ~~The commissioner shall use the~~
111.18 ~~specified base payment rate of \$224.06 per day for services provided under this item;~~
- 111.19 (2) comprehensive assessments provided according to section 254A.19, subdivision 3;
- 111.20 (3) treatment coordination services provided according to section 245G.07, subdivision
111.21 1, paragraph (a), clause (5);
- 111.22 (4) peer recovery support services provided according to section 245G.07, subdivision
111.23 2, clause (8);
- 111.24 (5) withdrawal management services provided according to chapter 245F;
- 111.25 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
111.26 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to
111.27 144.56;
- 111.28 (7) substance use disorder treatment services with medications for opioid use disorder
111.29 provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17
111.30 and 245G.22, or under an applicable Tribal license;

112.1 (8) medium-intensity residential treatment services that provide 15 hours of skilled
112.2 treatment services each week and are licensed according to sections 245G.01 to 245G.17
112.3 and 245G.21 or applicable Tribal license;

112.4 (9) adolescent treatment programs that are licensed as outpatient treatment programs
112.5 according to sections 245G.01 to 245G.18 or as residential treatment programs according
112.6 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
112.7 applicable Tribal license;

112.8 (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed
112.9 according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which
112.10 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
112.11 and are provided by a state-operated vendor or to clients who have been civilly committed
112.12 to the commissioner, present the most complex and difficult care needs, and are a potential
112.13 threat to the community; and

112.14 (11) room and board facilities that meet the requirements of subdivision 1a.

112.15 ~~(e)~~ (b) The commissioner shall establish higher rates for programs that meet the
112.16 requirements of paragraph ~~(b)~~ (a) and ~~one of the following additional requirements: the~~
112.17 requirements of one clause in this paragraph.

112.18 (1) Programs that serve parents with their children are eligible for an enhanced payment
112.19 rate if the program:

112.20 (i) provides on-site child care during the hours of treatment activity that:

112.21 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
112.22 9503; or

112.23 (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

112.24 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
112.25 licensed under chapter 245A as:

112.26 (A) a child care center under Minnesota Rules, chapter 9503; or

112.27 (B) a family child care home under Minnesota Rules, chapter 9502;

112.28 In order to be eligible for a higher rate under this clause, a program that provides
112.29 arrangements for off-site child care must maintain current documentation at the substance
112.30 use disorder facility of the child care provider's current licensure to provide child care
112.31 services.

113.1 (2) Culturally specific or culturally responsive programs as defined in section 254B.01,
113.2 subdivision 4a~~;~~, are eligible for an enhanced payment rate.

113.3 (3) Disability responsive programs as defined in section 254B.01, subdivision 4b~~;~~, are
113.4 eligible for an enhanced payment rate.

113.5 (4) Programs that offer medical services delivered by appropriately credentialed health
113.6 care staff in an amount equal to one hour per client per week are eligible for an enhanced
113.7 payment rate if the medical needs of the client and the nature and provision of any medical
113.8 services provided are documented in the client file~~;~~ or.

113.9 (5) Programs that offer services to individuals with co-occurring mental health and
113.10 substance use disorder problems are eligible for an enhanced payment rate if:

113.11 (i) the program meets the co-occurring requirements in section 245G.20;

113.12 (ii) the program employs a mental health professional as defined in section 245I.04,
113.13 subdivision 2;

113.14 (iii) clients scoring positive on a standardized mental health screen receive a mental
113.15 health diagnostic assessment within ten days of admission;

113.16 (iv) the program has standards for multidisciplinary case review that include a monthly
113.17 review for each client that, at a minimum, includes a licensed mental health professional
113.18 and licensed alcohol and drug counselor, and their involvement in the review is documented;

113.19 (v) family education is offered that addresses mental health and substance use disorder
113.20 and the interaction between the two; and

113.21 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
113.22 training annually.

113.23 ~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program~~
113.24 ~~that provides arrangements for off-site child care must maintain current documentation at~~
113.25 ~~the substance use disorder facility of the child care provider's current licensure to provide~~
113.26 ~~child care services.~~

113.27 ~~(e)~~ Adolescent residential programs that meet the requirements of Minnesota Rules, parts
113.28 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
113.29 in ~~paragraph (c), clause (5),~~ items (i) to (iv).

113.30 ~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face
113.31 services may be provided via telehealth as defined in section 256B.0625, subdivision 3b.
113.32 The use of telehealth to deliver services must be medically appropriate to the condition and

114.1 needs of the person being served. Reimbursement shall be at the same rates and under the
114.2 same conditions that would otherwise apply to direct face-to-face services.

114.3 ~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder
114.4 treatment services provided in a group setting without a group participant maximum or
114.5 maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of
114.6 48 to one. At least one of the attending staff must meet the qualifications as established
114.7 under this chapter for the type of treatment service provided. A recovery peer may not be
114.8 included as part of the staff ratio.

114.9 ~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according
114.10 to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless
114.11 prior authorization of a greater number of hours is obtained from the commissioner.

114.12 ~~(i)~~ (f) Payment for substance use disorder services under this section must start from the
114.13 day of service initiation, when the comprehensive assessment is completed within the
114.14 required timelines.

114.15 ~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because
114.16 a client missed services remains eligible to bill for the client's intensity level of services
114.17 under this paragraph if the license holder can document the reason the client missed services
114.18 and the interventions done to address the client's absence.

114.19 ~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized
114.20 holidays.

114.21 ~~(l)~~ (i) Eligible vendors of peer recovery support services must:

114.22 (1) submit to a review by the commissioner of up to ten percent of all medical assistance
114.23 and behavioral health fund claims to determine the medical necessity of peer recovery
114.24 support services for entities billing for peer recovery support services individually and not
114.25 receiving a daily rate; and

114.26 (2) limit an individual client to 14 hours per week for peer recovery support services
114.27 from an individual provider of peer recovery support services.

114.28 ~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052
114.29 are subject to monetary recovery under section 256B.064 as money improperly paid.

115.1 Sec. 39. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision
115.2 to read:

115.3 Subd. 6. **Rate adjustments.** (a) Effective for services provided on or after January 1,
115.4 2026, the commissioner must implement the following base payment rates for substance
115.5 use disorder treatment services under subdivision 5, paragraph (a):

115.6 (1) for low-intensity residential services, 100 percent of the modeled rate included in
115.7 the final report required by Laws 2021, First Special Session chapter 7, article 17, section
115.8 18;

115.9 (2) for high-intensity residential services, the rates in effect on December 31, 2025; and

115.10 (3) for all other services not included in clause (1) or (2), 72 percent of the modeled rate
115.11 included in the final report required by Laws 2021, First Special Session chapter 7, article
115.12 17, section 18.

115.13 (b) Effective January 1, 2027, and annually thereafter, the commissioner of human
115.14 services must adjust the payment rates under paragraph (a) according to the change from
115.15 the midpoint of the previous rate year to the midpoint of the rate year for which the rate is
115.16 being determined using the Centers for Medicare and Medicaid Services Medicare Economic
115.17 Index as forecasted in the fourth quarter of the calendar year before the rate year.

115.18 Sec. 40. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision
115.19 to read:

115.20 Subd. 4. **Recovery community organization vendor compliance training.** (a) Effective
115.21 January 1, 2027, in order to enroll as an eligible vendor of peer recovery support services,
115.22 a recovery community organization must require all owners active in day-to-day management
115.23 and operations of the organization and managerial and supervisory employees to complete
115.24 compliance training before applying for enrollment and every three years thereafter.
115.25 Mandatory compliance training format and content must be determined by the commissioner,
115.26 and must include the following topics:

115.27 (1) state and federal program billing, documentation, and service delivery requirements;

115.28 (2) eligible vendor enrollment requirements;

115.29 (3) provider program integrity, including fraud prevention, fraud detection, and penalties;

115.30 (4) fair labor standards;

115.31 (5) workplace safety requirements; and

116.1 (6) recent changes in service requirements.

116.2 (b) Any new owners active in day-to-day management and operations of the organization
116.3 and managerial and supervisory employees must complete the training under this subdivision
116.4 in order to be employed by or conduct management and operations activities for the
116.5 organization. If the individual moves to another recovery community organization and
116.6 serves in a similar ownership or employment capacity, the individual is not required to
116.7 repeat the training required under this subdivision if the individual documents completion
116.8 of the training within the past three years.

116.9 (c) By July 1, 2026, the commissioner must make the training required under this
116.10 subdivision available in person, online, or by electronic remote connection.

116.11 (d) A recovery community organization enrolled as an eligible vendor before January
116.12 1, 2027, must document completion of the compliance training as required under this
116.13 subdivision by January 1, 2028, and every three years thereafter.

116.14 Sec. 41. Minnesota Statutes 2024, section 254B.06, subdivision 2, is amended to read:

116.15 Subd. 2. **Allocation of collections.** The commissioner shall allocate ~~77.05~~ 50 percent
116.16 of patient payments and third-party payments to the special revenue account and ~~22.95~~ 50
116.17 percent to the county financially responsible for the patient.

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

116.19 Sec. 42. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

116.20 Subd. 2. **American Indian agreements.** The commissioner may enter into agreements
116.21 with federally recognized Tribal units to pay for substance use disorder treatment services
116.22 provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how
116.23 the governing body of the Tribal unit fulfills ~~local agency~~ the Tribal unit's responsibilities
116.24 regarding the form and manner of invoicing.

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

116.26 Sec. 43. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

116.27 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level
116.28 of care, eligible vendors must implement the standards set by the ASAM for the respective
116.29 level of care. Additionally, vendors must meet the following requirements:

116.30 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of
116.31 developing a substance-related problem but may not have a diagnosed substance use disorder,

117.1 early intervention services may include individual or group counseling, treatment
117.2 coordination, peer recovery support, screening brief intervention, and referral to treatment
117.3 provided according to section 254A.03, subdivision 3, paragraph (c).

117.4 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per
117.5 week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five
117.6 hours per week. Services must be licensed according to section 245G.20 and meet
117.7 requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment
117.8 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
117.9 hours allowable per week.

117.10 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours
117.11 per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or
117.12 more hours per week. Vendors must be licensed according to section 245G.20 and must
117.13 meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment
117.14 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
117.15 hours allowable per week. If clinically indicated on the client's treatment plan, this service
117.16 may be provided in conjunction with room and board according to section 254B.05,
117.17 subdivision 1a.

117.18 (4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or
117.19 more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to
117.20 section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for
117.21 clients who need daily monitoring in a structured setting, as directed by the individual
117.22 treatment plan and in accordance with the limitations in section 254B.05, subdivision 5,
117.23 paragraph (h). If clinically indicated on the client's treatment plan, this service may be
117.24 provided in conjunction with room and board according to section 254B.05, subdivision
117.25 1a.

117.26 (5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs
117.27 must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according
117.28 to each client's specific treatment schedule, as directed by the individual treatment plan.
117.29 Programs must be licensed according to section 245G.20 and must meet requirements under
117.30 section 256B.0759.

117.31 (6) For ASAM level 3.3 clinically managed population-specific high-intensity residential
117.32 clients, programs must be licensed according to section 245G.20 and must meet requirements
117.33 under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must
117.34 be enrolled as a disability responsive program as described in section 254B.01, subdivision

4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) For ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

(b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors must provide each client at least 30 hours of treatment services per week for the period between January 1, 2024, through June 30, 2024.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. 44. **[254B.21] DEFINITIONS.**

Subdivision 1. Scope. For the purposes of sections 254B.21 to 254B.216, the following terms have the meanings given.

Subd. 2. Applicant. "Applicant" means any individual, organization, or entity who has applied for certification of a recovery residence.

Subd. 3. Certified recovery residence. "Certified recovery residence" means a recovery residence that has completed the application process and been approved for certification by the commissioner.

Subd. 4. Co-occurring disorders. "Co-occurring disorders" means a diagnosis of both a substance use disorder and a mental health disorder.

Subd. 5. National Alliance for Recovery Residences or NARR. "National Alliance for Recovery Residences" or "NARR" is a nonprofit organization with a nationally recognized

119.1 standard for the certification of recovery residences that works with and supports
119.2 state-affiliated organizations.

119.3 Subd. 6. **Operator.** "Operator" means the lawful owner or lessee of a recovery residence
119.4 or a person employed and designated by the owner or lessee of the recovery residence to
119.5 have primary responsibility for oversight of the recovery residence, including but not limited
119.6 to hiring and termination of recovery residence staff, recovery residence maintenance, and
119.7 responding to complaints being investigated by the commissioner.

119.8 Subd. 7. **Recovery residence.** "Recovery residence" means a type of community residence
119.9 that provides a safe, healthy, family-like, substance-free living environment that supports
119.10 individuals in recovery from substance use disorder.

119.11 Subd. 8. **Recovery residence registry.** "Recovery residence registry" means the list of
119.12 recovery-certified residences maintained by the commissioner.

119.13 Subd. 9. **Resident.** "Resident" means an individual who resides in a recovery residence.

119.14 Subd. 10. **Staff.** "Staff" means employees, contractors, or volunteers who provide
119.15 monitoring, assistance, or other services for the use and benefit of a recovery residence and
119.16 the residence's residents.

119.17 Subd. 11. **Substance free.** "Substance free" means being free from the use of alcohol,
119.18 illicit drugs, and the illicit use of prescribed drugs. This term does not prohibit medications
119.19 prescribed, dispensed, or administered by a licensed health care professional, such as
119.20 pharmacotherapies specifically approved by the United States Food and Drug Administration
119.21 (FDA) for treatment of a substance use disorder as well as other medications approved by
119.22 the FDA for the treatment of co-occurring disorders when taken as directed.

119.23 Subd. 12. **Substance use disorder.** "Substance use disorder" means a pattern of use of
119.24 alcohol or other drugs leading to impairment that meets the applicable diagnostic criteria
119.25 in the latest edition of the Diagnostic and Statistical Manual of Disorders of the American
119.26 Psychiatric Association.

119.27 **EFFECTIVE DATE.** This section is effective January 1, 2027.

119.28 Sec. 45. **[254B.211] RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS.**

119.29 Subdivision 1. **Applicability.** This section is applicable to all recovery residences
119.30 regardless of certification status.

119.31 Subd. 2. **Residence requirements.** All recovery residences must:

- 120.1 (1) comply with applicable state laws and regulations and local ordinances related to
120.2 maximum occupancy, fire safety, and sanitation;
- 120.3 (2) have safety policies and procedures that, at a minimum, address:
- 120.4 (i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide
120.5 detectors, fire extinguishers, and emergency evacuation drills;
- 120.6 (ii) exposure to bodily fluids and contagious disease; and
- 120.7 (iii) emergency procedures posted in conspicuous locations in the residence;
- 120.8 (3) maintain a supply of an opiate antagonist in the home, post information on proper
120.9 use, and train staff in opiate antagonist use;
- 120.10 (4) have written policies regarding access to all prescribed medications and storage of
120.11 medications when requested by the resident;
- 120.12 (5) have written policies regarding residency termination, including how length of stay
120.13 is determined and procedures in case of evictions;
- 120.14 (6) return all property and medications to a person discharged from the home and retain
120.15 the items for a minimum of 60 days if the person did not collect the items upon discharge.
120.16 The owner must make an effort to contact persons listed as emergency contacts for the
120.17 discharged person so that the items are returned;
- 120.18 (7) ensure separation of money of persons served by the program from money of the
120.19 program or program staff. The program and staff must not:
- 120.20 (i) borrow money from a person served by the program;
- 120.21 (ii) purchase personal items from a person served by the program;
- 120.22 (iii) sell merchandise or personal services to a person served by the program;
- 120.23 (iv) require a person served by the program to purchase items for which the program is
120.24 eligible for reimbursement; or
- 120.25 (v) use money of persons served by the program to purchase items for which the program
120.26 is already receiving public or private payments;
- 120.27 (8) document the names and contact information for persons to contact in case of an
120.28 emergency, upon discharge, or other circumstances designated by the resident, including
120.29 but not limited to death due to an overdose;

121.1 (9) maintain contact information for emergency resources in the community, including
121.2 but not limited to local mental health crisis services and the 988 Lifeline, to address mental
121.3 health and health emergencies;

121.4 (10) have policies on staff qualifications and a prohibition against relationships between
121.5 operators and residents;

121.6 (11) permit residents to use, as directed by a licensed prescriber, legally prescribed and
121.7 dispensed or administered pharmacotherapies approved by the FDA for the treatment of
121.8 opioid use disorder, co-occurring substance use disorders, and mental health conditions;

121.9 (12) have a fee schedule and refund policy;

121.10 (13) have rules for residents, including on prohibited items;

121.11 (14) have policies that promote resident participation in treatment, self-help groups, or
121.12 other recovery supports;

121.13 (15) have policies requiring abstinence from alcohol and illicit drugs on the property.

121.14 If the program utilizes drug screening or toxicology, the procedures must be included in the
121.15 program's policies;

121.16 (16) distribute the recovery resident bill of rights in subdivision 3, resident rules,
121.17 certification, and grievance process and post the documents in this clause in common areas;

121.18 (17) have policies and procedures on person and room searches;

121.19 (18) have code of ethics policies and procedures they are aligned with the NARR code
121.20 of ethics and document that the policies and procedures are read and signed by all those
121.21 associated with the operation of the recovery residence, including owners, operators, staff,
121.22 and volunteers;

121.23 (19) have a description of how residents are involved with the governance of the
121.24 residence, including decision-making procedures, how residents are involved in setting and
121.25 implementing rules, and the role of peer leaders, if any; and

121.26 (20) have procedures to maintain a respectful environment, including appropriate action
121.27 to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff,
121.28 and visitors within the residence. Programs should consider trauma-informed and
121.29 resilience-promoting practices when determining action.

121.30 Subd. 3. **Resident bill of rights.** An individual living in a recovery residence has the
121.31 right to:

121.32 (1) have access to an environment that supports recovery;

122.1 (2) have access to an environment that is safe and free from alcohol and other illicit
122.2 drugs or substances;

122.3 (3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms
122.4 of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

122.5 (4) be treated with dignity and respect and to have personal property treated with respect;

122.6 (5) have personal, financial, and medical information kept private and to be advised of
122.7 the recovery residence's policies and procedures regarding disclosure of the information;

122.8 (6) access while living in the residence to other community-based support services as
122.9 needed;

122.10 (7) be referred to appropriate services upon leaving the residence if necessary;

122.11 (8) retain personal property that does not jeopardize the safety or health of the resident
122.12 or others;

122.13 (9) assert the rights in this subdivision personally or have the rights asserted by the
122.14 individual's representative or by anyone on behalf of the individual without retaliation;

122.15 (10) be provided with the name, address, and telephone number of the ombudsman for
122.16 mental health and developmental disabilities and the certifying designated state affiliate
122.17 and be provided with information about the right to file a complaint;

122.18 (11) be fully informed of the rights and responsibilities in this section and program
122.19 policies and procedures; and

122.20 (12) not be required to perform services for the residence that are not included in the
122.21 usual expectations for all residents.

122.22 **EFFECTIVE DATE.** This section is effective January 1, 2027.

122.23 Sec. 46. **[254B.212] COMPLAINTS AGAINST RECOVERY RESIDENCES.**

122.24 Subdivision 1. **In general.** Any complaints about a recovery residence may be made to
122.25 and reviewed or investigated by the commissioner.

122.26 Subd. 2. **Types of complaints.** The commissioner must receive and review complaints
122.27 that concern:

122.28 (1) the health and safety of residents;

123.1 (2) management of the recovery residence, including but not limited to house
123.2 environment, financial procedures, staffing, house rules and regulations, improper handling
123.3 of resident terminations, and recovery support environment; or

123.4 (3) illegal activities or threats.

123.5 Subd. 3. **Investigation.** (a) Complaints regarding illegal activities or threats must be
123.6 immediately referred to law enforcement in the jurisdiction where the recovery residence
123.7 is located. The commissioner must continue to investigate complaints under subdivision 2,
123.8 clause (3), that have been referred to law enforcement unless law enforcement requests the
123.9 commissioner to stay the investigation.

123.10 (b) The commissioner must investigate all other types of complaints under this section
123.11 and may take any action necessary to conduct an investigation, including but not limited to
123.12 interviewing the recovery residence operator, staff, and residents and inspecting the premises.

123.13 Subd. 4. **Anonymity.** When making a complaint pursuant to this section, an individual
123.14 must disclose the individual's identity to the commissioner. Unless ordered by a court or
123.15 authorized by the complainant, the commissioner must not disclose the complainant's
123.16 identity.

123.17 Subd. 5. **Prohibition against retaliation.** A recovery residence owner, operator, director,
123.18 staff member, or resident must not be subject to retaliation, including but not limited to
123.19 interference, threats, coercion, harassment, or discrimination for making any complaint
123.20 against a recovery residence or against a recovery residence owner, operator, or chief
123.21 financial officer.

123.22 **EFFECTIVE DATE.** This section is effective January 1, 2027.

123.23 Sec. 47. **[254B.213] CERTIFICATION.**

123.24 Subdivision 1. **Voluntary certification.** The commissioner must establish and provide
123.25 for the administration of a voluntary certification program based on the National Alliance
123.26 for Recovery Residences standards for recovery residences seeking certification under this
123.27 section.

123.28 Subd. 2. **Application requirements.** An applicant for certification must, at a minimum,
123.29 submit the following documents on forms approved by the commissioner:

123.30 (1) if the premises for the recovery residence is leased, documentation from the owner
123.31 that the applicant has permission from the owner to operate a recovery residence on the
123.32 premises;

124.1 (2) all policies and procedures required under this chapter;

124.2 (3) copies of all forms provided to residents, including but not limited to the recovery
124.3 residence's medication, drug-testing, return-to-use, refund, and eviction or transfer policies;

124.4 (4) proof of insurance coverage necessary and, at a minimum:

124.5 (i) employee dishonesty insurance in the amount of \$10,000 if the vendor has or had
124.6 custody or control of money or property belonging to clients; and

124.7 (ii) bodily injury and property damage insurance in the amount of \$2,000,000 for each
124.8 occurrence; and

124.9 (5) proof of completed background checks for the operator and residence staff.

124.10 Subd. 3. **Inspection pursuant to application.** Upon receiving a completed application,
124.11 the commissioner must conduct an initial on-site inspection of the recovery residence to
124.12 ensure the residence is in compliance with the requirements of sections 254B.21 to 254B.216.

124.13 Subd. 4. **Certification.** The commissioner must certify a recovery residence upon
124.14 approval of the application and after the initial on-site inspection. The certification
124.15 automatically terminates three years after issuance of the certification if the commissioner
124.16 does not renew the certification. Upon certification, the commissioner must issue the recovery
124.17 residence a proof of certification.

124.18 Subd. 5. **Display of proof of certification.** A recovery residence must publicly display
124.19 a proof of certification in the recovery residence.

124.20 Subd. 6. **Nontransferrability.** Certifications issued pursuant to this section cannot be
124.21 transferred to an address other than the address in the application or to another certification
124.22 holder without prior approval from the commissioner.

124.23 **EFFECTIVE DATE.** This section is effective January 1, 2027.

124.24 Sec. 48. **[254B.214] MONITORING AND OVERSIGHT OF CERTIFIED**
124.25 **RECOVERY RESIDENCES.**

124.26 Subdivision 1. **Monitoring and inspections.** (a) The commissioner must conduct an
124.27 on-site certification review of the certified recovery residence every three years to determine
124.28 the certification holder's compliance with applicable rules and statutes.

124.29 (b) The commissioner must offer the certification holder a choice of dates for an
124.30 announced certification review. A certification review must occur during regular business
124.31 hours.

125.1 (c) The commissioner must make the results of certification reviews and the results of
125.2 investigations that result in a correction order publicly available on the department's website.

125.3 Subd. 2. **Commissioner's right of access.** (a) When the commissioner is exercising the
125.4 powers conferred to the commissioner under this section, if the recovery residence is in
125.5 operation and the information is relevant to the commissioner's inspection or investigation,
125.6 the certification holder must provide the commissioner access to:

125.7 (1) the physical facility and grounds where the residence is located;

125.8 (2) documentation and records, including electronically maintained records;

125.9 (3) residents served by the recovery residence;

125.10 (4) staff persons of the recovery residence; and

125.11 (5) personnel records of current and former staff of the recovery residence.

125.12 (b) The applicant or certification holder must provide the commissioner with access to
125.13 the facility and grounds, documentation and records, residents, and staff without prior notice
125.14 and as often as the commissioner considers necessary if the commissioner is conducting an
125.15 inspection or investigating alleged maltreatment or a violation of a law or rule. When
125.16 conducting an inspection, the commissioner may request assistance from other state, county,
125.17 and municipal governmental agencies and departments. The applicant or certification holder
125.18 must allow the commissioner, at the commissioner's expense, to photocopy, photograph,
125.19 and make audio and video recordings during an inspection.

125.20 Subd. 3. **Correction orders.** (a) If the applicant or certification holder fails to comply
125.21 with a law or rule, the commissioner may issue a correction order. The correction order
125.22 must state:

125.23 (1) the condition that constitutes a violation of the law or rule;

125.24 (2) the specific law or rule that the applicant or certification holder has violated; and

125.25 (3) the time that the applicant or certification holder is allowed to correct each violation.

125.26 (b) If the applicant or certification holder believes that the commissioner's correction
125.27 order is erroneous, the applicant or certification holder may ask the commissioner to
125.28 reconsider the correction order. An applicant or certification holder must make a request
125.29 for reconsideration in writing. The request must be sent via electronic communication to
125.30 the commissioner within 20 calendar days after the applicant or certification holder received
125.31 the correction order and must:

125.32 (1) specify the part of the correction order that is allegedly erroneous;

126.1 (2) explain why the specified part is erroneous; and

126.2 (3) include documentation to support the allegation of error.

126.3 (c) A request for reconsideration does not stay any provision or requirement of the
126.4 correction order. The commissioner's disposition of a request for reconsideration is final
126.5 and not subject to appeal.

126.6 (d) If the commissioner finds that the applicant or certification holder failed to correct
126.7 the violation specified in the correction order, the commissioner may decertify the certified
126.8 recovery residence according to subdivision 4.

126.9 (e) Nothing in this subdivision prohibits the commissioner from decertifying a recovery
126.10 residence according to subdivision 4.

126.11 Subd. 4. **Decertification.** (a) The commissioner may decertify a recovery residence if
126.12 a certification holder:

126.13 (1) failed to comply with an applicable law or rule; or

126.14 (2) knowingly withheld relevant information from or gave false or misleading information
126.15 to the commissioner in connection with an application for certification, during an
126.16 investigation, or regarding compliance with applicable laws or rules.

126.17 (b) When considering decertification of a recovery residence, the commissioner must
126.18 consider the nature, chronicity, or severity of the violation of law or rule and the effect of
126.19 the violation on the health, safety, or rights of residents.

126.20 (c) If the commissioner decertifies a recovery residence, the order of decertification
126.21 must inform the certification holder of the right to have a contested case hearing under
126.22 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The certification holder
126.23 may appeal the decertification. The certification holder must appeal a decertification in
126.24 writing and send or deliver the appeal to the commissioner by certified mail or personal
126.25 service. If the certification holder mails the appeal, the appeal must be postmarked and sent
126.26 to the commissioner within ten calendar days after the certification holder receives the order
126.27 of decertification. If the certification holder delivers an appeal by personal service, the
126.28 commissioner must receive the appeal within ten calendar days after the certification holder
126.29 received the order. If the certification holder submits a timely appeal of an order of
126.30 decertification, the certification holder may continue to operate the program until the
126.31 commissioner issues a final order on the decertification.

126.32 (d) If the commissioner decertifies a recovery residence pursuant to paragraph (a), clause
126.33 (1), based on a determination that the recovery residence was responsible for maltreatment

127.1 under chapter 260E or section 626.557, the final decertification determination is stayed until
127.2 the commissioner issues a final decision regarding the maltreatment appeal if the certification
127.3 holder appeals the decertification according to paragraph (c) and appeals the maltreatment
127.4 determination pursuant to chapter 260E or section 626.557.

127.5 Subd. 5. **Notifications required and noncompliance.** (a) Changes in recovery residence
127.6 organization, staffing, services, or quality assurance procedures that affect the ability of the
127.7 certification holder to comply with the minimum standards of this chapter must be reported
127.8 in writing by the certification holder to the commissioner within 15 days of the occurrence.
127.9 The commissioner must review the change. If the change would result in noncompliance
127.10 in minimum standards, the commissioner must give the recovery residence written notice
127.11 and up to 180 days to correct the areas of noncompliance before being decertified. The
127.12 recovery residence must develop interim procedures to resolve the noncompliance on a
127.13 temporary basis and submit the interim procedures in writing to the commissioner for
127.14 approval within 30 days of the commissioner's determination of the noncompliance. The
127.15 commissioner must immediately decertify a recovery residence that fails to report a change
127.16 that results in noncompliance within 15 days, fails to develop an approved interim procedure
127.17 within 30 days of the determination of the noncompliance, or does not resolve the
127.18 noncompliance within 180 days.

127.19 (b) The commissioner may require the recovery residence to submit written information
127.20 to document that the recovery residence has maintained compliance with this section.

127.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

127.22 Sec. 49. **[254B.215] CERTIFICATION LEVELS.**

127.23 Subdivision 1. **Certification levels.** When certifying a recovery residence, the
127.24 commissioner must specify whether the residence is a level-one or level-two certified
127.25 recovery residence.

127.26 Subd. 2. **Level-one certification.** The commissioner must designate a certified residence
127.27 as a level-one certified recovery residence when the residence is peer run. A level-one
127.28 certified recovery residence must:

- 127.29 (1) not permit an allowance for on-site paid staff or operator of the recovery residence;
127.30 (2) permit only nonpaid staff to live or work within the residence; and
127.31 (3) ensure that decisions are made solely by residents.

128.1 Subd. 3. **Level-two certification.** (a) The commissioner must designate a certified
128.2 residence as a level-two certified recovery residence when the residence is managed by
128.3 someone other than the residents. A level-two certified recovery residence must have staff
128.4 to model and teach recovery skills and behaviors.

128.5 (b) A level-two certified recovery residence must:

128.6 (1) have written job descriptions for each staff member position, including position
128.7 responsibilities and qualifications;

128.8 (2) have written policies and procedures for ongoing performance development of staff;

128.9 (3) provide annual training on emergency procedures, resident bill of rights, grievance
128.10 policies and procedures, and code of ethics;

128.11 (4) provide community or house meetings, peer supports, and involvement in self-help
128.12 or off-site treatment services;

128.13 (5) have identified recovery goals;

128.14 (6) maintain documentation that residents are linked with community resources such as
128.15 job search, education, family services, and health and housing programs; and

128.16 (7) maintain documentation of referrals made for additional services.

128.17 (c) Staff of a level-two certified recovery residence must not provide billable peer support
128.18 services to residents of the recovery residence.

128.19 **EFFECTIVE DATE.** This section is effective January 1, 2027.

128.20 Sec. 50. **[254B.216] RESIDENT RECORD.**

128.21 A certified recovery residence must maintain documentation with a resident's signature
128.22 stating that each resident received the following prior to or on the first day of residency:

128.23 (1) the recovery resident bill of rights in section 254B.211, subdivision 3;

128.24 (2) the residence's financial obligations and agreements, refund policy, and payments
128.25 from third-party payers for any fees paid on the resident's behalf;

128.26 (3) the residence's services provided;

128.27 (4) relapse policies;

128.28 (5) policies regarding personal property;

128.29 (6) orientation to emergency procedures;

129.1 (7) orientation to resident rules; and

129.2 (8) all other applicable orientation materials identified in sections 254B.21 to 254B.216.

129.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

129.4 Sec. 51. Minnesota Statutes 2024, section 256.043, subdivision 3, is amended to read:

129.5 Subd. 3. **Appropriations from registration and license fee account.** (a) The
129.6 appropriations in paragraphs (b) to (n) shall be made from the registration and license fee
129.7 account on a fiscal year basis in the order specified.

129.8 (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs
129.9 (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be
129.10 made accordingly.

129.11 (c) \$100,000 is appropriated to the commissioner of human services for grants for opiate
129.12 antagonist distribution. Grantees may utilize funds for opioid overdose prevention,
129.13 community asset mapping, education, and opiate antagonist distribution.

129.14 (d) \$2,000,000 is appropriated to the commissioner of human services for ~~grants~~ direct
129.15 payments to Tribal nations and five urban Indian communities for traditional healing practices
129.16 for American Indians and to increase the capacity of culturally specific providers in the
129.17 behavioral health workforce. Any evaluations of practices under this paragraph must be
129.18 designed cooperatively by the commissioner and Tribal nations or urban Indian communities.
129.19 The commissioner must not require recipients to provide the details of specific ceremonies
129.20 or identities of healers.

129.21 (e) \$400,000 is appropriated to the commissioner of human services for competitive
129.22 grants for opioid-focused Project ECHO programs.

129.23 (f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the
129.24 commissioner of human services to administer the funding distribution and reporting
129.25 requirements in paragraph (o).

129.26 (g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated
129.27 to the commissioner of human services for safe recovery sites start-up and capacity building
129.28 grants under section 254B.18.

129.29 (h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to
129.30 the commissioner of human services for the opioid overdose surge alert system under section
129.31 245.891.

130.1 (i) \$300,000 is appropriated to the commissioner of management and budget for
130.2 evaluation activities under section 256.042, subdivision 1, paragraph (c).

130.3 (j) \$261,000 is appropriated to the commissioner of human services for the provision of
130.4 administrative services to the Opiate Epidemic Response Advisory Council and for the
130.5 administration of the grants awarded under paragraph (n).

130.6 (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
130.7 fees under section 151.066.

130.8 (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
130.9 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
130.10 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

130.11 (m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining
130.12 amount is appropriated to the commissioner of children, youth, and families for distribution
130.13 to county social service agencies and Tribal social service agency initiative projects
130.14 authorized under section 256.01, subdivision 14b, to provide prevention and child protection
130.15 services to children and families who are affected by addiction. The commissioner shall
130.16 distribute this money proportionally to county social service agencies and Tribal social
130.17 service agency initiative projects through a formula based on intake data from the previous
130.18 three calendar years related to substance use and out-of-home placement episodes where
130.19 parental drug abuse is a reason for the out-of-home placement. County social service agencies
130.20 and Tribal social service agency initiative projects receiving funds from the opiate epidemic
130.21 response fund must annually report to the commissioner on how the funds were used to
130.22 provide prevention and child protection services, including measurable outcomes, as
130.23 determined by the commissioner. County social service agencies and Tribal social service
130.24 agency initiative projects must not use funds received under this paragraph to supplant
130.25 current state or local funding received for child protection services for children and families
130.26 who are affected by addiction.

130.27 (n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in
130.28 the account is appropriated to the commissioner of human services to award grants as
130.29 specified by the Opiate Epidemic Response Advisory Council in accordance with section
130.30 256.042, unless otherwise appropriated by the legislature.

130.31 (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service
130.32 agencies and Tribal social service agency initiative projects under paragraph (m) and grant
130.33 funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n)
130.34 may be distributed on a calendar year basis.

131.1 (p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs
131.2 (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

131.3 Sec. 52. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

131.4 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical
131.5 assistance covers services provided by a not-for-profit certified community behavioral health
131.6 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

131.7 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
131.8 eligible service is delivered using the CCBHC daily bundled rate system for medical
131.9 assistance payments as described in paragraph (c). The commissioner shall include a quality
131.10 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
131.11 There is no county share for medical assistance services when reimbursed through the
131.12 CCBHC daily bundled rate system.

131.13 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
131.14 payments under medical assistance meets the following requirements:

131.15 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
131.16 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable
131.17 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
131.18 payment rate, total annual visits include visits covered by medical assistance and visits not
131.19 covered by medical assistance. Allowable costs include but are not limited to the salaries
131.20 and benefits of medical assistance providers; the cost of CCBHC services provided under
131.21 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as
131.22 insurance or supplies needed to provide CCBHC services;

131.23 (2) payment shall be limited to one payment per day per medical assistance enrollee
131.24 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
131.25 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph
131.26 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or
131.27 licensed agency employed by or under contract with a CCBHC;

131.28 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,
131.29 subdivision 3, shall be established by the commissioner using a provider-specific rate based
131.30 on the newly certified CCBHC's audited historical cost report data adjusted for the expected
131.31 cost of delivering CCBHC services. Estimates are subject to review by the commissioner
131.32 and must include the expected cost of providing the full scope of CCBHC services and the
131.33 expected number of visits for the rate period;

132.1 (4) the commissioner shall rebase CCBHC rates once every two years following the last
132.2 rebasing and no less than 12 months following an initial rate or a rate change due to a change
132.3 in the scope of services. For CCBHCs certified after September 31, 2020, and before January
132.4 1, 2021, the commissioner shall rebase rates according to this clause for services provided
132.5 on or after January 1, 2024;

132.6 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
132.7 of the rebasing;

132.8 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal
132.9 Medicaid rate is not eligible for the CCBHC rate methodology;

132.10 (7) payments for CCBHC services to individuals enrolled in managed care shall be
132.11 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
132.12 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
132.13 of the CCBHC daily bundled rate system in the Medicaid Management Information System
132.14 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
132.15 due made payable to CCBHCs no later than 18 months thereafter;

132.16 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
132.17 provider-specific rate by the Medicare Economic Index for primary care services. This
132.18 update shall occur each year in between rebasing periods determined by the commissioner
132.19 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
132.20 annually using the CCBHC cost report established by the commissioner; and

132.21 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
132.22 services when such changes are expected to result in an adjustment to the CCBHC payment
132.23 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
132.24 regarding the changes in the scope of services, including the estimated cost of providing
132.25 the new or modified services and any projected increase or decrease in the number of visits
132.26 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
132.27 adjustments for changes in scope shall occur no more than once per year in between rebasing
132.28 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

132.29 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
132.30 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of
132.31 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
132.32 any contract year, federal approval is not received for this paragraph, the commissioner
132.33 must adjust the capitation rates paid to managed care plans and county-based purchasing
132.34 plans for that contract year to reflect the removal of this provision. Contracts between

133.1 managed care plans and county-based purchasing plans and providers to whom this paragraph
133.2 applies must allow recovery of payments from those providers if capitation rates are adjusted
133.3 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
133.4 to any increase in rates that results from this provision. This paragraph expires if federal
133.5 approval is not received for this paragraph at any time.

133.6 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
133.7 that meets the following requirements:

133.8 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
133.9 thresholds for performance metrics established by the commissioner, in addition to payments
133.10 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
133.11 paragraph (c);

133.12 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement
133.13 year to be eligible for incentive payments;

133.14 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
133.15 receive quality incentive payments at least 90 days prior to the measurement year; and

133.16 (4) a CCBHC must provide the commissioner with data needed to determine incentive
133.17 payment eligibility within six months following the measurement year. The commissioner
133.18 shall notify CCBHC providers of their performance on the required measures and the
133.19 incentive payment amount within 12 months following the measurement year.

133.20 (f) All claims to managed care plans for CCBHC services as provided under this section
133.21 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
133.22 than January 1 of the following calendar year, if:

133.23 (1) one or more managed care plans does not comply with the federal requirement for
133.24 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
133.25 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
133.26 days of noncompliance; and

133.27 (2) the total amount of clean claims not paid in accordance with federal requirements
133.28 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
133.29 eligible for payment by managed care plans.

133.30 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
133.31 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
133.32 the following year. If the conditions in this paragraph are met between July 1 and December

134.1 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
134.2 on July 1 of the following year.

134.3 (g) Peer services provided by a CCBHC certified under section 245.735 are a covered
134.4 service under medical assistance when a licensed mental health professional or alcohol and
134.5 drug counselor determines that peer services are medically necessary. Eligibility under this
134.6 subdivision for peer services provided by a CCBHC supersede eligibility standards under
134.7 sections 256B.0615, 256B.0616, and 245G.07, subdivision ~~2~~ 2a, paragraph (b), clause (8)
134.8 (2).

134.9 Sec. 53. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

134.10 Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health
134.11 home services provider must maintain staff with required professional qualifications
134.12 appropriate to the setting.

134.13 (b) If behavioral health home services are offered in a mental health setting, the
134.14 integration specialist must be a licensed nurse, as defined in section 148.171, subdivision
134.15 9.

134.16 (c) If behavioral health home services are offered in a primary care setting, the integration
134.17 specialist must be a mental health professional who is qualified according to section 245I.04,
134.18 subdivision 2.

134.19 (d) If behavioral health home services are offered in either a primary care setting or
134.20 mental health setting, the systems navigator must be a mental health practitioner who is
134.21 qualified according to section 245I.04, subdivision 4, or a community health worker as
134.22 defined in section 256B.0625, subdivision 49.

134.23 (e) If behavioral health home services are offered in either a primary care setting or
134.24 mental health setting, the qualified health home specialist must be one of the following:

134.25 (1) a mental health certified peer specialist who is qualified according to section 245I.04,
134.26 subdivision 10;

134.27 (2) a mental health certified family peer specialist who is qualified according to section
134.28 245I.04, subdivision 12;

134.29 (3) a case management associate as defined in section 245.462, subdivision 4, paragraph
134.30 (g), or 245.4871, subdivision 4, paragraph (j);

134.31 (4) a mental health rehabilitation worker who is qualified according to section 245I.04,
134.32 subdivision 14;

135.1 (5) a community paramedic as defined in section 144E.28, subdivision 9;

135.2 (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~
135.3 245G.11, subdivision 8; or

135.4 (7) a community health worker as defined in section 256B.0625, subdivision 49.

135.5 Sec. 54. Minnesota Statutes 2024, section 256B.0761, subdivision 4, is amended to read:

135.6 Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an
135.7 individual's release date or, if an individual's confinement is less than 90 days, during the
135.8 time period between a medical assistance eligibility determination and the release to the
135.9 community.

135.10 (b) Facilities must offer the following services using either community-based or
135.11 corrections-based providers:

135.12 (1) case management activities to address physical and behavioral health needs, including
135.13 a comprehensive assessment of individual needs, development of a person-centered care
135.14 plan, referrals and other activities to address assessed needs, and monitoring and follow-up
135.15 activities;

135.16 (2) drug coverage in accordance with section 256B.0625, subdivision 13, including up
135.17 to a 30-day supply of drugs upon release;

135.18 (3) substance use disorder comprehensive assessments according to section 254B.05,
135.19 subdivision 5, paragraph (b), clause (2);

135.20 (4) treatment coordination services according to section 254B.05, subdivision 5, paragraph
135.21 (b), clause (3);

135.22 (5) peer recovery support services according to sections 245I.04, subdivisions 18 and
135.23 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

135.24 (6) substance use disorder individual and group counseling provided according to sections
135.25 245G.07, subdivision 1, paragraph (a), clause (1), and 254B.05;

135.26 (7) mental health diagnostic assessments as required under section 245I.10;

135.27 (8) group and individual psychotherapy as required under section 256B.0671;

135.28 (9) peer specialist services as required under sections 245I.04 and 256B.0615;

135.29 (10) family planning and obstetrics and gynecology services; ~~and~~

135.30 (11) physical health well-being and screenings and care for adults and youth; and

136.1 (12) medications used for the treatment of opioid use disorder and nonmedication
136.2 treatment services for opioid use disorder under section 245G.22.

136.3 (c) Services outlined in this subdivision must only be authorized when an individual
136.4 demonstrates medical necessity or other eligibility as required under this chapter or applicable
136.5 state and federal laws.

136.6 Sec. 55. Minnesota Statutes 2024, section 256I.04, subdivision 2a, is amended to read:

136.7 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph
136.8 ~~(b)~~ (c), an agency may not enter into an agreement with an establishment to provide housing
136.9 support unless:

136.10 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;
136.11 a board and lodging establishment; a boarding care home before March 1, 1985; or a
136.12 supervised living facility, and the service provider for residents of the facility is licensed
136.13 under chapter 245A. However, an establishment licensed by the Department of Health to
136.14 provide lodging need not also be licensed to provide board if meals are being supplied to
136.15 residents under a contract with a food vendor who is licensed by the Department of Health;

136.16 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota
136.17 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior
136.18 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;
136.19 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,
136.20 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,
136.21 subdivision 4a, as a community residential setting by the commissioner of human services;
136.22 or

136.23 (3) the facility is licensed under chapter 144G and provides three meals a day.

136.24 (b) Effective January 1, 2027, the commissioner may enter into housing support
136.25 agreements with a board and lodging establishment under section 256I.04, subdivision 2a,
136.26 paragraph (a), clause (1), that is also certified by the commissioner as a recovery residence,
136.27 subject to the requirements of section 256I.04, subdivisions 2a to 2f. When doing so, the
136.28 department of human services serves as the lead agency for the agreement.

136.29 ~~(b)~~ (c) The requirements under paragraph (a) do not apply to establishments exempt
136.30 from state licensure because they are:

136.31 (1) located on Indian reservations and subject to tribal health and safety requirements;
136.32 or

137.1 (2) supportive housing establishments where an individual has an approved habitability
137.2 inspection and an individual lease agreement.

137.3 ~~(e)~~ (d) Supportive housing establishments that serve individuals who have experienced
137.4 long-term homelessness and emergency shelters must participate in the homeless management
137.5 information system and a coordinated assessment system as defined by the commissioner.

137.6 ~~(d)~~ (e) Effective July 1, 2016, an agency shall not have an agreement with a provider of
137.7 housing support unless all staff members who have direct contact with recipients:

137.8 (1) have skills and knowledge acquired through one or more of the following:

137.9 (i) a course of study in a health- or human services-related field leading to a bachelor
137.10 of arts, bachelor of science, or associate's degree;

137.11 (ii) one year of experience with the target population served;

137.12 (iii) experience as a mental health certified peer specialist according to section 256B.0615;
137.13 or

137.14 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to
137.15 144A.483;

137.16 (2) hold a current driver's license appropriate to the vehicle driven if transporting
137.17 recipients;

137.18 (3) complete training on vulnerable adults mandated reporting and child maltreatment
137.19 mandated reporting, where applicable; and

137.20 (4) complete housing support orientation training offered by the commissioner.

137.21 Sec. 56. Minnesota Statutes 2024, section 325F.725, is amended to read:

137.22 **325F.725 ~~SOBER HOME~~ RECOVERY RESIDENCE TITLE PROTECTION.**

137.23 No person or entity may use the phrase "~~sober home~~," "recovery residence," whether
137.24 alone or in combination with other words and whether orally or in writing, to advertise,
137.25 market, or otherwise describe, offer, or promote itself, or any housing, service, service
137.26 package, or program that it provides within this state, unless the person or entity meets the
137.27 definition of a ~~sober home~~ recovery residence in section 254B.01, subdivision 11, and meets
137.28 the requirements of ~~section 254B.181~~ sections 254B.21 to 254B.216.

137.29 **EFFECTIVE DATE.** This section is effective January 1, 2027.

138.1 Sec. 57. **RECOVERY RESIDENCE WORKGROUP.**

138.2 (a) The commissioner of human services must convene a workgroup to develop
138.3 recommendations specific to recovery residences. The workgroup must:

138.4 (1) produce a report that examines how other states fund recovery residences, identifying
138.5 best practices and models that could be applicable to Minnesota;

138.6 (2) engage with stakeholders to ensure meaningful collaboration with key external
138.7 stakeholders on the ideas being developed that will inform the final plan and
138.8 recommendations; and

138.9 (3) create an implementable plan addressing housing needs for individuals in outpatient
138.10 substance use disorder treatment that includes:

138.11 (i) clear strategies for aligning housing models with individual treatment needs;

138.12 (ii) an assessment of funding streams, including potential federal funding sources;

138.13 (iii) a timeline for implementation with key milestones and action steps;

138.14 (iv) recommendations for future resource allocation to ensure long-term housing stability
138.15 for individuals in recovery; and

138.16 (v) specific recommendations for policy or legislative changes that may be required to
138.17 support sustainable recovery housing solutions.

138.18 (b) The workgroup must include but is not limited to:

138.19 (1) at least two designees from the Department of Human Services representing: (i)
138.20 behavioral health; and (ii) homelessness and housing and support services;

138.21 (2) the commissioner of health or a designee;

138.22 (3) two people who have experience living in a recovery residence;

138.23 (4) representatives from at least three substance use disorder lodging facilities currently
138.24 operating in Minnesota;

138.25 (5) three representatives from county social services agencies, at least one from inside
138.26 the seven-county metropolitan area and one from outside the seven-county metropolitan
138.27 area;

138.28 (6) a representative from a Tribal social services agency;

138.29 (7) representatives from national or state organizations or associations specializing in
138.30 recovery residences and substance use disorder treatment; and

139.1 (8) a representative from a state mental health advocacy or adult mental health provider
139.2 organization.

139.3 (c) The workgroup must meet at least monthly and as necessary to fulfill its
139.4 responsibilities. The commissioner of human services must provide administrative support
139.5 and meeting space for the workgroup. The workgroup may conduct meetings remotely.

139.6 (d) The commissioner of human services must make appointments to the workgroup by
139.7 October 1, 2025, and convene the first meeting of the workgroup by January 15, 2026.

139.8 (e) The workgroup must submit a final report with recommendations to the chairs and
139.9 ranking minority members of the legislative committees with jurisdiction over health and
139.10 human services policy and finance on or before January 1, 2027.

139.11 Sec. 58. **SUBSTANCE USE DISORDER CARE COORDINATION AND**
139.12 **NAVIGATION ASSISTANCE EVALUATION.**

139.13 (a) The commissioner of human services must evaluate and make recommendations on
139.14 ways to ensure that persons with substance use disorder have access to care coordination
139.15 and navigation services that improve access to:

139.16 (1) acute withdrawal services;

139.17 (2) physical health care coverage and services;

139.18 (3) cognitive, behavioral, and emotional health care coverage and services;

139.19 (4) relapse prevention services; and

139.20 (5) recovery environment supports, including but not limited to employment, vocational
139.21 services, transportation, child care, affordable housing, economic assistance, financial
139.22 independence, and reconnection to community.

139.23 (b) As part of the evaluation, the commissioner must assess and identify gaps in the
139.24 current substance use disorder service continuum including treatment coordination, health
139.25 care navigation services, and case management. The commissioner must evaluate
139.26 opportunities and make recommendations for developing, expanding, or integrating medical
139.27 assistance care coordination, navigation, and case management services.

139.28 (c) The commissioner must submit a report on the evaluation and recommendations
139.29 under this section to the chairs and ranking minority members of the committees with
139.30 jurisdiction over health and human services by November 1, 2026. The report must outline
139.31 currently available care coordination and navigation services for persons with substance
139.32 use disorder, identify gaps in the substance use disorder service continuum, and recommend

140.1 new, expanded, or integrated benefits that align with evidence-based, holistic, and
140.2 person-centered approaches to substance use disorder recovery.

140.3 Sec. 59. **PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY WORKING**
140.4 **GROUP.**

140.5 (a) By July 15, 2025, the commissioner of human services must convene a working
140.6 group with participation from:

140.7 (1) organizations operating psychiatric residential treatment facilities;

140.8 (2) advocates;

140.9 (3) health care experts;

140.10 (4) juvenile detention experts;

140.11 (5) county representatives;

140.12 (6) at least one employee of Direct Care and Treatment appointed by the chief executive
140.13 officer of Direct Care and Treatment;

140.14 (7) at least one employee of the Department of Health appointed by the commissioner
140.15 of health; and

140.16 (8) at least two employees of the Department of Human Services, one of whom must
140.17 have expertise in behavioral health and one of whom must have expertise in licensing of
140.18 residential facilities.

140.19 (b) By January 15, 2026, the psychiatric residential treatment facility working group
140.20 must submit a report and proposed legislative changes to the chairs and ranking minority
140.21 members of the legislative committees with jurisdiction over children's mental health and
140.22 juvenile detention. The submitted report must include recommendations:

140.23 (1) to amend the state medical assistance plan to expand access to care provided in
140.24 psychiatric residential treatment facilities with consideration being given to enhancing
140.25 flexibilities to serve a continuum of mental health needs;

140.26 (2) to develop licensing standards for psychiatric residential treatment facilities to reflect
140.27 needed flexibilities and broad inclusion of settings where care can be delivered in settings
140.28 operated by Direct Care and Treatment; and

140.29 (3) to update the rate methodology for services provided in psychiatric residential
140.30 treatment facilities to assure high quality of care with required individualization.

141.1 (c) When developing the recommendations required under paragraph (b), the working
141.2 group must:

141.3 (1) consider how best to meet the needs of children with high levels of complexity,
141.4 aggression, and related barriers to being served by community providers; and

141.5 (2) determine what would be required, including needed infrastructure, staffing, and
141.6 sustainable funding sources, to allow qualified residential treatment programs to transition
141.7 to a psychiatric residential treatment facility standard of care.

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

141.9 Sec. 60. **SUBSTANCE USE DISORDER TREATMENT BILLING UNITS.**

141.10 The commissioner of human services must establish six new billing codes for
141.11 nonresidential substance use disorder individual and group counseling, psychoeducation,
141.12 and recovery support services. The commissioner must identify reimbursement rates for
141.13 the newly defined codes and update the substance use disorder fee schedule. The new billing
141.14 codes must correspond to a 15-minute unit and become effective for services provided on
141.15 or after July 1, 2026, or upon federal approval, whichever is later.

141.16 Sec. 61. **REVISOR INSTRUCTION.**

141.17 The revisor of statutes shall change the terms "mental health practitioner" and "mental
141.18 health practitioners" to "behavioral health practitioner" or "behavioral health practitioners"
141.19 wherever they appear in Minnesota Statutes, chapter 245I.

141.20 Sec. 62. **REPEALER.**

141.21 (a) Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision
141.22 2; and 254B.01, subdivision 5, are repealed.

141.23 (b) Minnesota Statutes 2024, section 254B.04, subdivision 2a, is repealed.

141.24 (c) Minnesota Statutes 2024, section 254B.181, is repealed.

141.25 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2025, paragraph (b) is effective
141.26 July 1, 2027, and paragraph (c) is effective January 1, 2027.

ARTICLE 5

BACKGROUND STUDIES

Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

Subdivision 1. **Department.** (a) The Department of Children, Youth, and Families is established. The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of Title IV of the Social Security Act of the United States and the laws of this state.

(b) The commissioners of human services and children, youth, and families are hereby constituted the "state agency" and the "joint interagency office" for purposes of background studies under chapter 245C.

(c) The commissioner of children, youth, and families is hereby constituted the "state agency" for the purposes of administering the child care and development fund.

Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

Subdivision 1. **Background studies required.** The commissioner of ~~children, youth, and families shall contract with the commissioner of human services to~~ shall conduct background studies of individuals specified in section 245C.03, subdivision 1, affiliated with:

(1) a facility or program licensed or seeking a license under chapter 142B;

(2) a license-exempt child care center certified under chapter 142C; or

(3) a legal nonlicensed child care provider authorized under chapter 142E.

Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

Subd. 7. **Commissioner.** "Commissioner" ~~has the meaning given in section 245A.02, subdivision 5~~ means the commissioner of human services.

Sec. 4. Minnesota Statutes 2024, section 245C.03, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities.** (a) The commissioner shall conduct background studies ~~of~~ on any individual who is an owner who has at least a five percent ownership stake, an operator, or an employee or volunteer who provides direct contact, as defined in section 245C.02, subdivision 11, for services specified in the federally approved home and community-based waiver plans under section 256B.4912. The individual studied must meet

143.1 the requirements of this chapter prior to providing waiver services and as part of ongoing
143.2 enrollment.

143.3 (b) The requirements in paragraph (a) apply to consumer-directed community supports
143.4 under section 256B.4911.

143.5 (c) For purposes of this section, "operator" includes but is not limited to a managerial
143.6 officer who oversees the billing, management, or policies of the services provided.

143.7 Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 13, is amended to read:

143.8 Subd. 13. **Providers of housing stabilization services.** The commissioner shall conduct
143.9 background studies ~~of~~ on any provider of individual who is an owner who has at least a five
143.10 percent ownership stake in, an operator of, or an employee or volunteer who provides direct
143.11 contact housing stabilization services required by section 256B.051 ~~to have a background~~
143.12 ~~study completed under this chapter.~~

143.13 Sec. 6. Minnesota Statutes 2024, section 245C.03, subdivision 15, is amended to read:

143.14 Subd. 15. **Early intensive developmental and behavioral intervention providers.** The
143.15 commissioner shall conduct background studies according to this chapter ~~when initiated by~~
143.16 ~~an~~ on any individual who is an owner who has at least a five percent ownership stake in,
143.17 an operator of, or an employee or volunteer who provides direct contact early intensive
143.18 developmental and behavioral intervention ~~provider~~ services under section 256B.0949.

143.19 Sec. 7. Minnesota Statutes 2024, section 245C.04, subdivision 6, is amended to read:

143.20 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
143.21 **seniors and individuals with disabilities and providers of housing stabilization**
143.22 **services.** (a) Providers required to initiate background studies under section ~~256B.4912~~
143.23 245C.03, subdivisions 6 and 13 must initiate a study using the electronic system known as
143.24 NETStudy 2.0 before the individual begins in a position allowing direct contact with persons
143.25 served by the provider. New providers must initiate a study under this subdivision before
143.26 initial enrollment if the provider has not already initiated background studies as part of the
143.27 service licensure requirements.

143.28 (b) Except as provided in paragraphs (c) and (d), the providers must initiate a background
143.29 study annually of an individual required to be studied under section 245C.03, subdivision
143.30 6.

(c) After an initial background study under this subdivision is initiated on an individual by a provider of both services licensed by the commissioner and the unlicensed services under this subdivision, a repeat annual background study is not required if:

(1) the provider maintains compliance with the requirements of section 245C.07, paragraph (a), regarding one individual with one address and telephone number as the person to receive sensitive background study information for the multiple programs that depend on the same background study, and that the individual who is designated to receive the sensitive background information is capable of determining, upon the request of the commissioner, whether a background study subject is providing direct contact services in one or more of the provider's programs or services and, if so, at which location or locations; and

(2) the individual who is the subject of the background study provides direct contact services under the provider's licensed program for at least 40 hours per year so the individual will be recognized by a probation officer or corrections agent to prompt a report to the commissioner regarding criminal convictions as required under section 245C.05, subdivision 7.

~~(d) A provider who initiates background studies through NETStudy 2.0 is exempt from the requirement to initiate annual background studies under paragraph (b) for individuals who are on the provider's active roster.~~

Sec. 8. Minnesota Statutes 2024, section 245C.04, is amended by adding a subdivision to read:

Subd. 12. Early intensive developmental and behavioral intervention providers. Providers required to initiate background studies under section 245C.03, subdivision 15, must initiate a study using the electronic system known as NETStudy 2.0 before the individual begins in a position operating or allowing direct contact with persons served by the provider or before the individual becomes an operator or acquires five percent or more ownership.

Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

Subd. 5. Authorization. The commissioner of human services shall be authorized to receive information under this chapter.

145.1 Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision
145.2 to read:

145.3 Subd. 9b. **Child foster care and adoption programs.** The commissioner shall recover
145.4 the cost of a background study required for child foster care and adoption studies through
145.5 a fee of no more than \$44 per study. The fees collected under this subdivision are
145.6 appropriated to the commissioner for the purpose of conducting background studies.

145.7 Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

145.8 Subd. 2. **Activities pending completion of background study.** The subject of a
145.9 background study may not perform any activity requiring a background study under
145.10 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

145.11 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

145.12 (1) a notice of the study results under section 245C.17 stating that:

145.13 (i) the individual is not disqualified; or

145.14 (ii) more time is needed to complete the study but the individual is not required to be
145.15 removed from direct contact or access to people receiving services prior to completion of
145.16 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice
145.17 that more time is needed to complete the study must also indicate whether the individual is
145.18 required to be under continuous direct supervision prior to completion of the background
145.19 study. When more time is necessary to complete a background study of an individual
145.20 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,
145.21 the individual may not work in the facility or setting regardless of whether or not the
145.22 individual is supervised;

145.23 (2) a notice that a disqualification has been set aside under section 245C.23; or

145.24 (3) a notice that a variance has been granted related to the individual under section
145.25 245C.30.

145.26 (b) For a background study affiliated with a licensed child care center or certified
145.27 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
145.28 must not be issued until the commissioner receives a qualifying result for the individual for
145.29 the fingerprint-based national criminal history record check or the fingerprint-based criminal
145.30 history information from the Bureau of Criminal Apprehension. The notice must require
145.31 the individual to be under continuous direct supervision prior to completion of the remainder
145.32 of the background study except as permitted in subdivision 3.

146.1 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

146.2 (1) being issued a license;

146.3 (2) living in the household where the licensed program will be provided;

146.4 (3) providing direct contact services to persons served by a program unless the subject
146.5 is under continuous direct supervision;

146.6 (4) having access to persons receiving services if the background study was completed
146.7 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
146.8 (5), or (6), unless the subject is under continuous direct supervision;

146.9 (5) for licensed child care centers and certified license-exempt child care centers,
146.10 providing direct contact services to persons served by the program;

146.11 (6) for children's residential facilities or foster residence settings, working in the facility
146.12 or setting; ~~or~~

146.13 (7) for background studies affiliated with a personal care provider organization, except
146.14 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides
146.15 services, the personal care assistance provider agency must initiate a background study of
146.16 the personal care assistant under this chapter and the personal care assistance provider
146.17 agency must have received a notice from the commissioner that the personal care assistant
146.18 is:

146.19 (i) not disqualified under section 245C.14; or

146.20 (ii) disqualified, but the personal care assistant has received a set aside of the
146.21 disqualification under section 245C.22; or

146.22 (8) for background studies affiliated with an early intensive developmental and behavioral
146.23 intervention provider, before an individual provides services, the early intensive
146.24 developmental and behavioral intervention provider must initiate a background study for
146.25 the individual under this chapter and the early intensive developmental and behavioral
146.26 intervention provider must have received a notice from the commissioner that the individual
146.27 is:

146.28 (i) not disqualified under section 245C.14; or

146.29 (ii) disqualified, but the individual has received a set-aside of the disqualification under
146.30 section 245C.22.

146.31 **EFFECTIVE DATE.** The amendment to paragraph (b) is effective January 15, 2026.

146.32 The amendment to paragraph (c) is effective August 5, 2025.

147.1 Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
147.2 to read:

147.3 Subd. 4c. **Two-year disqualification.** An individual is disqualified under section
147.4 245C.14, subdivision 6, if less than two years have passed since a determination that the
147.5 individual violated section 142A.12, 245.095, or 256B.064.

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

147.7 Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
147.8 to read:

147.9 Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall
147.10 disqualify an individual who is the subject of a background study from any position involving
147.11 ownership, management, or control of a program or billing activities if a background study
147.12 completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

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

147.14 Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

147.15 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under
147.16 section 245C.14 if: (1) regardless of how much time has passed since the discharge of the
147.17 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of
147.18 the level of the offense, the individual has committed any of the following offenses: sections
147.19 243.166 (violation of predatory offender registration law); 609.185 (murder in the first
147.20 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20
147.21 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony
147.22 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense
147.23 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or
147.24 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228
147.25 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247,
147.26 subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661
147.27 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the
147.28 second degree); 609.2663 (murder of an unborn child in the third degree); 609.322
147.29 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other
147.30 prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal
147.31 sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree);
147.32 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct
147.33 in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual

148.1 extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest);
148.2 a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture);
148.3 a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the
148.4 first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5
148.5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public
148.6 transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1)
148.7 (indecent exposure involving a minor); 617.246 (use of minors in sexual performance
148.8 prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care
148.9 background study subject, conviction of a crime that would make the individual ineligible
148.10 for employment under United States Code, title 42, section 9858f, except for a felony drug
148.11 conviction, regardless of whether a period of disqualification under subdivisions 2 to 4,
148.12 would apply if the individual were not a child care background study subject.

148.13 (b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
148.14 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes,
148.15 permanently disqualifies the individual under section 245C.14.

148.16 (c) An individual's offense in any other state or country, where the elements of the offense
148.17 are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies
148.18 the individual under section 245C.14.

148.19 (d) When a disqualification is based on a judicial determination other than a conviction,
148.20 the disqualification period begins from the date of the court order. When a disqualification
148.21 is based on an admission, the disqualification period begins from the date of an admission
148.22 in court. When a disqualification is based on an Alford Plea, the disqualification period
148.23 begins from the date the Alford Plea is entered in court. When a disqualification is based
148.24 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
148.25 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
148.26 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

148.27 (e) If the individual studied commits one of the offenses listed in paragraph (a) that is
148.28 specified as a felony-level only offense, but the sentence or level of offense is a gross
148.29 misdemeanor or misdemeanor, the individual is disqualified, but the disqualification
148.30 look-back period for the offense is the period applicable to gross misdemeanor or
148.31 misdemeanor offenses.

148.32 (f) A child care background study subject shall be disqualified if the individual is
148.33 registered, or required to be registered, on a state sex offender registry or repository or the
148.34 National Sex Offender Registry.

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

149.2 Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

149.3 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding
149.4 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,
149.5 regardless of how much time has passed, an individual is disqualified under section 245C.14
149.6 if the individual committed an act that resulted in a felony-level conviction for sections:
149.7 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder
149.8 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in
149.9 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first
149.10 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);
149.11 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense
149.12 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or
149.13 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
149.14 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
149.15 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
149.16 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
149.17 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
149.18 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
149.19 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
149.20 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child
149.21 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
149.22 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
149.23 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
149.24 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
149.25 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
149.26 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
149.27 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
149.28 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
149.29 conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378
149.30 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision
149.31 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent
149.32 exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession
149.33 of pictorial representations of minors).

150.1 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated
150.2 with a licensed family foster setting, an individual is disqualified under section 245C.14,
150.3 regardless of how much time has passed, if the individual:

150.4 (1) committed an action under paragraph (e) that resulted in death or involved sexual
150.5 abuse, as defined in section 260E.03, subdivision 20;

150.6 (2) committed an act that resulted in a gross misdemeanor-level conviction for section
150.7 609.3451 (criminal sexual conduct in the fifth degree);

150.8 (3) committed an act against or involving a minor that resulted in a felony-level conviction
150.9 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the
150.10 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);
150.11 or

150.12 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level
150.13 conviction for section 617.293 (dissemination and display of harmful materials to minors).

150.14 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
150.15 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20
150.16 years have passed since the termination of the individual's parental rights under section
150.17 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of
150.18 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to
150.19 involuntarily terminate parental rights. An individual is disqualified under section 245C.14
150.20 if fewer than 20 years have passed since the termination of the individual's parental rights
150.21 in any other state or country, where the conditions for the individual's termination of parental
150.22 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph
150.23 (b).

150.24 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
150.25 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
150.26 years have passed since a felony-level violation for sections: 152.021 (controlled substance
150.27 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
150.28 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
150.29 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
150.30 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
150.31 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision
150.32 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
150.33 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
150.34 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related

151.1 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
151.2 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
151.3 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
151.4 child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal
151.5 abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal
151.6 neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery);
151.7 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation,
151.8 inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498,
151.9 subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b
151.10 (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563
151.11 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66
151.12 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749,
151.13 subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting
151.14 at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

151.15 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
151.16 background study affiliated with a licensed family child foster care license, an individual
151.17 is disqualified under section 245C.14 if fewer than five years have passed since:

151.18 (1) a felony-level violation for an act not against or involving a minor that constitutes:
151.19 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
151.20 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
151.21 fifth degree);

151.22 (2) a violation of an order for protection under section 518B.01, subdivision 14;

151.23 (3) a determination or disposition of the individual's failure to make required reports
151.24 under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition
151.25 under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment
151.26 was recurring or serious;

151.27 (4) a determination or disposition of the individual's substantiated serious or recurring
151.28 maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or
151.29 serious or recurring maltreatment in any other state, the elements of which are substantially
151.30 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet
151.31 the definition of serious maltreatment or recurring maltreatment;

151.32 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in
151.33 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);

152.1 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);
152.2 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or
152.3 (6) committing an act against or involving a minor that resulted in a misdemeanor-level
152.4 violation of section 609.224, subdivision 1 (assault in the fifth degree).

152.5 (f) For purposes of this subdivision, the disqualification begins from:

152.6 (1) the date of the alleged violation, if the individual was not convicted;

152.7 (2) the date of conviction, if the individual was convicted of the violation but not
152.8 committed to the custody of the commissioner of corrections; or

152.9 (3) the date of release from prison, if the individual was convicted of the violation and
152.10 committed to the custody of the commissioner of corrections.

152.11 Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation
152.12 of the individual's supervised release, the disqualification begins from the date of release
152.13 from the subsequent incarceration.

152.14 (g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
152.15 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota
152.16 Statutes, permanently disqualifies the individual under section 245C.14. An individual is
152.17 disqualified under section 245C.14 if fewer than five years have passed since the individual's
152.18 aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs
152.19 (d) and (e).

152.20 (h) An individual's offense in any other state or country, where the elements of the
152.21 offense are substantially similar to any of the offenses listed in paragraphs (a) and (b),
152.22 permanently disqualifies the individual under section 245C.14. An individual is disqualified
152.23 under section 245C.14 if fewer than five years have passed since an offense in any other
152.24 state or country, the elements of which are substantially similar to the elements of any
152.25 offense listed in paragraphs (d) and (e).

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

152.27 Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

152.28 Subd. 3. **Preeminent weight given to safety of persons being served and program**
152.29 **integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner
152.30 shall give preeminent weight to the safety of each person served by the license holder,
152.31 applicant, or other entities as provided in this chapter and to program integrity through
152.32 protection of state and federal money supporting the program over the interests of the

153.1 disqualified individual, license holder, applicant, or other entity as provided in this chapter,
153.2 and any single factor under subdivision 4, paragraph (b), may be determinative of the
153.3 commissioner's decision whether to set aside the individual's disqualification.

153.4 Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

153.5 Subd. 8. **Sharing of certain data for reconsiderations and appeals.** (a) The following
153.6 commissioners shall be responsible for ~~conducting~~ making final agency decisions on
153.7 background study reconsiderations and defending appeals of background studies for programs
153.8 ~~under their jurisdictions~~ study determinations:

153.9 (1) the commissioner of human services for all programs under ~~section 245C.03,~~
153.10 ~~subdivision 1~~ this chapter, unless otherwise specified in this subdivision;

153.11 (2) the commissioner of health for programs under section 245C.03, subdivision 5a;

153.12 (3) the commissioner of corrections for programs under section 245C.03, subdivision
153.13 5b; and

153.14 (4) the commissioner of the children, youth, and families for programs under section
153.15 245C.03, subdivision 5c.

153.16 (b) The commissioner of human services shall share all relevant background study data
153.17 to allow the commissioners specified in paragraph (a) to complete reconsiderations and
153.18 appeals for programs licensed or regulated by their agencies.

153.19 Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

153.20 Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an
153.21 automatic expungement under this section of that eligibility at any hearing where the court
153.22 dismisses and discharges proceedings against a person under section 152.18, subdivision
153.23 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled
153.24 substance; concludes that all pending actions or proceedings were resolved in favor of the
153.25 person; grants a person's placement into a diversion program; or sentences a person or
153.26 otherwise imposes a consequence for a qualifying offense.

153.27 (b) To the extent possible, prosecutors, defense counsel, supervising agents, and
153.28 coordinators or supervisors of a diversion program shall notify a person who may become
153.29 eligible for an automatic expungement under this section of that eligibility.

153.30 (c) If any party gives notification under this subdivision, the notification shall inform
153.31 the person that:

(1) a record expunged under this section may be opened for purposes of a background study by the Department of Human Services; the Department of Children, Youth, and Families; or the Department of Health under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition under section 609A.03, subject to the process in section 609A.03 and the limitations in section 609A.02, to expunge the records held by the commissioner of human services; the commissioner of children, youth, and families; the commissioner of health; and the Professional Educator Licensing and Standards Board.

Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

Subd. 3. Expungement relief; notification requirements. (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health; the Department of Children, Youth, and Families; or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means.

155.1 Upon receiving notification of an expungement, an agency or office shall seal all records
155.2 related to the expungement, including the records of the person's arrest, indictment, trial,
155.3 verdict, and dismissal or discharge of the case.

155.4 (e) The bureau shall provide information on its publicly facing website clearly stating
155.5 that persons who are noncitizens may need copies of records affected by a grant of
155.6 expungement relief for immigration purposes, explaining how they can obtain these copies
155.7 after expungement or other granted relief, and stating that a noncitizen should consult with
155.8 an immigration attorney.

155.9 (f) Data on a person whose offense has been expunged under this subdivision, including
155.10 any notice sent pursuant to paragraph (d), are private data on individuals as defined in section
155.11 13.02, subdivision 12.

155.12 (g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing
155.13 the record of proceedings under section 152.18.

155.14 (h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply
155.15 to an order issued under this section.

155.16 (i) The subject whose record qualifies for expungement shall be given access to copies
155.17 of the records of arrest, conviction, or incarceration for any purposes, including immigration
155.18 purposes.

155.19 (j) Relief granted under this subdivision shall not impact the ability of a petitioner to
155.20 file for relief under section 590.01.

155.21 ARTICLE 6

155.22 DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

155.23 Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

155.24 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
155.25 by the welfare system are private data on individuals, and shall not be disclosed except:

155.26 (1) according to section 13.05;

155.27 (2) according to court order;

155.28 (3) according to a statute specifically authorizing access to the private data;

155.29 (4) to an agent of the welfare system and an or investigator acting on behalf of a county,
155.30 the state, or the federal government, including a law enforcement person or attorney in the

156.1 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
156.2 administration of a program;

156.3 (5) to personnel of the welfare system who require the data to verify an individual's
156.4 identity; determine eligibility, amount of assistance, and the need to provide services to an
156.5 individual or family across programs; coordinate services for an individual or family;
156.6 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
156.7 suspected fraud;

156.8 (6) to administer federal funds or programs;

156.9 (7) between personnel of the welfare system working in the same program;

156.10 (8) to the Department of Revenue to administer and evaluate tax refund or tax credit
156.11 programs and to identify individuals who may benefit from these programs, and prepare
156.12 the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article
156.13 17, section 6. The following information may be disclosed under this paragraph: an
156.14 individual's and their dependent's names, dates of birth, Social Security or individual taxpayer
156.15 identification numbers, income, addresses, and other data as required, upon request by the
156.16 Department of Revenue. Disclosures by the commissioner of revenue to the commissioner
156.17 of human services for the purposes described in this clause are governed by section 270B.14,
156.18 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
156.19 care credit under section 290.067, the Minnesota working family credit under section
156.20 290.0671, the property tax refund under section 290A.04, and the Minnesota education
156.21 credit under section 290.0674;

156.22 (9) between the Department of Human Services; the Department of Employment and
156.23 Economic Development; the Department of Children, Youth, and Families; Direct Care and
156.24 Treatment; and, when applicable, the Department of Education, for the following purposes:

156.25 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
156.26 employment or training program administered, supervised, or certified by that agency;

156.27 (ii) to administer any rehabilitation program or child care assistance program, whether
156.28 alone or in conjunction with the welfare system;

156.29 (iii) to monitor and evaluate the Minnesota family investment program or the child care
156.30 assistance program by exchanging data on recipients and former recipients of Supplemental
156.31 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D,
156.32 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter
156.33 256B or 256L; and

157.1 (iv) to analyze public assistance employment services and program utilization, cost,
157.2 effectiveness, and outcomes as implemented under the authority established in Title II,
157.3 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
157.4 Health records governed by sections 144.291 to 144.298 and "protected health information"
157.5 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
157.6 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
157.7 information, must not be exchanged under this clause;

157.8 (10) to appropriate parties in connection with an emergency if knowledge of the
157.9 information is necessary to protect the health or safety of the individual or other individuals
157.10 or persons;

157.11 (11) data maintained by residential programs as defined in section 245A.02 may be
157.12 disclosed to the protection and advocacy system established in this state according to Part
157.13 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
157.14 disabilities or other related conditions who live in residential facilities for these persons if
157.15 the protection and advocacy system receives a complaint by or on behalf of that person and
157.16 the person does not have a legal guardian or the state or a designee of the state is the legal
157.17 guardian of the person;

157.18 (12) to the county medical examiner or the county coroner for identifying or locating
157.19 relatives or friends of a deceased person;

157.20 (13) data on a child support obligor who makes payments to the public agency may be
157.21 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
157.22 eligibility under section 136A.121, subdivision 2, clause (5);

157.23 (14) participant Social Security or individual taxpayer identification numbers and names
157.24 collected by the telephone assistance program may be disclosed to the Department of
157.25 Revenue to conduct an electronic data match with the property tax refund database to
157.26 determine eligibility under section 237.70, subdivision 4a;

157.27 (15) the current address of a Minnesota family investment program participant may be
157.28 disclosed to law enforcement officers who provide the name of the participant and notify
157.29 the agency that:

157.30 (i) the participant:

157.31 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
157.32 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
157.33 jurisdiction from which the individual is fleeing; or

158.1 (B) is violating a condition of probation or parole imposed under state or federal law;

158.2 (ii) the location or apprehension of the felon is within the law enforcement officer's
158.3 official duties; and

158.4 (iii) the request is made in writing and in the proper exercise of those duties;

158.5 (16) the current address of a recipient of general assistance may be disclosed to probation
158.6 officers and corrections agents who are supervising the recipient and to law enforcement
158.7 officers who are investigating the recipient in connection with a felony level offense;

158.8 (17) information obtained from a SNAP applicant or recipient households may be
158.9 disclosed to local, state, or federal law enforcement officials, upon their written request, for
158.10 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
158.11 to Code of Federal Regulations, title 7, section 272.1(c);

158.12 (18) the address, Social Security or individual taxpayer identification number, and, if
158.13 available, photograph of any member of a household receiving SNAP benefits shall be made
158.14 available, on request, to a local, state, or federal law enforcement officer if the officer
158.15 furnishes the agency with the name of the member and notifies the agency that:

158.16 (i) the member:

158.17 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
158.18 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

158.19 (B) is violating a condition of probation or parole imposed under state or federal law;

158.20 or

158.21 (C) has information that is necessary for the officer to conduct an official duty related
158.22 to conduct described in subitem (A) or (B);

158.23 (ii) locating or apprehending the member is within the officer's official duties; and

158.24 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

158.25 (19) the current address of a recipient of Minnesota family investment program, general
158.26 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
158.27 provide the name of the recipient and notify the agency that the recipient is a person required
158.28 to register under section 243.166, but is not residing at the address at which the recipient is
158.29 registered under section 243.166;

158.30 (20) certain information regarding child support obligors who are in arrears may be
158.31 made public according to section 518A.74;

159.1 (21) data on child support payments made by a child support obligor and data on the
159.2 distribution of those payments excluding identifying information on obligees may be
159.3 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
159.4 actions undertaken by the public authority, the status of those actions, and data on the income
159.5 of the obligor or obligee may be disclosed to the other party;

159.6 (22) data in the work reporting system may be disclosed under section 142A.29,
159.7 subdivision 7;

159.8 (23) to the Department of Education for the purpose of matching Department of Education
159.9 student data with public assistance data to determine students eligible for free and
159.10 reduced-price meals, meal supplements, and free milk according to United States Code,
159.11 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
159.12 funds that are distributed based on income of the student's family; and to verify receipt of
159.13 energy assistance for the telephone assistance plan;

159.14 (24) the current address and telephone number of program recipients and emergency
159.15 contacts may be released to the commissioner of health or a community health board as
159.16 defined in section 145A.02, subdivision 5, when the commissioner or community health
159.17 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
159.18 or at risk of illness, and the data are necessary to locate the person;

159.19 (25) to other state agencies, statewide systems, and political subdivisions of this state,
159.20 including the attorney general, and agencies of other states, interstate information networks,
159.21 federal agencies, and other entities as required by federal regulation or law for the
159.22 administration of the child support enforcement program;

159.23 (26) to personnel of public assistance programs as defined in section 518A.81, for access
159.24 to the child support system database for the purpose of administration, including monitoring
159.25 and evaluation of those public assistance programs;

159.26 (27) to monitor and evaluate the Minnesota family investment program by exchanging
159.27 data between the Departments of Human Services; Children, Youth, and Families; and
159.28 Education, on recipients and former recipients of SNAP benefits, cash assistance under
159.29 chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical
159.30 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
159.31 256D;

159.32 (28) to evaluate child support program performance and to identify and prevent fraud
159.33 in the child support program by exchanging data between the Department of Human Services;
159.34 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,

160.1 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph
160.2 (c); Department of Health; Department of Employment and Economic Development; and
160.3 other state agencies as is reasonably necessary to perform these functions;

160.4 (29) counties and the Department of Children, Youth, and Families operating child care
160.5 assistance programs under chapter 142E may disseminate data on program participants,
160.6 applicants, and providers to the commissioner of education;

160.7 (30) child support data on the child, the parents, and relatives of the child may be
160.8 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
160.9 Security Act, as authorized by federal law;

160.10 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
160.11 necessary to coordinate services;

160.12 (32) to the chief administrative officer of a school to coordinate services for a student
160.13 and family; data that may be disclosed under this clause are limited to name, date of birth,
160.14 gender, and address;

160.15 (33) to county correctional agencies to the extent necessary to coordinate services and
160.16 diversion programs; data that may be disclosed under this clause are limited to name, client
160.17 demographics, program, case status, and county worker information; or

160.18 (34) between the Department of Human Services and the Metropolitan Council for the
160.19 following purposes:

160.20 (i) to coordinate special transportation service provided under section 473.386 with
160.21 services for people with disabilities and elderly individuals funded by or through the
160.22 Department of Human Services; and

160.23 (ii) to provide for reimbursement of special transportation service provided under section
160.24 473.386.

160.25 The data that may be shared under this clause are limited to the individual's first, last, and
160.26 middle names; date of birth; residential address; and program eligibility status with expiration
160.27 date for the purposes of informing the other party of program eligibility.

160.28 (b) Information on persons who have been treated for substance use disorder may only
160.29 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
160.30 2.1 to 2.67.

160.31 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
160.32 (17), or (18), or paragraph (b), are investigative data and are confidential or protected

161.1 nonpublic while the investigation is active. The data are private after the investigation
161.2 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

161.3 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
161.4 not subject to the access provisions of subdivision 10, paragraph (b).

161.5 For the purposes of this subdivision, a request will be deemed to be made in writing if
161.6 made through a computer interface system.

161.7 Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

161.8 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
161.9 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
161.10 system in an investigation, authorized by statute, and relating to the enforcement of rules
161.11 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
161.12 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
161.13 shall not be disclosed except:

161.14 (1) pursuant to section 13.05;

161.15 (2) pursuant to statute or valid court order;

161.16 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
161.17 preparation of defense;

161.18 (4) to an agent of the ~~welfare system~~ or an investigator acting on behalf of a county,
161.19 state, or federal government, including a law enforcement officer or attorney in the
161.20 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the
161.21 commissioner of human services or commissioner of children, youth, and families determines
161.22 that disclosure may compromise a Department of Human Services or Department of Children,
161.23 Youth, and Families ongoing investigation; or

161.24 (5) to provide notices required or permitted by statute.

161.25 The data referred to in this subdivision shall be classified as public data upon submission
161.26 to an administrative law judge or court in an administrative or judicial proceeding. Inactive
161.27 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

161.28 (b) Notwithstanding any other provision in law, the commissioner of human services
161.29 shall provide all active and inactive investigative data, including the name of the reporter
161.30 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for
161.31 mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

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

Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. Withholding of payments. (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

(3) the provider is operating after a Minnesota state or federal agency orders the suspension, revocation, or decertification of the provider's license;

(4) the provider, vendor, associated individual, or associated entity, including those receiving funds under any contract or registered program, has a background study disqualification under chapter 245C that has not been set aside and for which no variance has been issued, except for a disqualification under sections 245C.14, subdivision 5, and 245C.15, subdivision 4c; or

(5) by a preponderance of the evidence that the provider, vendor, individual, associated individual, or associated entity intentionally provided materially false information on the provider's billing forms.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

163.1 (2) claims data mining;

163.2 (3) patterns identified through provider audits, civil false claims cases, and law
163.3 enforcement investigations; and

163.4 (4) court filings and other legal documents, including but not limited to police reports,
163.5 complaints, indictments, informations, affidavits, declarations, and search warrants.

163.6 (c) The commissioner must send notice of the withholding of payments within five days
163.7 of taking such action. The notice must:

163.8 (1) state that payments are being withheld according to this subdivision;

163.9 (2) set forth the general allegations related to the withholding action, except the notice
163.10 need not disclose specific information concerning an ongoing investigation;

163.11 (3) state that the withholding is for a temporary period and cite the circumstances under
163.12 which the withholding will be terminated; and

163.13 (4) inform the provider, vendor, individual, associated individual, or associated entity
163.14 of the right to submit written evidence to contest the withholding action for consideration
163.15 by the commissioner.

163.16 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
163.17 individual, associated individual, or associated entity has a right to request administrative
163.18 reconsideration. A request for administrative reconsideration must be made in writing, state
163.19 with specificity the reasons the payment withholding decision is in error, and include
163.20 documents to support the request. Within 60 days from receipt of the request, the
163.21 commissioner shall judiciously review allegations, facts, evidence available to the
163.22 commissioner, and information submitted by the provider, vendor, individual, associated
163.23 individual, or associated entity to determine whether the payment withholding should remain
163.24 in place.

163.25 (e) The commissioner shall stop withholding payments if the commissioner determines
163.26 there is insufficient evidence of fraud by the provider, vendor, individual, associated
163.27 individual, or associated entity or when legal proceedings relating to the alleged fraud are
163.28 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
163.29 vendor, individual, associated individual, or associated entity.

163.30 (f) The withholding of payments is a temporary action and is not subject to appeal under
163.31 section 256.045 or chapter 14.

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

164.1 Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to
164.2 read:

164.3 Subd. 6. **Data practices.** The commissioner may exchange information, including claims
164.4 data, with state or federal agencies, professional boards, departments, or programs for the
164.5 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related
164.6 to suspected fraud or exclusion from any program administered by a state or federal agency.

164.7 Sec. 5. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to
164.8 read:

164.9 Subd. 7a. **Discretionary temporary licensing moratorium.** (a) The commissioner must
164.10 not issue an initial license for an individual, organization, or government entity seeking
164.11 licensure under this chapter and must not add a new service to an existing license when the
164.12 commissioner determines that exceptional growth in applications for licensure or requests
164.13 to add new services exceeds the determined need for service capacity. A temporary licensing
164.14 moratorium issued under this subdivision is effective for a period of up to 24 months from
164.15 the date the commissioner issues the moratorium.

164.16 (b) Any applicant that will not receive a license due to a temporary licensing moratorium
164.17 issued under paragraph (a) may apply for a refund of licensing application fees for up to
164.18 one year from the date the commissioner issues the moratorium.

164.19 (c) The commissioner must notify the chairs and ranking minority members of the
164.20 legislative committees with jurisdiction over health and human services at least 30 days
164.21 prior to issuing a temporary moratorium under this subdivision and publish notice of the
164.22 moratorium on the department's website. The notice must include:

164.23 (1) a list of all license types to which the moratorium will apply;

164.24 (2) the proposed start date of the moratorium; and

164.25 (3) the anticipated duration of the moratorium.

164.26 (d) The commissioner must establish and make publicly available the processes and
164.27 criteria the commissioner will use to grant exceptions to a temporary moratorium issued
164.28 under this subdivision.

164.29 Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

164.30 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
164.31 entity that is subject to licensure under section 245A.03 must apply for a license. The

165.1 application must be made on the forms and in the manner prescribed by the commissioner.
165.2 The commissioner shall provide the applicant with instruction in completing the application
165.3 and provide information about the rules and requirements of other state agencies that affect
165.4 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
165.5 Minnesota must have a program office located within 30 miles of the Minnesota border.
165.6 An applicant who intends to buy or otherwise acquire a program or services licensed under
165.7 this chapter that is owned by another license holder must apply for a license under this
165.8 chapter and comply with the application procedures in this section and section 245A.043.

165.9 The commissioner shall act on the application within 90 working days after a complete
165.10 application and any required reports have been received from other state agencies or
165.11 departments, counties, municipalities, or other political subdivisions. The commissioner
165.12 shall not consider an application to be complete until the commissioner receives all of the
165.13 required information. If the applicant or a controlling individual is the subject of a pending
165.14 administrative, civil, or criminal investigation, the application is not complete until the
165.15 investigation has closed or the related legal proceedings are complete.

165.16 When the commissioner receives an application for initial licensure that is incomplete
165.17 because the applicant failed to submit required documents or that is substantially deficient
165.18 because the documents submitted do not meet licensing requirements, the commissioner
165.19 shall provide the applicant written notice that the application is incomplete or substantially
165.20 deficient. In the written notice to the applicant the commissioner shall identify documents
165.21 that are missing or deficient and give the applicant 45 days to resubmit a second application
165.22 that is substantially complete. An applicant's failure to submit a substantially complete
165.23 application after receiving notice from the commissioner is a basis for license denial under
165.24 section 245A.043.

165.25 (b) An application for licensure must identify all controlling individuals as defined in
165.26 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
165.27 agent. The application must be signed by the authorized agent and must include the authorized
165.28 agent's first, middle, and last name; mailing address; and email address. By submitting an
165.29 application for licensure, the authorized agent consents to electronic communication with
165.30 the commissioner throughout the application process. The authorized agent must be
165.31 authorized to accept service on behalf of all of the controlling individuals. A government
165.32 entity that holds multiple licenses under this chapter may designate one authorized agent
165.33 for all licenses issued under this chapter or may designate a different authorized agent for
165.34 each license. Service on the authorized agent is service on all of the controlling individuals.
165.35 It is not a defense to any action arising under this chapter that service was not made on each

166.1 controlling individual. The designation of a controlling individual as the authorized agent
166.2 under this paragraph does not affect the legal responsibility of any other controlling individual
166.3 under this chapter.

166.4 (c) An applicant or license holder must have a policy that prohibits license holders,
166.5 employees, subcontractors, and volunteers, when directly responsible for persons served
166.6 by the program, from abusing prescription medication or being in any manner under the
166.7 influence of a chemical that impairs the individual's ability to provide services or care. The
166.8 license holder must train employees, subcontractors, and volunteers about the program's
166.9 drug and alcohol policy.

166.10 (d) An applicant and license holder must have a program grievance procedure that permits
166.11 persons served by the program and their authorized representatives to bring a grievance to
166.12 the highest level of authority in the program.

166.13 (e) The commissioner may limit communication during the application process to the
166.14 authorized agent or the controlling individuals identified on the license application and for
166.15 whom a background study was initiated under chapter 245C. Upon implementation of the
166.16 provider licensing and reporting hub, applicants and license holders must use the hub in the
166.17 manner prescribed by the commissioner. The commissioner may require the applicant,
166.18 except for child foster care, to demonstrate competence in the applicable licensing
166.19 requirements by successfully completing a written examination. The commissioner may
166.20 develop a prescribed written examination format.

166.21 (f) When an applicant is an individual, the applicant must provide:

166.22 (1) the applicant's taxpayer identification numbers including the Social Security number
166.23 or Minnesota tax identification number, and federal employer identification number if the
166.24 applicant has employees;

166.25 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
166.26 of state that includes the complete business name, if any;

166.27 (3) if doing business under a different name, the doing business as (DBA) name, as
166.28 registered with the secretary of state;

166.29 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
166.30 Minnesota Provider Identifier (UMPI) number; and

166.31 (5) at the request of the commissioner, the notarized signature of the applicant or
166.32 authorized agent.

166.33 (g) When an applicant is an organization, the applicant must provide:

167.1 (1) the applicant's taxpayer identification numbers including the Minnesota tax
167.2 identification number and federal employer identification number;

167.3 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
167.4 of state that includes the complete business name, and if doing business under a different
167.5 name, the doing business as (DBA) name, as registered with the secretary of state;

167.6 (3) the first, middle, and last name, and address for all individuals who will be controlling
167.7 individuals, including all officers, owners, and managerial officials as defined in section
167.8 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
167.9 for each controlling individual;

167.10 (4) if applicable, the applicant's NPI number and UMPI number;

167.11 (5) the documents that created the organization and that determine the organization's
167.12 internal governance and the relations among the persons that own the organization, have
167.13 an interest in the organization, or are members of the organization, in each case as provided
167.14 or authorized by the organization's governing statute, which may include a partnership
167.15 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
167.16 or comparable documents as provided in the organization's governing statute; and

167.17 (6) the notarized signature of the applicant or authorized agent.

167.18 (h) When the applicant is a government entity, the applicant must provide:

167.19 (1) the name of the government agency, political subdivision, or other unit of government
167.20 seeking the license and the name of the program or services that will be licensed;

167.21 (2) the applicant's taxpayer identification numbers including the Minnesota tax
167.22 identification number and federal employer identification number;

167.23 (3) a letter signed by the manager, administrator, or other executive of the government
167.24 entity authorizing the submission of the license application; and

167.25 (4) if applicable, the applicant's NPI number and UMPI number.

167.26 (i) At the time of application for licensure or renewal of a license under this chapter, the
167.27 applicant or license holder must acknowledge on the form provided by the commissioner
167.28 if the applicant or license holder elects to receive any public funding reimbursement from
167.29 the commissioner for services provided under the license that:

167.30 (1) the applicant's or license holder's compliance with the provider enrollment agreement
167.31 or registration requirements for receipt of public funding may be monitored by the
167.32 commissioner as part of a licensing investigation or licensing inspection; and

168.1 (2) noncompliance with the provider enrollment agreement or registration requirements
168.2 for receipt of public funding that is identified through a licensing investigation or licensing
168.3 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
168.4 reimbursement for a service, may result in:

168.5 (i) a correction order or a conditional license under section 245A.06, or sanctions under
168.6 section 245A.07;

168.7 (ii) nonpayment of claims submitted by the license holder for public program
168.8 reimbursement;

168.9 (iii) recovery of payments made for the service;

168.10 (iv) disenrollment in the public payment program; or

168.11 (v) other administrative, civil, or criminal penalties as provided by law.

168.12 Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

168.13 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
168.14 the program complies with all applicable rules and laws, the commissioner shall issue a
168.15 license consistent with this section or, if applicable, a temporary change of ownership license
168.16 under section 245A.043. At minimum, the license shall state:

168.17 (1) the name of the license holder;

168.18 (2) the address of the program;

168.19 (3) the effective date and expiration date of the license;

168.20 (4) the type of license, and the specific service the license holder is licensed to provide;

168.21 (5) the maximum number and ages of persons that may receive services from the program;
168.22 and

168.23 (6) any special conditions of licensure.

168.24 (b) The commissioner may issue a license for a period not to exceed two years if:

168.25 (1) the commissioner is unable to conduct the observation required by subdivision 4,
168.26 paragraph (a), clause (3), because the program is not yet operational;

168.27 (2) certain records and documents are not available because persons are not yet receiving
168.28 services from the program; and

168.29 (3) the applicant complies with applicable laws and rules in all other respects.

169.1 (c) A decision by the commissioner to issue a license does not guarantee that any person
169.2 or persons will be placed or cared for in the licensed program.

169.3 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
169.4 license if the applicant, license holder, or an affiliated controlling individual has:

169.5 (1) been disqualified and the disqualification was not set aside and no variance has been
169.6 granted;

169.7 (2) been denied a license under this chapter or chapter 142B within the past two years;

169.8 (3) had a license issued under this chapter or chapter 142B revoked within the past five
169.9 years; or

169.10 (4) failed to submit the information required of an applicant under subdivision 1,
169.11 paragraph (f), (g), or (h), after being requested by the commissioner.

169.12 When a license issued under this chapter or chapter 142B is revoked, the license holder
169.13 and each affiliated controlling individual with a revoked license may not hold any license
169.14 under chapter 245A for five years following the revocation, and other licenses held by the
169.15 applicant or license holder or licenses affiliated with each controlling individual shall also
169.16 be revoked.

169.17 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
169.18 affiliated with a license holder or controlling individual that had a license revoked within
169.19 the past five years if the commissioner determines that (1) the license holder or controlling
169.20 individual is operating the program in substantial compliance with applicable laws and rules
169.21 and (2) the program's continued operation is in the best interests of the community being
169.22 served.

169.23 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
169.24 to an application that is affiliated with an applicant, license holder, or controlling individual
169.25 that had an application denied within the past two years or a license revoked within the past
169.26 five years if the commissioner determines that (1) the applicant or controlling individual
169.27 has operated one or more programs in substantial compliance with applicable laws and rules
169.28 and (2) the program's operation would be in the best interests of the community to be served.

169.29 (g) In determining whether a program's operation would be in the best interests of the
169.30 community to be served, the commissioner shall consider factors such as the number of
169.31 persons served, the availability of alternative services available in the surrounding
169.32 community, the management structure of the program, whether the program provides
169.33 culturally specific services, and other relevant factors.

170.1 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
170.2 living in the household where the services will be provided as specified under section
170.3 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
170.4 and no variance has been granted.

170.5 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
170.6 under this chapter has been suspended or revoked and the suspension or revocation is under
170.7 appeal, the program may continue to operate pending a final order from the commissioner.
170.8 If the license under suspension or revocation will expire before a final order is issued, a
170.9 temporary provisional license may be issued provided any applicable license fee is paid
170.10 before the temporary provisional license is issued.

170.11 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
170.12 a controlling individual or license holder, and the controlling individual or license holder
170.13 is ordered under section 245C.17 to be immediately removed from direct contact with
170.14 persons receiving services or is ordered to be under continuous, direct supervision when
170.15 providing direct contact services, the program may continue to operate only if the program
170.16 complies with the order and submits documentation demonstrating compliance with the
170.17 order. If the disqualified individual fails to submit a timely request for reconsideration, or
170.18 if the disqualification is not set aside and no variance is granted, the order to immediately
170.19 remove the individual from direct contact or to be under continuous, direct supervision
170.20 remains in effect pending the outcome of a hearing and final order from the commissioner.

170.21 (k) Unless otherwise specified by statute, all licenses issued under this chapter expire
170.22 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
170.23 apply for and be granted a new license to operate the program or the program must not be
170.24 operated after the expiration date.

170.25 (l) The commissioner shall not issue or reissue a license under this chapter if it has been
170.26 determined that a Tribal licensing authority has established jurisdiction to license the program
170.27 or service.

170.28 (m) The commissioner of human services may coordinate and share data with the
170.29 commissioner of children, youth, and families to enforce this section.

171.1 Sec. 8. Minnesota Statutes 2024, section 245A.043, is amended by adding a subdivision
171.2 to read:

171.3 Subd. 2a. **Review of change in ownership.** (a) After a change in ownership under
171.4 subdivision 2, paragraph (a), the commissioner may complete a review for all new license
171.5 holders within 12 months after the new license is issued.

171.6 (b) For all license holders subject to the exception in subdivision 2, paragraph (b), the
171.7 license holder must notify the commissioner of the date of the change in controlling
171.8 individuals pursuant to section 245A.04, subdivision 7a, and the commissioner may complete
171.9 a review within 12 months following the change.

171.10 Sec. 9. Minnesota Statutes 2024, section 245A.05, is amended to read:

171.11 **245A.05 DENIAL OF APPLICATION.**

171.12 (a) The commissioner may deny a license if an applicant or controlling individual:

171.13 (1) fails to submit a substantially complete application after receiving notice from the
171.14 commissioner under section 245A.04, subdivision 1;

171.15 (2) fails to comply with applicable laws or rules;

171.16 (3) knowingly withholds relevant information from or gives false or misleading
171.17 information to the commissioner in connection with an application for a license or during
171.18 an investigation;

171.19 (4) has a disqualification that has not been set aside under section 245C.22 and no
171.20 variance has been granted;

171.21 (5) has an individual living in the household who received a background study under
171.22 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
171.23 has not been set aside under section 245C.22, and no variance has been granted;

171.24 (6) is associated with an individual who received a background study under section
171.25 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
171.26 children or vulnerable adults, and who has a disqualification that has not been set aside
171.27 under section 245C.22, and no variance has been granted;

171.28 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

171.29 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
171.30 6;

172.1 (9) has a history of noncompliance as a license holder or controlling individual with
172.2 applicable laws or rules, including but not limited to this chapter and chapters 142E and
172.3 245C; ~~or~~

172.4 (10) is prohibited from holding a license according to section 245.095; or

172.5 (11) is the subject of a pending administrative, civil, or criminal investigation.

172.6 (b) An applicant whose application has been denied by the commissioner must be given
172.7 notice of the denial, which must state the reasons for the denial in plain language. Notice
172.8 must be given by certified mail, by personal service, or through the provider licensing and
172.9 reporting hub. The notice must state the reasons the application was denied and must inform
172.10 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,
172.11 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
172.12 commissioner in writing by certified mail, by personal service, or through the provider
172.13 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
172.14 commissioner within 20 calendar days after the applicant received the notice of denial. If
172.15 an appeal request is made by personal service, it must be received by the commissioner
172.16 within 20 calendar days after the applicant received the notice of denial. If the order is issued
172.17 through the provider hub, the appeal must be received by the commissioner within 20
172.18 calendar days from the date the commissioner issued the order through the hub. Section
172.19 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

172.20 Sec. 10. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

172.21 Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately
172.22 to temporarily suspend a license issued under this chapter if:

172.23 (1) the license holder's or controlling individual's actions or failure to comply with
172.24 applicable law or rule, or the actions of other individuals or conditions in the program, pose
172.25 an imminent risk of harm to the health, safety, or rights of persons served by the program;

172.26 (2) while the program continues to operate pending an appeal of an order of revocation,
172.27 the commissioner identifies one or more subsequent violations of law or rule which may
172.28 adversely affect the health or safety of persons served by the program; or

172.29 (3) the license holder or controlling individual is criminally charged in state or federal
172.30 court with an offense that involves fraud or theft against a program administered by ~~the~~
172.31 ~~commissioner~~ a state or federal agency.

172.32 (b) No state funds shall be made available or be expended by any agency or department
172.33 of state, county, or municipal government for use by a license holder regulated under this

chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 11. Minnesota Statutes 2024, section 245A.10, subdivision 2, is amended to read:

Subd. 2. **County fees for applications and licensing inspections.** (a) For purposes of adult foster care and child foster residence setting licensing, family adult day services, family adult foster care, and licensing the physical plant of a community residential setting or residential services facility, under this chapter, a county agency may charge a fee to a corporate applicant or corporate license holder to recover the actual cost of licensing inspections, not to exceed ~~\$500~~ \$2,100 annually. Of this amount, 50 percent must be allocated to the county agency and 50 percent must be deposited as required under subdivision 8.

(b) Counties may elect to reduce or waive the fees in paragraph (a) under the following circumstances:

(1) in cases of financial hardship;

(2) if the county has a shortage of providers in the county's area; or

(3) for new providers.

174.1 Sec. 12. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

174.2 Subd. 3. **Application fee for initial license or certification.** (a) Except as provided in
174.3 paragraph (d), for fees required under subdivision 1, an applicant for an initial license or
174.4 certification issued by the commissioner shall submit a ~~\$500~~ \$2,100 application fee with
174.5 each new application required under this subdivision. ~~An applicant for an initial day services~~
174.6 ~~facility license under chapter 245D shall submit a \$250 application fee with each new~~
174.7 ~~application.~~ A new application fee must be submitted for each new license holder on the
174.8 license when a partial change of ownership occurs. The application fee shall not be prorated,
174.9 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
174.10 December 31. The commissioner shall not process an application until the application fee
174.11 is paid.

174.12 (b) Except as provided in paragraph (c), an applicant shall apply for a license to provide
174.13 services at a specific location.

174.14 (c) For a license to provide home and community-based services to persons with
174.15 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
174.16 to provide services statewide.

174.17 (d) For fees required under subdivision 1, an applicant for an initial license or certification
174.18 issued by the commissioner for children's residential facility or mental health clinic licensure
174.19 or certification shall submit a \$500 application fee with each new application required under
174.20 this subdivision.

174.21 Sec. 13. Minnesota Statutes 2024, section 245A.10, subdivision 4, is amended to read:

174.22 Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed
174.23 to provide one or more of the home and community-based services and supports identified
174.24 under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual
174.25 nonrefundable license fee based on revenues derived from the provision of services that
174.26 would require licensure under chapter 245D during the calendar year immediately preceding
174.27 the year in which the license fee is paid, according to the following schedule:

174.28	License Holder Annual Revenue	License Fee
174.29		\$200
174.30	less than or equal to \$10,000	<u>\$250</u>
174.31	greater than \$10,000 but less than or	\$300
174.32	equal to \$25,000	<u>\$375</u>
174.33	greater than \$25,000 but less than or	\$400
174.34	equal to \$50,000	<u>\$500</u>

175.1	greater than \$50,000 but less than or	\$500
175.2	equal to \$100,000	<u>\$625</u>
175.3	greater than \$100,000 but less than or	\$600
175.4	equal to \$150,000	<u>\$750</u>
175.5	greater than \$150,000 but less than or	\$800
175.6	equal to \$200,000	<u>\$1,000</u>
175.7	greater than \$200,000 but less than or	\$1,000
175.8	equal to \$250,000	<u>\$1,250</u>
175.9	greater than \$250,000 but less than or	\$1,200
175.10	equal to \$300,000	<u>\$1,500</u>
175.11	greater than \$300,000 but less than or	\$1,400
175.12	equal to \$350,000	<u>\$1,750</u>
175.13	greater than \$350,000 but less than or	\$1,600
175.14	equal to \$400,000	<u>\$2,000</u>
175.15	greater than \$400,000 but less than or	\$1,800
175.16	equal to \$450,000	<u>\$2,250</u>
175.17	greater than \$450,000 but less than or	\$2,000
175.18	equal to \$500,000	<u>\$2,500</u>
175.19	greater than \$500,000 but less than or	\$2,250
175.20	equal to \$600,000	<u>\$2,850</u>
175.21	greater than \$600,000 but less than or	\$2,500
175.22	equal to \$700,000	<u>\$3,200</u>
175.23	greater than \$700,000 but less than or	\$2,750
175.24	equal to \$800,000	<u>\$3,600</u>
175.25	greater than \$800,000 but less than or	\$3,000
175.26	equal to \$900,000	<u>\$3,900</u>
175.27	greater than \$900,000 but less than or	\$3,250
175.28	equal to \$1,000,000	<u>\$4,250</u>
175.29	greater than \$1,000,000 but less than or	\$3,500
175.30	equal to \$1,250,000	<u>\$4,550</u>
175.31	greater than \$1,250,000 but less than or	\$3,750
175.32	equal to \$1,500,000	<u>\$4,900</u>
175.33	greater than \$1,500,000 but less than or	\$4,000
175.34	equal to \$1,750,000	<u>\$5,200</u>
175.35	greater than \$1,750,000 but less than or	\$4,250
175.36	equal to \$2,000,000	<u>\$5,500</u>
175.37	greater than \$2,000,000 but less than or	\$4,500
175.38	equal to \$2,500,000	<u>\$5,900</u>
175.39	greater than \$2,500,000 but less than or	\$4,750
175.40	equal to \$3,000,000	<u>\$6,200</u>
175.41	greater than \$3,000,000 but less than or	\$5,000
175.42	equal to \$3,500,000	<u>\$6,500</u>
175.43	greater than \$3,500,000 but less than or	\$5,500
175.44	equal to \$4,000,000	<u>\$7,200</u>
175.45	greater than \$4,000,000 but less than or	\$6,000
175.46	equal to \$4,500,000	<u>\$7,800</u>

176.1	greater than \$4,500,000 but less than or	\$6,500
176.2	equal to \$5,000,000	<u>\$9,000</u>
176.3	greater than \$5,000,000 but less than or	\$7,000
176.4	equal to \$7,500,000	<u>\$10,000</u>
176.5	greater than \$7,500,000 but less than or	\$8,500
176.6	equal to \$10,000,000	<u>\$14,000</u>
176.7	greater than \$10,000,000 but less than or	\$10,000
176.8	equal to \$12,500,000	<u>\$18,000</u>
176.9	greater than \$12,500,000 but less than or	\$14,000
176.10	equal to \$15,000,000	<u>\$25,000</u>
176.11	greater than \$15,000,000 but less than or	\$18,000
176.12	<u>equal to \$17,500,000</u>	<u>\$28,000</u>
176.13	<u>greater than \$17,500,000 but less than</u>	
176.14	<u>\$20,000,000</u>	<u>\$32,000</u>
176.15	<u>greater than \$20,000,000 but less than</u>	
176.16	<u>\$25,000,000</u>	<u>\$36,000</u>
176.17	<u>greater than \$25,000,000 but less than</u>	
176.18	<u>\$30,000,000</u>	<u>\$45,000</u>
176.19	<u>greater than \$30,000,000 but less than</u>	
176.20	<u>\$35,000,000</u>	<u>\$55,000</u>
176.21	<u>greater than \$35,000,000</u>	<u>\$75,000</u>

176.22 (2) If requested, the license holder shall provide the commissioner information to verify
176.23 the license holder's annual revenues or other information as needed, including copies of
176.24 documents submitted to the Department of Revenue.

176.25 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
176.26 and not provide annual revenue information to the commissioner.

176.27 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
176.28 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
176.29 of double the fee the provider should have paid.

176.30 (b) A residential substance use disorder treatment program licensed under chapter 245G,
176.31 to provide substance use disorder treatment shall pay an annual nonrefundable license fee
176.32 based on the following schedule:

176.33	Licensed Capacity	License Fee
176.34		\$600
176.35	1 to 24 persons	<u>\$2,600</u>
176.36		\$800
176.37	25 to 49 persons	<u>\$3,000</u>
176.38		\$1,000
176.39	50 to 74 persons	<u>\$5,000</u>

177.1		\$1,200
177.2	75 to 99 persons	<u>\$10,000</u>
177.3		\$1,400
177.4	100 or more persons <u>to 199 persons</u>	<u>\$15,000</u>
177.5	<u>200 or more persons</u>	<u>\$20,000</u>

177.6 (c) A nonresidential substance use disorder treatment program licensed under chapter
177.7 245G to provide substance use disorder treatment shall pay an annual nonrefundable license
177.8 fee of \$2,600.

177.9 ~~(e)~~ (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
177.10 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
177.11 an annual nonrefundable license fee based on the following schedule:

177.12	Licensed Capacity	License Fee
177.13		\$760
177.14	1 to 24 persons	<u>\$2,600</u>
177.15		\$960
177.16	25 to 49 persons	<u>\$3,000</u>
177.17		\$1,160
177.18	50 or more persons	<u>\$5,000</u>

177.19 A detoxification program that also operates a withdrawal management program at the same
177.20 location shall only pay one fee based upon the licensed capacity of the program with the
177.21 higher overall capacity.

177.22 ~~(d)~~ (e) A children's residential facility licensed under Minnesota Rules, chapter 2960,
177.23 to serve children shall pay an annual nonrefundable license fee based on the following
177.24 schedule:

177.25	Licensed Capacity	License Fee
177.26	1 to 24 persons	\$1,000
177.27	25 to 49 persons	\$1,100
177.28	50 to 74 persons	\$1,200
177.29	75 to 99 persons	\$1,300
177.30	100 or more persons	\$1,400

177.31 ~~(e)~~ (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts
177.32 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
177.33 nonrefundable license fee based on the following schedule:

177.34	Licensed Capacity	License Fee
177.35		\$2,525
177.36	1 to 24 persons	<u>\$2,600</u>

178.1		\$2,725
178.2	25 or more persons <u>to 49 persons</u>	<u>\$3,000</u>
178.3	<u>50 or more persons</u>	<u>\$20,000</u>

178.4 ~~(f)~~ (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to
178.5 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable
178.6 license fee based on the following schedule:

178.7	Licensed Capacity	License Fee
178.8	1 to 24 persons	\$450
178.9	25 to 49 persons	\$650
178.10	50 to 74 persons	\$850
178.11	75 to 99 persons	\$1,050
178.12	100 or more persons	\$1,250

178.13 ~~(g)~~ (h) A program licensed as an adult day care center licensed under Minnesota Rules,
178.14 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
178.15 following schedule:

178.16	Licensed Capacity	License Fee
178.17	1 to 24 persons	\$500
178.18	25 to 49 persons	\$700
178.19	50 to 74 persons	\$900
178.20	75 to 99 persons	\$1,100
178.21	100 or more persons	\$1,300

178.22 ~~(h)~~ (i) A program licensed to provide treatment services to persons with sexual
178.23 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
178.24 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

178.25 ~~(i)~~ (j) A mental health clinic certified under section 245I.20 shall pay an annual
178.26 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a
178.27 primary location with satellite facilities, the satellite facilities shall be certified with the
178.28 primary location without an additional charge.

178.29 (k) If a program subject to annual fees under paragraph (b), (c), (d), or (f) provides
178.30 services at a primary location with satellite facilities, the satellite facilities shall be licensed
178.31 with the primary location and shall be subject to an additional \$500 annual nonrefundable
178.32 license fee per satellite facility.

179.1 Sec. 14. Minnesota Statutes 2024, section 245A.10, subdivision 8, is amended to read:

179.2 Subd. 8. **Deposit of license fees.** A human services licensing and program integrity
179.3 account is created in the state government special revenue fund. Fees collected under
179.4 subdivisions 3 and 4 must be deposited in the human services licensing and program integrity
179.5 account and are annually appropriated to the commissioner for licensing activities authorized
179.6 under this chapter and program integrity activities.

179.7 Sec. 15. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision
179.8 to read:

179.9 Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,
179.10 submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'
179.11 Healthcare Common Procedure Coding System and the American Medical Association's
179.12 Current Procedural Terminology to determine the appropriate units of time to report.

179.13 (b) More than half the duration of a time-based code must be spent performing the service
179.14 to be eligible under this section. Any provision of service during the remaining balance of
179.15 the unit of time is not eligible for any other claims submission and would be considered a
179.16 duplicative claim submission.

179.17 (c) A provider may only round up to the next whole number of service units on a
179.18 submitted claim when more than one and one-half times the defined value of the code has
179.19 occurred and no additional time increment code exists.

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

179.21 Sec. 16. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

179.22 Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through
179.23 the settlement provisions applicable to the Supplemental Nutrition Assistance Program
179.24 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other
179.25 federal and state-funded programs.

179.26 (b) The commissioners will maintain program compliance if for any ~~three consecutive~~
179.27 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention
179.28 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
179.29 by the commissioners. This result is contingent on the commissioners providing written
179.30 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~
179.31 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required
179.32 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice

of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month, or billing the county or Tribal agency for fraud prevention investigation (FPI) service provided by the commissioners, or reallocation of program grant funds, or investigative resources, or both, to other counties or Tribal agencies. The denial of funding shall apply to the general settlement received by the county or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

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

Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. Requirements for provider enrollment of personal care assistance provider agencies. (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the 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 the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 for each business location providing service;

(4) proof of workers' compensation insurance coverage identifying the business location where personal care assistance services are provided;

(5) proof of liability insurance coverage identifying the business location where personal care assistance services are provided and naming the department as a certificate holder;

181.1 (6) a copy of the personal care assistance provider agency's written policies and
181.2 procedures including: hiring of employees; training requirements; service delivery; and
181.3 employee and consumer safety including process for notification and resolution of consumer
181.4 grievances, identification and prevention of communicable diseases, and employee
181.5 misconduct;

181.6 (7) copies of all other forms the personal care assistance provider agency uses in the
181.7 course of daily business including, but not limited to:

181.8 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
181.9 varies from the standard time sheet for personal care assistance services approved by the
181.10 commissioner, and a letter requesting approval of the personal care assistance provider
181.11 agency's nonstandard time sheet;

181.12 (ii) the personal care assistance provider agency's template for the personal care assistance
181.13 care plan; and

181.14 (iii) the personal care assistance provider agency's template for the written agreement
181.15 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

181.16 (8) a list of all training and classes that the personal care assistance provider agency
181.17 requires of its staff providing personal care assistance services;

181.18 (9) documentation that the personal care assistance provider agency and staff have
181.19 successfully completed all the training required by this section, including the requirements
181.20 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
181.21 provided and submitted for an enhanced rate under subdivision 17a;

181.22 (10) documentation of the agency's marketing practices;

181.23 (11) disclosure of ownership, leasing, or management of all residential properties that
181.24 is used or could be used for providing home care services;

181.25 (12) documentation that the agency will use the following percentages of revenue
181.26 generated from the medical assistance rate paid for personal care assistance services for
181.27 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
181.28 care assistance choice option and 72.5 percent of revenue from other personal care assistance
181.29 providers. The revenue generated by the qualified professional and the reasonable costs
181.30 associated with the qualified professional shall not be used in making this calculation; and

181.31 (13) effective May 15, 2010, documentation that the agency does not burden recipients'
181.32 free exercise of their right to choose service providers by requiring personal care assistants
181.33 to sign an agreement not to work with any particular personal care assistance recipient or

182.1 for another personal care assistance provider agency after leaving the agency and that the
182.2 agency is not taking action on any such agreements or requirements regardless of the date
182.3 signed.

182.4 (b) Personal care assistance provider agencies shall provide the information specified
182.5 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
182.6 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
182.7 the information specified in paragraph (a) from all personal care assistance providers
182.8 beginning July 1, 2009.

182.9 (c) All personal care assistance provider agencies shall require all employees in
182.10 management and supervisory positions and owners of the agency who are active in the
182.11 day-to-day management and operations of the agency to complete mandatory training as
182.12 determined by the commissioner before submitting an application for enrollment of the
182.13 agency as a provider. All personal care assistance provider agencies shall also require
182.14 qualified professionals to complete the training required by subdivision 13 before submitting
182.15 an application for enrollment of the agency as a provider. Employees in management and
182.16 supervisory positions and owners who are active in the day-to-day operations of an agency
182.17 who have completed the required training as an employee with a personal care assistance
182.18 provider agency do not need to repeat the required training if they are hired by another
182.19 agency, if they have completed the training within the past three years. By September 1,
182.20 2010, the required training must be available with meaningful access according to title VI
182.21 of the Civil Rights Act and federal regulations adopted under that law or any guidance from
182.22 the United States Health and Human Services Department. The required training must be
182.23 available online or by electronic remote connection. The required training must provide for
182.24 competency testing. Personal care assistance provider agency billing staff shall complete
182.25 training about personal care assistance program financial management. This training is
182.26 effective July 1, 2009. Any personal care assistance provider agency enrolled before that
182.27 date shall, if it has not already, complete the provider training within 18 months of July 1,
182.28 2009. Any new owners or employees in management and supervisory positions involved
182.29 in the day-to-day operations are required to complete mandatory training as a requisite of
182.30 working for the agency. Personal care assistance provider agencies certified for participation
182.31 in Medicare as home health agencies are exempt from the training required in this
182.32 subdivision. When available, Medicare-certified home health agency owners, supervisors,
182.33 or managers must successfully complete the competency test.

182.34 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability
182.35 insurance required by this subdivision must be maintained continuously. After initial

183.1 enrollment, a provider must submit proof of bonds and required coverages at any time at
183.2 the request of the commissioner. Services provided while there are lapses in coverage are
183.3 not eligible for payment. Lapses in coverage may result in sanctions, including termination.
183.4 The commissioner shall send instructions and a due date to submit the requested information
183.5 to the personal care assistance provider agency.

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

183.7 Sec. 18. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to
183.8 read:

183.9 Subd. 16a. **Background studies.** An early intensive developmental and behavioral
183.10 intervention services agency must fulfill any background studies requirements under this
183.11 section by initiating a background study through the commissioner's NETStudy 2.0 system
183.12 as provided under ~~sections 245C.03, subdivision 15, and 245C.10, subdivision 17~~ chapter
183.13 245C and must maintain documentation of background study requests and results.

183.14 Sec. 19. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

183.15 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers
183.16 providing services to seniors and individuals with disabilities under chapter 256S and
183.17 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

183.18 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota
183.19 health care program requirements;

183.20 (2) regular reviews of provider qualifications, and including requests of proof of
183.21 documentation; and

183.22 (3) processes to gather the necessary information to determine provider qualifications.

183.23 (b) A provider shall not require or coerce any service recipient to change waiver programs
183.24 or move to a different location, consistent with the informed choice and independent living
183.25 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

183.26 (c) ~~Beginning July 1, 2012, For~~ For staff that provide direct contact, as defined in section
183.27 245C.02, subdivision 11, for services specified in the federally approved waiver plans,
183.28 providers must meet the requirements of chapter 245C prior to providing waiver services
183.29 and as part of ongoing enrollment. Upon federal approval, and maintain documentation of
183.30 background study requests and results. This requirement must also apply applies to
183.31 consumer-directed community supports.

184.1 (d) ~~Beginning January 1, 2014,~~ Service owners and managerial officials overseeing the
184.2 management or policies of services that provide direct contact as specified in the federally
184.3 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment
184.4 or revalidation or, for new providers, prior to initial enrollment if they have not already
184.5 done so as a part of service licensure requirements.

184.6 Sec. 20. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

184.7 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS
184.8 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation
184.9 as a CFSS agency-provider in a format determined by the commissioner, information and
184.10 documentation that includes but is not limited to the following:

184.11 (1) the CFSS agency-provider's current contact information including address, telephone
184.12 number, and email address;

184.13 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's
184.14 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the
184.15 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid
184.16 revenue in the previous calendar year is greater than \$300,000, the agency-provider must
184.17 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
184.18 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
184.19 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
184.20 surety bond must occur within six years from the date the debt is affirmed by a final agency
184.21 decision. An agency decision is final when the right to appeal the debt has been exhausted
184.22 or the time to appeal has expired under section 256B.064;

184.23 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

184.24 (4) proof of workers' compensation insurance coverage;

184.25 (5) proof of liability insurance;

184.26 (6) a copy of the CFSS agency-provider's organizational chart identifying the names
184.27 and roles of all owners, managing employees, staff, board of directors, and additional
184.28 documentation reporting any affiliations of the directors and owners to other service
184.29 providers;

184.30 (7) proof that the CFSS agency-provider has written policies and procedures including:
184.31 hiring of employees; training requirements; service delivery; and employee and consumer
184.32 safety, including the process for notification and resolution of participant grievances, incident
184.33 response, identification and prevention of communicable diseases, and employee misconduct;

- 185.1 (8) proof that the CFSS agency-provider has all of the following forms and documents:
- 185.2 (i) a copy of the CFSS agency-provider's time sheet; and
- 185.3 (ii) a copy of the participant's individual CFSS service delivery plan;
- 185.4 (9) a list of all training and classes that the CFSS agency-provider requires of its staff
- 185.5 providing CFSS services;
- 185.6 (10) documentation that the CFSS agency-provider and staff have successfully completed
- 185.7 all the training required by this section;
- 185.8 (11) documentation of the agency-provider's marketing practices;
- 185.9 (12) disclosure of ownership, leasing, or management of all residential properties that
- 185.10 are used or could be used for providing home care services;
- 185.11 (13) documentation that the agency-provider will use at least the following percentages
- 185.12 of revenue generated from the medical assistance rate paid for CFSS services for CFSS
- 185.13 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except
- 185.14 100 percent of the revenue generated by a medical assistance rate increase due to a collective
- 185.15 bargaining agreement under section 179A.54 must be used for support worker wages and
- 185.16 benefits. The revenue generated by the worker training and development services and the
- 185.17 reasonable costs associated with the worker training and development services shall not be
- 185.18 used in making this calculation; and
- 185.19 (14) documentation that the agency-provider does not burden participants' free exercise
- 185.20 of their right to choose service providers by requiring CFSS support workers to sign an
- 185.21 agreement not to work with any particular CFSS participant or for another CFSS
- 185.22 agency-provider after leaving the agency and that the agency is not taking action on any
- 185.23 such agreements or requirements regardless of the date signed.
- 185.24 (b) CFSS agency-providers shall provide to the commissioner the information specified
- 185.25 in paragraph (a).
- 185.26 (c) All CFSS agency-providers shall require all employees in management and
- 185.27 supervisory positions and owners of the agency who are active in the day-to-day management
- 185.28 and operations of the agency to complete mandatory training as determined by the
- 185.29 commissioner. Employees in management and supervisory positions and owners who are
- 185.30 active in the day-to-day operations of an agency who have completed the required training
- 185.31 as an employee with a CFSS agency-provider do not need to repeat the required training if
- 185.32 they are hired by another agency and they have completed the training within the past three
- 185.33 years. CFSS agency-provider billing staff shall complete training about CFSS program

186.1 financial management. Any new owners or employees in management and supervisory
186.2 positions involved in the day-to-day operations are required to complete mandatory training
186.3 as a requisite of working for the agency.

186.4 (d) Agency-providers shall submit all required documentation in this section within 30
186.5 days of notification from the commissioner. If an agency-provider fails to submit all the
186.6 required documentation, the commissioner may take action under subdivision 23a.

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

186.8 ARTICLE 7

186.9 DIRECT CARE AND TREATMENT

186.10 Section 1. Minnesota Statutes 2024, section 246.54, subdivision 1a, is amended to read:

186.11 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the
186.12 cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the
186.13 following schedule:

186.14 (1) zero percent for the first 30 days;

186.15 (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate
186.16 for the client; and

186.17 (3) 100 percent for each day during the stay, including the day of admission, when the
186.18 facility determines that it is clinically appropriate for the client to be discharged.

186.19 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent
186.20 of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause
186.21 (2), the county shall be responsible for paying the state only the remaining amount. The
186.22 county shall not be entitled to reimbursement from the client, the client's estate, or from the
186.23 client's relatives, except as provided in section 246.53.

186.24 (c) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not
186.25 responsible for the cost of care under paragraph (a), clause (3), for a person who is committed
186.26 as a person who has a mental illness and is dangerous to the public under section 253B.18
186.27 and who is awaiting transfer to another state-operated facility or program. This paragraph
186.28 expires ~~March 31, 2025~~ June 30, 2027.

186.29 (d) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not
186.30 responsible for the cost of care under paragraph (a), clause (3), for a person who is civilly
186.31 committed, if the client is awaiting transfer:

187.1 (1) to a facility operated by the Department of Corrections; or

187.2 (2) to another state-operated facility or program, and the Direct Care and Treatment
187.3 executive medical director's office or a designee has determined that:

187.4 (i) the client meets criteria for admission to that state-operated facility or program; and

187.5 (ii) the state-operated facility or program is the only facility or program that can
187.6 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2027.

187.7 (e) Notwithstanding any law to the contrary, the client is not responsible for payment
187.8 of the cost of care under this subdivision.

187.9 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

187.10 Sec. 2. Minnesota Statutes 2024, section 246.54, subdivision 1b, is amended to read:

187.11 Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost
187.12 of care provided at state-operated community-based behavioral health hospitals for adults
187.13 and children shall be according to the following schedule:

187.14 (1) 100 percent for each day during the stay, including the day of admission, when the
187.15 facility determines that it is clinically appropriate for the client to be discharged; and

187.16 (2) the county shall not be entitled to reimbursement from the client, the client's estate,
187.17 or from the client's relatives, except as provided in section 246.53.

187.18 (b) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not
187.19 responsible for the cost of care under paragraph (a), clause (1), for a person committed as
187.20 a person who has a mental illness and is dangerous to the public under section 253B.18 and
187.21 who is awaiting transfer to another state-operated facility or program. This paragraph expires
187.22 ~~March 31, 2025~~ June 30, 2027.

187.23 (c) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not
187.24 responsible for the cost of care under paragraph (a), clause (1), for a person who is civilly
187.25 committed, if the client is awaiting transfer:

187.26 (1) to a facility operated by the Department of Corrections; or

187.27 (2) to another state-operated facility or program, and the Direct Care and Treatment
187.28 executive medical director's office or a designee has determined that:

187.29 (i) the client meets criteria for admission to that state-operated facility or program; and

187.30 (ii) the state-operated facility or program is the only facility or program that can
187.31 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2027.

188.1 (d) Notwithstanding any law to the contrary, the client is not responsible for payment
188.2 of the cost of care under this subdivision.

188.3 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

188.4 Sec. 3. Minnesota Statutes 2024, section 246B.10, is amended to read:

188.5 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

188.6 (a) The civilly committed sex offender's county shall pay to the state a portion of the
188.7 cost of care provided in the Minnesota Sex Offender Program to a civilly committed sex
188.8 offender who has legally settled in that county.

188.9 (b) A county's payment must be made from the county's own sources of revenue and
188.10 payments must:

188.11 (1) equal ten percent of the cost of care, as determined by the executive board, for each
188.12 day or portion of a day that the civilly committed sex offender spends at the facility for
188.13 individuals admitted to the Minnesota Sex Offender Program before August 1, 2011; or

188.14 (2) equal 25 percent of the cost of care, as determined by the executive board, for each
188.15 day or portion of a day that the civilly committed sex offender:

188.16 (i) spends at the facility for individuals admitted to the Minnesota Sex Offender Program
188.17 on or after August 1, 2011; or

188.18 (ii) receives services within a program operated by the Minnesota Sex Offender Program
188.19 while on provisional discharge.

188.20 This paragraph expires June 30, 2027.

188.21 (c) The county is responsible for paying the state the remaining amount if payments
188.22 received by the state under this chapter exceed:

188.23 (1) 90 percent of the cost of care for individuals admitted to the Minnesota Sex Offender
188.24 Program before August 1, 2011; or

188.25 (2) 75 percent of the cost of care for individuals:

188.26 (i) admitted to the Minnesota Sex Offender Program on or after August 1, 2011; or

188.27 (ii) receiving services within a program operated by the Minnesota Sex Offender Program
188.28 while on provisional discharge.

188.29 This paragraph expires June 30, 2027.

(d) The county is not entitled to reimbursement from the civilly committed sex offender, the civilly committed sex offender's estate, or from the civilly committed sex offender's relatives, except as provided in section 246B.07.

(e) Effective July 1, 2027, a county's payment must be made from the county's own sources of revenue and payments must equal 40 percent of the cost of care as determined by the executive board for each day or portion of a day that the civilly committed sex offender spends at the facility or receives services within a program operated by the Minnesota Sex Offender Program while on provisional discharge.

(f) Effective July 1, 2027, the county is responsible for paying the state the remaining amount if payments received by the state under this chapter exceed 60 percent of the cost of care for individuals.

Sec. 4. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

Subd. 3. Direct Care and Treatment systems account. (a) The Direct Care and Treatment systems account is created in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the account is appropriated to the Direct Care and Treatment executive board and may be used for security systems and information technology projects, services, and support under the control of the executive board.

(b) The commissioner of human services shall transfer all money allocated to the Direct Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment systems account by June 30, 2026.

(c) Beginning July 1, 2025, and each fiscal year thereafter, \$5,000,000 of general fund cost of care collections under section 246.18, subdivision 4, shall be deposited into the Direct Care and Treatment systems account to support the Direct Care and Treatment electronic health record system and information technology projects.

Sec. 5. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

Subdivision 1. Commitment and competency proceedings. In cases of voluntary admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient examination or participation in a competency attainment program under chapter 611, the committing county or the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 is issued shall initially pay for all costs. This includes the expenses of the taking into custody, confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07,

190.1 examination, commitment, conveyance to the place of detention, rehearing, and hearings
190.2 under ~~section~~ sections 253B.092 and 611.47, including hearings held under ~~that section~~
190.3 ~~which~~ those sections that are venued outside the county of commitment or the county of
190.4 the chapter 611 competency proceedings order.

190.5 **EFFECTIVE DATE.** This section is effective July 1, 2027.

190.6 Sec. 6. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

190.7 Subd. 2. **Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted
190.8 to a state institution, or ordered for inpatient examination or participation in a competency
190.9 attainment program under chapter 611 has no residence in this state, financial responsibility
190.10 belongs to the county of commitment or the county from which the first criminal order for
190.11 inpatient examination or order for participation in a competency attainment program under
190.12 chapter 611 was issued.

190.13 **EFFECTIVE DATE.** This section is effective July 1, 2027.

190.14 Sec. 7. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

190.15 Subdivision 1. **General procedures.** If upon investigation the local agency decides that
190.16 the application, ~~or~~ commitment, or first criminal order under chapter 611 was not filed in
190.17 the county of financial responsibility as defined by this chapter, but that the applicant is
190.18 otherwise eligible for assistance, it shall send a copy of the application, ~~or~~ commitment
190.19 claim, or chapter 611 claim together with the record of any investigation it has made, to the
190.20 county it believes is financially responsible. The copy and record must be sent within 60
190.21 days of the date the application was approved or the claim was paid. The first local agency
190.22 shall provide assistance to the applicant until financial responsibility is transferred under
190.23 this section.

190.24 The county receiving the transmittal has 30 days to accept or reject financial
190.25 responsibility. A failure to respond within 30 days establishes financial responsibility by
190.26 the receiving county.

190.27 **EFFECTIVE DATE.** This section is effective July 1, 2027.

190.28 Sec. 8. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

190.29 Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe
190.30 it is financially responsible, it should provide to the commissioner of human services and
190.31 the initially responsible county a statement of all facts and documents necessary for the

191.1 commissioner to make the requested determination of financial responsibility. The submission
191.2 must clearly state the program area in dispute and must state the specific basis upon which
191.3 the submitting county is denying financial responsibility.

191.4 (b) The initially responsible county then has 15 calendar days to submit its position and
191.5 any supporting evidence to the commissioner. The absence of a submission by the initially
191.6 responsible county does not limit the right of the commissioner of human services or Direct
191.7 Care and Treatment executive board to issue a binding opinion based on the evidence actually
191.8 submitted.

191.9 (c) A case must not be submitted until the local agency taking the application, ~~or~~ making
191.10 the commitment, or residing in the county from which the first criminal order under chapter
191.11 611 was issued has made an initial determination about eligibility and financial responsibility,
191.12 and services have been initiated. This paragraph does not prohibit the submission of closed
191.13 cases that otherwise meet the applicable statute of limitations.

191.14 **EFFECTIVE DATE.** This section is effective July 1, 2027.

191.15 Sec. 9. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to
191.16 read:

191.17 **Subd. 5. Costs related to confined treatment.** (a) When a defendant is ordered to
191.18 participate in an examination in a treatment facility, a locked treatment facility, or a
191.19 state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill
191.20 the responsible health plan first. The county in which the criminal charges are filed is
191.21 responsible to pay any charges not covered by the health plan, including co-pays and
191.22 deductibles. If the defendant has health plan coverage and is confined in a hospital, but the
191.23 hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1);
191.24 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal
191.25 charges are filed is responsible for payment.

191.26 (b) The Direct Care and Treatment executive board shall determine the cost of
191.27 confinement in a state-operated treatment facility based on the executive board's
191.28 determination of cost of care pursuant to section 246.50, subdivision 5.

191.29 Sec. 10. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

191.30 Subdivision 1. **Order to competency attainment program.** (a) If the court finds the
191.31 defendant incompetent and the charges have not been dismissed, the court shall order the
191.32 defendant to participate in a program to assist the defendant in attaining competency. The

192.1 court may order participation in a competency attainment program provided outside of a
192.2 jail, a jail-based competency attainment program, or an alternative program. The court must
192.3 determine the least-restrictive program appropriate to meet the defendant's needs and public
192.4 safety. In making this determination, the court must consult with the forensic navigator and
192.5 consider any recommendations of the court examiner. The court shall not order a defendant
192.6 to participate in a jail-based program or a state-operated treatment program if the highest
192.7 criminal charge is a targeted misdemeanor.

192.8 (b) If the court orders the defendant to a locked treatment facility or jail-based program,
192.9 the court must calculate the defendant's custody credit and cannot order the defendant to a
192.10 locked treatment facility or jail-based program for a period that would cause the defendant's
192.11 custody credit to exceed the maximum sentence for the underlying charge.

192.12 (c) The court may only order the defendant to participate in competency attainment at
192.13 an inpatient or residential treatment program under this section if the head of the treatment
192.14 program determines that admission to the program is clinically appropriate and consents to
192.15 the defendant's admission. The court may only order the defendant to participate in
192.16 competency attainment at a state-operated treatment facility under this section if the Direct
192.17 Care and Treatment executive board or a designee determines that admission of the defendant
192.18 is clinically appropriate and consents to the defendant's admission. The court may require
192.19 a competency program that qualifies as a locked facility or a state-operated treatment program
192.20 to notify the court in writing of the basis for refusing consent for admission of the defendant
192.21 in order to ensure transparency and maintain an accurate record. The court may not require
192.22 personal appearance of any representative of a competency program. The court shall send
192.23 a written request for notification to the locked facility or state-operated treatment program
192.24 and the locked facility or state-operated treatment program shall provide a written response
192.25 to the court within ten days of receipt of the court's request.

192.26 (d) If the defendant is confined in jail and has not received competency attainment
192.27 services within 30 days of the finding of incompetency, the court shall review the case with
192.28 input from the prosecutor and defense counsel and may:

192.29 (1) order the defendant to participate in an appropriate competency attainment program
192.30 that takes place outside of a jail;

192.31 (2) order a conditional release of the defendant with conditions that include but are not
192.32 limited to a requirement that the defendant participate in a competency attainment program
192.33 when one becomes available and accessible;

193.1 (3) make a determination as to whether the defendant is likely to attain competency in
193.2 the reasonably foreseeable future and proceed under section 611.49; or

193.3 (4) upon a motion, dismiss the charges in the interest of justice.

193.4 (e) The court may order any hospital, treatment facility, or correctional facility that has
193.5 provided care or supervision to a defendant in the previous two years to provide copies of
193.6 the defendant's medical records to the competency attainment program or alternative program
193.7 in which the defendant was ordered to participate. This information shall be provided in a
193.8 consistent and timely manner and pursuant to all applicable laws.

193.9 (f) If at any time the defendant refuses to participate in a competency attainment program
193.10 or an alternative program, the head of the program shall notify the court and any entity
193.11 responsible for supervision of the defendant.

193.12 (g) At any time, the head of the program may discharge the defendant from the program
193.13 or facility. The head of the program must notify the court, prosecutor, defense counsel, and
193.14 any entity responsible for the supervision of the defendant prior to any planned discharge.
193.15 Absent emergency circumstances, this notification shall be made five days prior to the
193.16 discharge if the defendant is not being discharged to jail or a correctional facility. Upon the
193.17 receipt of notification of discharge or upon the request of either party in response to
193.18 notification of discharge, the court may order that a defendant who is subject to bail or
193.19 unmet conditions of release be returned to jail upon being discharged from the program or
193.20 facility. If the court orders a defendant returned to jail, the court shall notify the parties and
193.21 head of the program at least one day before the defendant's planned discharge, except in
193.22 the event of an emergency discharge where one day notice is not possible. The court must
193.23 hold a review hearing within seven days of the defendant's return to jail. The forensic
193.24 navigator must be given notice of the hearing and be allowed to participate.

193.25 (h) If the defendant is discharged from the program or facility under emergency
193.26 circumstances, notification of emergency discharge shall include a description of the
193.27 emergency circumstances and may include a request for emergency transportation. The
193.28 court shall make a determination on a request for emergency transportation within 24 hours.
193.29 Nothing in this section prohibits a law enforcement agency from transporting a defendant
193.30 pursuant to any other authority.

193.31 (i) If the defendant is ordered to participate in an inpatient or residential competency
193.32 attainment or alternative program, the program or facility must notify the court, prosecutor,
193.33 defense counsel, forensic navigator, and any entity responsible for the supervision of the

194.1 defendant if the defendant is placed on a leave or elopement status from the program and
194.2 if the defendant returns to the program from a leave or elopement status.

194.3 (j) Defense counsel, prosecutors, and forensic navigators must have access to information
194.4 relevant to a defendant's participation and treatment in a competency attainment program
194.5 or alternative program, including but not limited to discharge planning.

194.6 Sec. 11. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to
194.7 read:

194.8 Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created,
194.9 or maintained by a competency attainment program or an alternative program regarding a
194.10 defendant in order for navigators to carry out their duties under this section. A competency
194.11 attainment program or alternative program may request a copy of the court order appointing
194.12 the forensic navigator before disclosing any private information about a defendant.

194.13 **EFFECTIVE DATE.** This section is effective July 1, 2027.

194.14 **ARTICLE 8**

194.15 **HOMELESSNESS, HOUSING, AND SUPPORT SERVICES**

194.16 Section 1. Minnesota Statutes 2024, section 256B.051, subdivision 6, is amended to read:

194.17 Subd. 6. **Provider qualifications and duties.** A provider eligible for reimbursement
194.18 under this section shall:

194.19 (1) enroll as a medical assistance Minnesota health care program provider and meet all
194.20 applicable provider standards and requirements;

194.21 (2) demonstrate compliance with federal and state laws and policies for housing
194.22 stabilization services as determined by the commissioner;

194.23 (3) comply with background study requirements under chapter 245C and maintain
194.24 documentation of background study requests and results;

194.25 (4) directly provide housing stabilization services and not use a subcontractor or reporting
194.26 agent; ~~and~~

194.27 (5) complete annual vulnerable adult training; and

194.28 (6) complete compliance training as required under subdivision 6a.

195.1 Sec. 2. Minnesota Statutes 2024, section 256B.051, is amended by adding a subdivision
195.2 to read:

195.3 Subd. 6a. **Requirements for provider enrollment.** (a) Effective January 1, 2027, to
195.4 enroll as a housing stabilization services provider agency, an agency must require all owners
195.5 of the agency who are active in the day-to-day management and operations of the agency
195.6 and managerial and supervisory employees to complete compliance training before applying
195.7 for enrollment and every three years thereafter. Mandatory compliance training format and
195.8 content must be determined by the commissioner and must include the following topics:

195.9 (1) state and federal program billing, documentation, and service delivery requirements;

195.10 (2) enrollment requirements;

195.11 (3) provider program integrity, including fraud prevention, detection, and penalties;

195.12 (4) fair labor standards;

195.13 (5) workplace safety requirements; and

195.14 (6) recent changes in service requirements.

195.15 (b) New owners active in day-to-day management and operations of the agency and
195.16 managerial and supervisory employees must complete compliance training under this
195.17 subdivision to be employed by or conduct management and operations activities for the
195.18 agency. If an individual moves to another housing stabilization services provider agency
195.19 and serves in a similar ownership or employment capacity, the individual is not required to
195.20 repeat the training required under this subdivision if the individual documents completion
195.21 of the training within the past three years.

195.22 (c) Any housing stabilization services provider agency enrolled before January 1, 2027,
195.23 must complete the compliance training by January 1, 2028, and every three years thereafter.

195.24 Sec. 3. Minnesota Statutes 2024, section 256I.03, subdivision 11a, is amended to read:

195.25 Subd. 11a. **MSA equivalent rate.** "MSA equivalent rate" means an amount equal to the
195.26 total of:

195.27 (1) the combined maximum shelter and basic needs standards for MSA recipients living
195.28 alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

195.29 (2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance
195.30 Program (SNAP) for a single individual which is in effect on the first day of July each year;
195.31 less

196.1 (3) the personal needs allowance authorized for medical assistance recipients under
196.2 section 256B.35.

196.3 The MSA equivalent rate ~~is to~~ shall be adjusted on the first day of July each year to
196.4 reflect ~~changes~~ increases in any of the component rates under clauses (1) to (3).

196.5 Sec. 4. Minnesota Statutes 2024, section 256I.05, subdivision 1d, is amended to read:

196.6 Subd. 1d. **Certain facilities for mental illness or substance use disorder;**
196.7 **supplementary rates.** ~~Notwithstanding the provisions of subdivisions 1a and 1e,~~ A county
196.8 agency may negotiate a supplementary service rate in addition to the ~~board and lodging~~ rate
196.9 under subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, for
196.10 facilities licensed and registered by the Minnesota Department of Health under section
196.11 157.17 prior to December 31, 1996, if the facility meets the following criteria:

196.12 (1) at least 75 percent of the residents have a primary diagnosis of mental illness,
196.13 substance use disorder, or both, and have related special needs;

196.14 (2) the facility provides 24-hour, on-site, year-round supportive services by qualified
196.15 staff capable of intervention in a crisis of persons with late-stage inebriety or mental illness
196.16 who are vulnerable to abuse or neglect;

196.17 (3) the services at the facility include, but are not limited to:

196.18 (i) secure central storage of medication;

196.19 (ii) reminders and monitoring of medication for self-administration;

196.20 (iii) support for developing an individual medical and social service plan, updating the
196.21 plan, and monitoring compliance with the plan; and

196.22 (iv) assistance with setting up meetings, appointments, and transportation to access
196.23 medical, chemical health, and mental health service providers;

196.24 (4) each resident has a documented need for at least one of the services provided;

196.25 (5) each resident has been offered an opportunity to apply for admission to a licensed
196.26 residential treatment program for mental illness, substance use disorder, or both, have refused
196.27 that offer, and the offer and their refusal has been documented to writing; and

196.28 (6) the residents are not eligible for home and community-based services waivers because
196.29 of their unique need for community support.

196.30 ~~Until June 30, 2002, the supplementary service rate of qualifying facilities under this~~
196.31 ~~subdivision may be increased by up to 15 percent of the supplementary service rate in effect~~

197.1 ~~on January 1, 2001, for the facility. Qualifying facilities with no supplementary service rate~~
197.2 ~~may negotiate a supplementary service rate not to exceed \$300 per month.~~

197.3 Sec. 5. Minnesota Statutes 2024, section 256I.05, subdivision 1e, is amended to read:

197.4 Subd. 1e. **Supplementary rate for certain facilities.** (a) ~~Notwithstanding the provisions~~
197.5 ~~of subdivisions 1a and 1e, beginning July 1, 2005,~~ A county agency shall negotiate a
197.6 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
197.7 ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum
197.8 rate allowed under subdivision 1a, for a housing support provider that:

197.9 (1) is located in Hennepin County and has had a housing support contract with the county
197.10 since June 1996;

197.11 (2) operates in three separate locations a 75-bed facility, a 50-bed facility, and a 26-bed
197.12 facility; and

197.13 (3) serves a clientele with substance use disorder, providing 24 hours per day supervision
197.14 and limiting a resident's maximum length of stay to 13 months out of a consecutive 24-month
197.15 period.

197.16 (b) ~~Notwithstanding subdivisions 1a and 1e,~~ A county agency shall negotiate a
197.17 supplementary rate in addition to the rate specified in subdivision 1, not to exceed ~~\$700 per~~
197.18 ~~month, including any legislatively authorized inflationary adjustments,~~ of the maximum
197.19 rate allowed under subdivision 1a, for a housing support provider that:

197.20 (1) is located in St. Louis County and has had a housing support contract with the county
197.21 since 2006;

197.22 (2) operates a 62-bed facility; and

197.23 (3) serves an adult male clientele with substance use disorder, providing 24 hours per
197.24 day supervision and limiting a resident's maximum length of stay to 13 months out of a
197.25 consecutive 24-month period.

197.26 (c) ~~Notwithstanding subdivisions 1a and 1e, beginning July 1, 2013,~~ A county agency
197.27 shall negotiate a supplementary rate in addition to the rate specified in subdivision 1, not
197.28 to exceed ~~\$700 per month, including any legislatively authorized inflationary adjustments~~
197.29 the maximum rate allowed under subdivision 1a, for the provider described under paragraphs
197.30 (a) and (b), not to exceed an additional 115 beds.

198.1 Sec. 6. Minnesota Statutes 2024, section 256I.05, subdivision 1f, is amended to read:

198.2 Subd. 1f. **Supplementary service rate increases on or after July 1, 2001.** ~~Until June~~
198.3 ~~30, 2002, the supplementary service rate for recipients of assistance under section 256I.04~~
198.4 ~~who reside in A county agency shall negotiate a supplementary service rate in addition to~~
198.5 ~~the rate specified in subdivision 1, not to exceed the maximum rate under subdivision 1a,~~
198.6 ~~for a residence that is licensed by the commissioner of health as a boarding care home but~~
198.7 ~~is not certified for purposes of the medical assistance program may be increased by up to~~
198.8 ~~32 percent of the supplementary service rate in effect for that facility on January 1, 2001.~~
198.9 ~~The new rate shall not exceed the nonfederal share of the statewide weighted average~~
198.10 ~~monthly medical assistance nursing facility payment rate for case mix A in effect on January~~
198.11 ~~1, 2001.~~

198.12 Sec. 7. Minnesota Statutes 2024, section 256I.05, subdivision 1g, is amended to read:

198.13 Subd. 1g. **Supplementary service rate for certain facilities.** An agency may negotiate
198.14 a supplementary service rate, not to exceed the maximum rate allowed under subdivision
198.15 1a, for recipients of assistance under section 256I.04, subdivision 1, paragraph (a) or (b),
198.16 who have experienced long-term homelessness and who live in a supportive housing
198.17 establishment under section 256I.04, subdivision 2a, paragraph (b), clause (2).

198.18 Sec. 8. Minnesota Statutes 2024, section 256I.05, subdivision 1h, is amended to read:

198.19 Subd. 1h. **Supplementary rate for certain facilities serving males with substance**
198.20 **use disorder.** ~~Notwithstanding subdivisions 1a and 1e, beginning July 1, 2007, A county~~
198.21 ~~agency shall negotiate a supplementary~~ service ~~rate in addition to the rate specified in~~
198.22 ~~subdivision 1, not to exceed \$737.87 per month, including any legislatively authorized~~
198.23 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing
198.24 support provider that:

198.25 (1) is located in Ramsey County and has had a housing support contract with the county
198.26 since 1982 and has been licensed as a board and lodge facility with special services since
198.27 1979; and

198.28 (2) serves males with and recovering from substance use disorder, providing
198.29 24-hour-a-day supervision.

198.30 Sec. 9. Minnesota Statutes 2024, section 256I.05, subdivision 1i, is amended to read:

198.31 Subd. 1i. **Supplementary rate for certain facilities; Hennepin County.** ~~Notwithstanding~~
198.32 ~~the provisions of subdivisions 1a and 1e, A county agency shall negotiate a supplementary~~

199.1 service rate in addition to the rate specified in subdivision 1, not to exceed \$700 per month,
199.2 ~~including any legislatively authorized inflationary adjustments, up to the available~~
199.3 ~~appropriation~~ the maximum rate allowed under subdivision 1a, for a facility located in
199.4 Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a
199.5 board and lodging facility and that until August 1, 2007, operated as a licensed substance
199.6 use disorder treatment program.

199.7 Sec. 10. Minnesota Statutes 2024, section 256I.05, subdivision 1j, is amended to read:

199.8 Subd. 1j. **Supplementary rate for certain facilities; Crow Wing**
199.9 **County.** ~~Notwithstanding the provisions of subdivisions 1a and 1c, beginning July 1, 2007,~~
199.10 A county agency shall negotiate a supplementary service rate in addition to the rate specified
199.11 in subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized~~
199.12 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a ~~new~~ 65-bed
199.13 facility in Crow Wing County that ~~will serve~~ serves persons with substance use disorder
199.14 operated by a housing support provider that currently operates a 304-bed facility in
199.15 Minneapolis and a 44-bed facility in Duluth which opened in January of 2006.

199.16 Sec. 11. Minnesota Statutes 2024, section 256I.05, subdivision 1k, is amended to read:

199.17 Subd. 1k. **Supplementary rate for certain facilities; Stearns, Sherburne, or Benton**
199.18 **County.** ~~Notwithstanding the provisions of this section, beginning July 1, 2009,~~ A county
199.19 agency shall negotiate a supplementary service rate in addition to the rate specified in
199.20 subdivision 1, not to exceed \$700 per month, ~~including any legislatively authorized~~
199.21 ~~inflationary adjustments~~ the maximum rate allowed under subdivision 1a, for a housing
199.22 support provider located in Stearns, Sherburne, or Benton County that operates a 40-bed
199.23 facility, that received financing through the Minnesota Housing Finance Agency Ending
199.24 Long-Term Homelessness Initiative and serves clientele with substance use disorder,
199.25 providing 24-hour-a-day supervision.

199.26 Sec. 12. Minnesota Statutes 2024, section 256I.05, subdivision 1l, is amended to read:

199.27 Subd. 1l. **Supplementary rate for certain facilities; St. Louis County.** ~~Notwithstanding~~
199.28 ~~the provisions of this section, beginning July 1, 2007,~~ A county agency shall negotiate a
199.29 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
199.30 \$700 per month, ~~including any legislatively authorized inflationary adjustments~~ the maximum
199.31 rate allowed under subdivision 1a, for a housing support provider located in St. Louis County
199.32 that operates a 30-bed facility, that received financing through the Minnesota Housing

200.1 Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with
200.2 substance use disorder, providing 24-hour-a-day supervision.

200.3 Sec. 13. Minnesota Statutes 2024, section 256I.05, subdivision 1m, is amended to read:

200.4 Subd. 1m. **Supplemental Supplementary rate for certain facilities; Hennepin and**
200.5 **Ramsey Counties.** ~~Notwithstanding the provisions of this section, beginning July 1, 2007,~~
200.6 A county agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to
200.7 the rate specified in subdivision 1, not to exceed the maximum rate in subdivision 1a ~~or the~~
200.8 ~~existing monthly rate, whichever is higher, including any legislatively authorized inflationary~~
200.9 ~~adjustments,~~ for a housing support provider that operates two ten-bed facilities, one located
200.10 in Hennepin County and one located in Ramsey County, which provide community support
200.11 and serve the mental health needs of individuals who have chronically lived unsheltered,
200.12 providing 24-hour-per-day supervision.

200.13 Sec. 14. Minnesota Statutes 2024, section 256I.05, subdivision 1n, is amended to read:

200.14 Subd. 1n. **Supplemental Supplementary rate; Mahnomen County.** ~~Notwithstanding~~
200.15 ~~the provisions of this section, for the rate period July 1, 2010, to June 30, 2011,~~ A county
200.16 agency shall negotiate a ~~supplemental~~ supplementary service rate in addition to the rate
200.17 specified in subdivision 1, not to exceed ~~\$753 per month or the existing rate, including any~~
200.18 ~~legislative authorized inflationary adjustments~~ the maximum rate allowed under subdivision
200.19 1a, for a housing support provider located in Mahnomen County that operates a 28-bed
200.20 facility providing 24-hour care to individuals who are homeless, disabled, mentally ill,
200.21 chronically homeless, or have substance use disorder.

200.22 Sec. 15. Minnesota Statutes 2024, section 256I.05, subdivision 1p, is amended to read:

200.23 Subd. 1p. **Supplementary rate; St. Louis County.** ~~Notwithstanding the provisions of~~
200.24 ~~subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate a
200.25 supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
200.26 ~~\$700 per month, including any legislatively authorized inflationary adjustments~~ the maximum
200.27 rate allowed under subdivision 1a, for a housing support provider that:

200.28 (1) is located in St. Louis County and has had a housing support contract with the county
200.29 since July 2016;

200.30 (2) operates a 35-bed facility;

200.31 (3) serves women who have substance use disorder, mental illness, or both;

201.1 (4) provides 24-hour per day supervision;

201.2 (5) provides on-site support with skilled professionals, including a licensed practical
201.3 nurse, registered nurses, peer specialists, and resident counselors; and

201.4 (6) provides independent living skills training and assistance with family reunification.

201.5 Sec. 16. Minnesota Statutes 2024, section 256I.05, subdivision 1q, is amended to read:

201.6 Subd. 1q. **Supplemental Supplementary rate; Olmsted County.** ~~Notwithstanding the~~
201.7 ~~provisions of subdivisions 1a and 1e, beginning July 1, 2017,~~ A county agency shall negotiate
201.8 a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
201.9 ~~\$750 per month, including any legislatively authorized inflationary adjustments~~ the maximum
201.10 rate allowed under subdivision 1a, for a housing support provider located in Olmsted County
201.11 that operates long-term residential facilities with a total of 104 beds that serve men and
201.12 women with substance use disorder and provide 24-hour-a-day supervision and other support
201.13 services.

201.14 Sec. 17. Minnesota Statutes 2024, section 256I.05, subdivision 1r, is amended to read:

201.15 Subd. 1r. **Supplemental Supplementary rate; Anoka County.** ~~Notwithstanding the~~
201.16 ~~provisions in this section,~~ A county agency shall negotiate a ~~supplemental~~ supplementary
201.17 service rate for 42 beds in addition to the rate specified in subdivision 1, not to exceed the
201.18 maximum rate allowed under subdivision 1a, ~~including any legislatively authorized~~
201.19 ~~inflationary adjustments,~~ for a housing support provider that is located in Anoka County
201.20 and provides emergency housing on the former Anoka Regional Treatment Center campus.

201.21 Sec. 18. Minnesota Statutes 2024, section 256I.05, subdivision 1s, is amended to read:

201.22 Subd. 1s. **Supplemental Supplementary rate; Douglas County.** ~~Notwithstanding the~~
201.23 ~~provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall negotiate
201.24 a supplementary service rate in addition to the rate specified in subdivision 1, not to exceed
201.25 ~~\$750 per month, including any legislatively authorized inflationary adjustments~~ the maximum
201.26 rate allowed under subdivision 1a, for a housing support provider located in Douglas County
201.27 that operates a long-term residential facility with a total of 74 beds that serve chemically
201.28 dependent men and provide 24-hour-a-day supervision and other support services.

201.29 Sec. 19. Minnesota Statutes 2024, section 256I.05, subdivision 1t, is amended to read:

201.30 Subd. 1t. **Supplemental Supplementary rate; Crow Wing County.** ~~Notwithstanding~~
201.31 ~~the provisions of subdivisions 1a and 1e, beginning July 1, 2023,~~ A county agency shall

202.1 negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not
202.2 to exceed \$750 per month, ~~including any legislatively authorized inflationary adjustments~~
202.3 the maximum rate allowed under subdivision 1a, for a housing support provider located in
202.4 Crow Wing County that operates a long-term residential facility with a total of 90 beds that
202.5 serves chemically dependent men and women and provides 24-hour-a-day supervision and
202.6 other support services.

202.7 Sec. 20. Minnesota Statutes 2024, section 256I.05, subdivision 1u, is amended to read:

202.8 Subd. 1u. ~~Supplemental~~ **Supplementary rate; Douglas County.** ~~Notwithstanding the~~
202.9 ~~provisions in this section, beginning July 1, 2023,~~ A county agency shall negotiate a
202.10 ~~supplemental~~ supplementary service rate for up to 20 beds in addition to the rate specified
202.11 in subdivision 1, not to exceed the maximum rate allowed under subdivision 1a, ~~including~~
202.12 ~~any legislatively authorized inflationary adjustments~~, for a housing support provider located
202.13 in Douglas County that operates two facilities and provides room and board and
202.14 supplementary services to adult males recovering from substance use disorder, mental
202.15 illness, or housing instability.

202.16 Sec. 21. Minnesota Statutes 2024, section 256I.05, subdivision 2, is amended to read:

202.17 Subd. 2. **Monthly rates; exemptions.** ~~This subdivision applies to~~ A county agency shall
202.18 negotiate a supplementary service rate in addition to the rate specified in subdivision 1, not
202.19 to exceed the maximum rate under subdivision 1a, for a residence that on August 1, 1984,
202.20 was licensed by the commissioner of health only as a boarding care home, certified by the
202.21 commissioner of health as an intermediate care facility, and licensed by the commissioner
202.22 of human services under Minnesota Rules, parts 9520.0500 to 9520.0670. ~~Notwithstanding~~
202.23 ~~the provisions of subdivision 1c, the rate paid to a facility reimbursed under this subdivision~~
202.24 ~~shall be determined under chapter 256R, if the facility is accepted by the commissioner for~~
202.25 ~~participation in the alternative payment demonstration project.~~ The rate paid to this facility
202.26 shall also include adjustments to the room and board rate according to subdivision 1.

202.27 Sec. 22. **[256K.50] EMERGENCY SHELTER FACILITIES.**

202.28 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
202.29 the meanings given.

202.30 (b) "Commissioner" means the commissioner of human services.

203.1 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
203.2 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue
203.3 Code, or housing and redevelopment authority established under section 469.003.

203.4 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
203.5 accessible, and suitable emergency shelter for individuals and families experiencing
203.6 homelessness, regardless of whether the facility provides emergency shelter during the day,
203.7 overnight, or both.

203.8 Subd. 2. **Project criteria.** The commissioner shall prioritize grants under this section
203.9 for projects that improve or expand emergency shelter facility options by:

203.10 (1) adding additional emergency shelter facilities by renovating existing facilities not
203.11 currently operating as emergency shelter facilities;

203.12 (2) adding additional emergency shelter facility beds by renovating existing emergency
203.13 shelter facilities, including major projects that address an accumulation of deferred
203.14 maintenance or repair or replacement of mechanical, electrical, and safety systems and
203.15 components in danger of failure;

203.16 (3) adding additional emergency shelter facility beds through acquisition and construction
203.17 of new emergency shelter facilities;

203.18 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
203.19 shelter facilities, including major projects that address an accumulation of deferred
203.20 maintenance or repair or replacement of mechanical, electrical, and safety systems and
203.21 components in danger of failure; and

203.22 (5) improving access to emergency shelter facilities that provide culturally appropriate
203.23 shelter and gender-inclusive shelter.

203.24 Subd. 3. **Eligible uses of grant money.** A grant under this section may be used to pay
203.25 for 100 percent of total project capital expenditures or a specified project phase, up to
203.26 \$300,000 per project.

203.27 Subd. 4. **State and local building codes met.** All projects funded with a grant under
203.28 this section must meet all applicable state and local building codes at the time of project
203.29 completion.

203.30 Subd. 5. **Competitive request for proposal process; priority.** (a) The commissioner
203.31 must use a competitive request for proposal process to identify potential projects and eligible
203.32 applicants on a statewide basis. At least 40 percent of the appropriation for this purpose
203.33 must be awarded to projects located in greater Minnesota. If the commissioner does not

204.1 receive sufficient eligible funding requests from greater Minnesota to award at least 40
204.2 percent of the appropriation for this purpose to projects in greater Minnesota, the
204.3 commissioner may award the remaining money to other eligible projects.

204.4 (b) For eligible applicants seeking funding under this section for the acquisition and
204.5 construction of new emergency shelter facilities under subdivision 2, clause (3), the
204.6 commissioner must give priority to projects in which the eligible applicant will provide at
204.7 least ten percent of total project funding.

204.8 **Sec. 23. HOUSING SUPPORT BACKGROUND STUDY EVALUATION.**

204.9 (a) The commissioner of human services shall conduct an evaluation of background
204.10 study requirements outlined in Minnesota Statutes, sections 245C.03, subdivision 10, and
204.11 256I.04, subdivision 2c, to:

204.12 (1) assess the impact of eligibility, disqualifications, and processing times on supportive
204.13 housing and emergency shelter providers;

204.14 (2) determine the applicability of alternative background study methods to protect the
204.15 individuals served by supportive housing and emergency shelter programs; and

204.16 (3) make recommendations for reforms that address inefficiencies or weaknesses that
204.17 prevent qualified individuals from providing services or securing employment.

204.18 (b) The commissioner shall contract with an independent contractor to complete the
204.19 evaluation and submit a report to the Department of Human Services.

204.20 (c) Evaluation findings shall be summarized in a written report to the chairs and ranking
204.21 minority members of the legislative committees with jurisdiction over supportive housing
204.22 and human services licensing by December 1, 2027.

204.23 **Sec. 24. DIRECTION TO COMMISSIONER; HOUSING SUPPORT TEMPORARY**
204.24 **SUPPLEMENTARY SERVICE RATES.**

204.25 The commissioner of human services shall increase housing support supplementary
204.26 services rates under Minnesota Statutes, section 256I.05, subdivision 1a, within available
204.27 appropriations for fiscal years 2026 and 2027.

204.28 **Sec. 25. DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE**
204.29 **ENCOUNTER RATE.**

204.30 The commissioner of human services must submit a state plan amendment to the Centers
204.31 for Medicare and Medicaid Services authorizing housing services as a new service category

205.1 eligible for reimbursement at the outpatient per-day rate approved by the Indian Health
205.2 Service. This reimbursement is limited to services provided by facilities of the Indian Health
205.3 Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes
205.4 of this section, "housing services" means housing stabilization services as described in
205.5 Minnesota Statutes, section 256B.051, subdivision 5, paragraphs (a) to (d).

205.6 ARTICLE 9

205.7 MISCELLANEOUS

205.8 Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

205.9 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment
205.10 of long-term care services, a recipient must be determined, using assessments defined in
205.11 subdivision 4, to meet one of the following nursing facility level of care criteria:

205.12 (1) the person requires formal clinical monitoring at least once per day;

205.13 (2) the person needs the assistance of another person or constant supervision to begin
205.14 and complete at least four of the following activities of living: bathing, bed mobility, dressing,
205.15 eating, grooming, toileting, transferring, and walking;

205.16 (3) the person needs the assistance of another person or constant supervision to begin
205.17 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

205.18 (4) the person has significant difficulty with memory, using information, daily decision
205.19 making, or behavioral needs that require intervention;

205.20 (5) the person has had a qualifying nursing facility stay of at least 90 days;

205.21 (6) the person meets the nursing facility level of care criteria determined 90 days after
205.22 admission or on the first quarterly assessment after admission, whichever is later; or

205.23 (7) the person is determined to be at risk for nursing facility admission or readmission
205.24 through a face-to-face long-term care consultation assessment as specified in section
205.25 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
205.26 organization under contract with the Department of Human Services. The person is
205.27 considered at risk under this clause if the person currently lives alone or will live alone or
205.28 be homeless without the person's current housing and also meets one of the following criteria:

205.29 (i) the person has experienced a fall resulting in a fracture;

205.30 (ii) the person has been determined to be at risk of maltreatment or neglect, including
205.31 self-neglect; or

206.1 (iii) the person has a sensory impairment that substantially impacts functional ability
206.2 and maintenance of a community residence.

206.3 (b) The assessment used to establish medical assistance payment for nursing facility
206.4 services must be the most recent assessment performed under subdivision 4, paragraphs (b)
206.5 and (c), that occurred no more than 90 calendar days before the effective date of medical
206.6 assistance eligibility for payment of long-term care services. In no case shall medical
206.7 assistance payment for long-term care services occur prior to the date of the determination
206.8 of nursing facility level of care.

206.9 (c) The assessment used to establish medical assistance payment for long-term care
206.10 services provided under chapter 256S and section 256B.49 and alternative care payment
206.11 for services provided under section 256B.0913 must be the most recent face-to-face
206.12 assessment performed under section 256B.0911, subdivisions 17 to 21, 23, 24, 27, or 28,
206.13 that occurred no more than ~~60~~ one calendar ~~days~~ year before the effective date of medical
206.14 assistance eligibility for payment of long-term care services.

206.15 Sec. 2. Minnesota Statutes 2024, section 256.01, subdivision 34, is amended to read:

206.16 Subd. 34. **Federal administrative reimbursement dedicated.** Federal administrative
206.17 reimbursement resulting from the following activities is appropriated to the commissioner
206.18 for the designated purposes:

206.19 (1) reimbursement for the Minnesota senior health options project; ~~and~~

206.20 (2) reimbursement related to prior authorization, review of medical necessity, and
206.21 inpatient admission certification by a professional review organization. A portion of these
206.22 funds must be used for activities to decrease unnecessary pharmaceutical costs in medical
206.23 assistance; and

206.24 (3) reimbursement for capacity building and implementation grant expenditures for the
206.25 medical assistance reentry demonstration waiver under section 256B.0761.

206.26 ARTICLE 10

206.27 FORECAST ADJUSTMENTS

206.28 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

206.29 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
206.30 shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70,
206.31 article 20, from the general fund, or any other fund named, to the commissioner of human
206.32 services for the purposes specified in this article, to be available for the fiscal year indicated

207.1 for each purpose. The figure "2025" used in this article means that the appropriations listed
207.2 are available for the fiscal year ending June 30, 2025.

207.3 **APPROPRIATIONS**
207.4 **Available for the Year**
207.5 **Ending June 30**
207.6 **2025**

207.7 **Sec. 2. COMMISSIONER OF HUMAN**
207.8 **SERVICES**

207.9 **Subdivision 1. Total Appropriation** **\$ 53,115,000**

207.10 **Appropriations by Fund**

207.11 **2025**

207.12 **General** **75,025,000**

207.13 **Health Care Access** **(16,182,000)**

207.14 **Federal TANF** **(5,285,000)**

207.15 **Subd. 2. Forecasted Programs**

207.16 **(a) Minnesota Family**

207.17 **Investment Program**

207.18 **(MFIP)/Diversionary Work**

207.19 **Program (DWP)**

207.20 **Appropriations by Fund**

207.21 **2025**

207.22 **General** **(5,951,000)**

207.23 **Federal TANF** **(5,285,000)**

207.24 **(b) MFIP Child Care Assistance** **(62,336,000)**

207.25 **(c) General Assistance** **3,737,000**

207.26 **(d) Minnesota Supplemental Aid** **3,428,000**

207.27 **(e) Housing Support** **11,923,000**

207.28 **(f) Northstar Care for Children** **(9,526,000)**

207.29 **(g) MinnesotaCare** **(16,182,000)**

207.30 **This appropriation is from the health care**

207.31 **access fund.**

207.32 **(h) Medical Assistance**

207.33 **Appropriations by Fund**

207.34 **2025**

208.1	<u>General</u>	<u>(1,735,000)</u>
-------	----------------	--------------------

208.2 Health Care Access (443,000)

208.3	<u>(i) Behavioral Health Fund</u>	135,928,000
-------	--	-------------

208.4 **Sec. 3. EFFECTIVE DATE.**

208.5 Sections 1 and 2 are effective the day following final enactment.

208.6 ARTICLE 11

208.7 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**

208.8 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

208.9 The sums shown in the columns marked "Appropriations" are appropriated to the
208.10 commissioner of human services and for the purposes specified in this article. The
208.11 appropriations are from the general fund, or another named fund, and are available for the
208.12 fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article
208.13 mean that the appropriations listed under them are available for the fiscal year ending June
208.14 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second
208.15 year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

208.16	<u>APPROPRIATIONS</u>
208.17	<u>Available for the Year</u>
208.18	<u>Ending June 30</u>
208.19	2026 2027

208.20	Sec. 2. TOTAL APPROPRIATION	\$ 8,836,144,000	\$ 8,882,498,000
--------	------------------------------------	-------------------------	-------------------------

208.21 **Subdivision 1. Appropriations by Fund**

208.22 Appropriations by Fund

208.23	2026	2027
--------	------	------

208.24	General	8,782,786,000	8,829,140,000
--------	---------	---------------	---------------

208.25	Lottery Prize	163,000	163,000
--------	---------------	---------	---------

208.26 State Government

208.27	Special Revenue	4,273,000	4,273,000
--------	------------------------	-----------	-----------

208.28 Family and Medical

208.29	Benefit Insurance	530,000	530,000
--------	--------------------------	---------	---------

208.30 Health Care Access

208.31	<u>Fund</u>	48,922,000	48,922,000
--------	-------------	------------	------------

208.32 The amounts that may be spent for each

208.33 purpose are specified in the following sections.

209.1 Subd. 2. **Information Technology Appropriations**

209.2 (a) **IT Appropriations Generally**

209.3 This appropriation includes funds for
209.4 information technology projects, services, and
209.5 support. Funding for information technology
209.6 project costs must be incorporated into the
209.7 service-level agreement and paid to Minnesota
209.8 IT Services by the Department of Human
209.9 Services under the rates and mechanism
209.10 specified in that agreement.

209.11 (b) **Receipts for Systems Project**

209.12 Appropriations and federal receipts for
209.13 information technology systems projects for
209.14 MAXIS, PRISM, MMIS, ISDS, METS, and
209.15 SSIS must be deposited in the state systems
209.16 account authorized in Minnesota Statutes,
209.17 section 256.014. Money appropriated for
209.18 information technology projects approved by
209.19 the commissioner of Minnesota IT Services,
209.20 funded by the legislature, and approved by the
209.21 commissioner of management and budget may
209.22 be transferred from one project to another and
209.23 from development to operations as the
209.24 commissioner of human services deems
209.25 necessary. Any unexpended balance in the
209.26 appropriation for these projects does not
209.27 cancel and is available for ongoing
209.28 development and operations.

209.29 Sec. 3. **CENTRAL OFFICE; OPERATIONS** \$ 176,228,000 \$ 180,071,000

209.30 Appropriations by Fund

209.31		<u>2026</u>	<u>2027</u>
209.32	<u>General</u>	<u>156,167,000</u>	<u>160,010,000</u>
209.33	<u>State Government</u>		
209.34	<u>Special Revenue</u>	<u>248,000</u>	<u>248,000</u>

210.1	<u>Health Care Access</u>				
210.2	<u>Fund</u>	<u>19,813,000</u>	<u>19,813,000</u>		
210.3	<u>Paid Family Medical</u>				
210.4	<u>Leave</u>	<u>530,000</u>	<u>530,000</u>		
210.5	<u>The general fund base for this section is</u>				
210.6	<u>\$156,589,000 in fiscal year 2028 and</u>				
210.7	<u>\$156,879,000 in fiscal year 2029.</u>				
210.8	Sec. 4. <u>CENTRAL OFFICE; HEALTH CARE</u>	\$	<u>72,312,000</u>	\$	<u>68,980,000</u>
210.9	<u>Appropriations by Fund</u>				
210.10		<u>2026</u>	<u>2027</u>		
210.11	<u>General</u>	<u>44,144,000</u>	<u>40,812,000</u>		
210.12	<u>Health Care Access</u>				
210.13	<u>Fund</u>	<u>28,168,000</u>	<u>28,168,000</u>		
210.14	Sec. 5. <u>CENTRAL OFFICE; AGING AND</u>				
210.15	<u>DISABILITY SERVICES</u>	\$	<u>54,438,000</u>	\$	<u>53,025,000</u>
210.16	Subdivision 1. <u>Appropriations by Fund</u>				
210.17	<u>Appropriations by Fund</u>				
210.18		<u>2026</u>	<u>2027</u>		
210.19	<u>General</u>	<u>54,313,000</u>	<u>52,900,000</u>		
210.20	<u>Health Care Access</u>				
210.21	<u>Fund</u>	<u>125,000</u>	<u>125,000</u>		
210.22	Subd. 2. <u>Base Level Adjustment</u>				
210.23	<u>The general fund base for this section is</u>				
210.24	<u>\$51,632,000 in fiscal year 2028 and</u>				
210.25	<u>\$51,432,000 in fiscal year 2029.</u>				
210.26	Sec. 6. <u>CENTRAL OFFICE; BEHAVIORAL</u>				
210.27	<u>HEALTH</u>	\$	<u>24,728,000</u>	\$	<u>24,358,000</u>
210.28	<u>Appropriations by Fund</u>				
210.29		<u>2026</u>	<u>2027</u>		
210.30	<u>General</u>	<u>24,565,000</u>	<u>24,195,000</u>		
210.31	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>		
210.32	<u>The general fund base for this section is</u>				
210.33	<u>\$24,018,000 in fiscal year 2028 and</u>				
210.34	<u>\$24,018,000 in fiscal year 2029.</u>				
210.35	Sec. 7. <u>CENTRAL OFFICE; HOMELESSNESS,</u>				
210.36	<u>HOUSING, AND SUPPORT SERVICES</u>	\$	<u>6,692,000</u>	\$	<u>6,424,000</u>

211.1	<u>The general fund base for this section is</u>			
211.2	<u>\$6,469,000 in fiscal year 2028 and \$6,469,000</u>			
211.3	<u>in fiscal year 2029.</u>			
211.4	<u>Sec. 8. CENTRAL OFFICE; OFFICE OF</u>			
211.5	<u>INSPECTOR GENERAL</u>	<u>\$</u>	<u>43,786,000</u>	<u>\$ 47,100,000</u>
211.6	<u>Appropriations by Fund</u>			
211.7		<u>2026</u>	<u>2027</u>	
211.8	<u>General</u>	<u>38,945,000</u>	<u>42,259,000</u>	
211.9	<u>State Government</u>			
211.10	<u>Special Revenue</u>	<u>3,900,000</u>	<u>3,900,000</u>	
211.11	<u>Health Care Access</u>			
211.12	<u>Fund</u>	<u>941,000</u>	<u>941,000</u>	
211.13	<u>The general fund base for this section is</u>			
211.14	<u>\$42,202,000 in fiscal year 2028 and</u>			
211.15	<u>\$42,148,000 in fiscal year 2029.</u>			
211.16	<u>Sec. 9. FORECASTED PROGRAMS;</u>			
211.17	<u>GENERAL ASSISTANCE GRANTS</u>	<u>\$</u>	<u>84,138,000</u>	<u>\$ 86,462,000</u>
211.18	<u>Sec. 10. FORECASTED PROGRAMS;</u>			
211.19	<u>MINNESOTA SUPPLEMENTAL AID</u>			
211.20	<u>GRANTS</u>	<u>\$</u>	<u>67,113,000</u>	<u>\$ 69,089,000</u>
211.21	<u>Sec. 11. FORECASTED PROGRAMS;</u>			
211.22	<u>HOUSING SUPPORT</u>	<u>\$</u>	<u>279,258,000</u>	<u>\$ 275,009,000</u>
211.23	<u>Sec. 12. FORECASTED PROGRAMS;</u>			
211.24	<u>MEDICAL ASSISTANCE</u>	<u>\$</u>	<u>7,466,424,000</u>	<u>\$ 7,574,388,000</u>
211.25	<u>Sec. 13. FORECASTED PROGRAMS;</u>			
211.26	<u>ALTERNATIVE CARE</u>	<u>\$</u>	<u>55,694,000</u>	<u>\$ 56,312,000</u>
211.27	<u>Any money allocated to the alternative care</u>			
211.28	<u>program that is not spent for the purposes</u>			
211.29	<u>indicated does not cancel but must be</u>			
211.30	<u>transferred to the medical assistance account.</u>			
211.31	<u>Sec. 14. FORECASTED PROGRAMS;</u>			
211.32	<u>BEHAVIORAL HEALTH FUND</u>	<u>\$</u>	<u>136,578,000</u>	<u>\$ 115,673,000</u>
211.33	<u>Sec. 15. GRANT PROGRAMS; REFUGEE</u>			
211.34	<u>SERVICES GRANTS</u>	<u>\$</u>	<u>100,000</u>	<u>\$ 100,000</u>
211.35	<u>Sec. 16. GRANT PROGRAMS; HEALTH</u>			
211.36	<u>CARE GRANTS</u>	<u>\$</u>	<u>(100,000)</u>	<u>\$ (100,000)</u>

212.1	Sec. 17. <u>GRANT PROGRAMS; OTHER</u>			
212.2	<u>LONG-TERM CARE GRANTS</u>	\$	<u>3,543,000</u>	\$ <u>2,721,000</u>
212.3	<u>Supported-decision-making programs.</u>			
212.4	<u>\$796,000 in fiscal year 2026 and \$796,000 in</u>			
212.5	<u>fiscal year 2027 are for</u>			
212.6	<u>supported-decision-making grants under Laws</u>			
212.7	<u>2023, chapter 61, article 1, section 61,</u>			
212.8	<u>subdivision 3. This is a onetime appropriation</u>			
212.9	<u>and is available until June 30, 2027.</u>			
212.10	Sec. 18. <u>GRANT PROGRAMS; AGING AND</u>			
212.11	<u>ADULT SERVICES GRANTS</u>	\$	<u>42,054,000</u>	\$ <u>41,055,000</u>
212.12	<u>Subdivision 1. Senior Nutrition Programs</u>			
212.13	<u>\$1,538,000 in fiscal year 2026 and \$1,538,000</u>			
212.14	<u>in fiscal year 2027 are for senior nutrition</u>			
212.15	<u>programs under Minnesota Statutes, section</u>			
212.16	<u>256.9752. This is a onetime appropriation.</u>			
212.17	<u>Subd. 2. Dementia Grants</u>			
212.18	<u>\$1,000,000 in fiscal year 2026 is for regional</u>			
212.19	<u>and local dementia grants administered by the</u>			
212.20	<u>Minnesota Board on Aging under Minnesota</u>			
212.21	<u>Statutes, section 256.975, subdivision 11. This</u>			
212.22	<u>is a onetime appropriation and is available</u>			
212.23	<u>until June 20, 2027.</u>			
212.24	<u>Subd. 3. Base Level Adjustment</u>			
212.25	<u>The general fund base for this section is</u>			
212.26	<u>\$39,517,000 in fiscal year 2028 and</u>			
212.27	<u>\$39,517,000 in fiscal year 2029.</u>			
212.28	Sec. 19. <u>DEAF, DEAFBLIND, AND HARD OF</u>			
212.29	<u>HEARING GRANTS</u>	\$	<u>2,886,000</u>	\$ <u>2,886,000</u>
212.30	Sec. 20. <u>GRANT PROGRAMS; DISABILITY</u>			
212.31	<u>GRANTS</u>	\$	<u>66,580,000</u>	\$ <u>26,353,000</u>

- 213.1 Subdivision 1. Self-Directed Bargaining
213.2 Agreement; Orientation Start-Up Funds
- 213.3 \$3,000,000 in fiscal year 2026 is for
213.4 orientation program start-up costs as defined
213.5 by the SEIU collective bargaining agreement.
213.6 This is a onetime appropriation.
- 213.7 Subd. 2. Self-Directed Bargaining Agreement;
213.8 Orientation Ongoing Funds
- 213.9 \$2,000,000 in fiscal year 2026 and \$500,000
213.10 in fiscal year 2027 are for ongoing costs
213.11 related to the orientation program as defined
213.12 by the SEIU collective bargaining agreement.
213.13 The base for this appropriation is \$500,000 in
213.14 fiscal year 2028 and \$500,000 in fiscal year
213.15 2029.
- 213.16 Subd. 3. Self-Directed Bargaining Agreement;
213.17 Training Stipends
- 213.18 \$2,250,000 in fiscal year 2026 is for onetime
213.19 stipends of \$750 for collective bargaining unit
213.20 members for training. This is a onetime
213.21 appropriation.
- 213.22 Subd. 4. Self-Directed Bargaining Agreement;
213.23 Retirement Trust Funds
- 213.24 \$350,000 in fiscal year 2026 is for a vendor
213.25 to create a retirement trust, as defined by the
213.26 SEIU collective bargaining agreement. This
213.27 is a onetime appropriation.
- 213.28 Subd. 5. Self-Directed Bargaining Agreement;
213.29 Health Care Stipends
- 213.30 \$30,750,000 in fiscal year 2026 is for stipends
213.31 of \$1,200 for collective bargaining unit
213.32 members for retention and defraying any
213.33 health insurance costs they may incur.
213.34 Stipends are available once per fiscal year per
213.35 member for fiscal year 2026 and fiscal year

214.1 2027. Of this amount, \$30,000,000 in fiscal
214.2 year 2026 is for stipends and \$750,000 in
214.3 fiscal year 2026 is for administration. This is
214.4 a onetime appropriation and is available until
214.5 June 30, 2027.

214.6 Subd. 6. **HIV/AIDS Supportive Services**
214.7 \$6,000,000 in fiscal year 2026 from the
214.8 general fund to the commissioner of human
214.9 services for grants to community-based
214.10 HIV/AIDS supportive services providers as
214.11 defined in Minnesota Statutes, section 256.01,
214.12 subdivision 19, and for payment of allowed
214.13 health care costs as defined in Minnesota
214.14 Statutes, section 256.9365. This is a onetime
214.15 appropriation and is available until June 30,
214.16 2027.

214.17 Subd. 7. **Disability Service Technology and**
214.18 **Advocacy Grant**
214.19 \$500,000 in fiscal year 2026 and \$500,000 in
214.20 fiscal year 2027 are for the purposes of the
214.21 disability services technology and advocacy
214.22 grant under Minnesota Statutes, section
214.23 256.4768. The general fund base appropriation
214.24 for this purpose is set at \$500,000 in fiscal
214.25 year 2028, \$500,000 in fiscal year 2029,
214.26 \$500,000 in fiscal year 2030, and \$0 in fiscal
214.27 year 2031.

214.28 Subd. 8. **Intensive Residential Treatment**
214.29 **Services; Hennepin County**
214.30 \$1,500,000 in fiscal year 2026 is for a grant
214.31 to the city of Brooklyn Park as start-up
214.32 funding for an intensive residential treatment
214.33 services and residential crisis stabilization
214.34 services facility. This is a onetime

215.1 appropriation and is available until June 30,
215.2 2027.

216.1 emergency shelter facilities in accordance with
216.2 emergency shelter facilities grants.

216.3 (b) This is a onetime appropriation and is
216.4 available until June 30, 2027.

216.5 **Subd. 3. Base Level Adjustment**

216.6 The general fund base for this section is
216.7 \$97,098,000 in fiscal year 2028 and
216.8 \$97,098,000 in fiscal year 2029.

216.9 **Sec. 22. GRANT PROGRAMS; ADULT**
216.10 **MENTAL HEALTH GRANTS** **\$ 110,852,000 \$ 110,852,000**

216.11 **Mobile crisis grants.** \$1,620,000 in fiscal year
216.12 2026 is for mobile crisis grants under
216.13 Minnesota Statutes, section 245.4661,
216.14 subdivision 9, paragraph (b), clause (15).
216.15 Money may be used by mobile crisis teams to
216.16 purchase and renovate vehicles to provide
216.17 protected transport under Minnesota Statutes,
216.18 section 256B.0625, subdivision 17, paragraph
216.19 (l), clause (6). This is a onetime appropriation.

216.20 **Sec. 23. GRANT PROGRAMS; CHILDREN'S**
216.21 **MENTAL HEALTH GRANTS** **\$ 37,375,000 \$ 36,175,000**

216.22 **Subdivision 1. Clay County Psychiatric**
216.23 **Residential Treatment Facility**

216.24 \$1,200,000 in fiscal year 2026 is for a grant
216.25 to Clay County for costs related to the
216.26 purchase of equipment and final redesign and
216.27 remodeling for the conversion of the West
216.28 Central Regional Juvenile Center nonsecure
216.29 unit into an 18-bed psychiatric residential
216.30 treatment facility for persons younger than 21
216.31 years of age, pursuant to Minnesota Statutes,
216.32 section 256B.0941. This is a onetime
216.33 appropriation.

218.1 appropriation and is available until June 30,
218.2 2025.

218.3 **(d) Senior Nutrition Program.** \$10,552,000
218.4 in fiscal year 2024 is for the senior nutrition
218.5 program. Notwithstanding Minnesota Statutes,
218.6 section 16A.28, this appropriation is available
218.7 until June 30, 2027. This is a onetime
218.8 appropriation.

218.9 **(e) Age-Friendly Community Grants.**
218.10 \$3,000,000 in fiscal year 2024 is for the
218.11 continuation of age-friendly community grants
218.12 under Laws 2021, First Special Session
218.13 chapter 7, article 17, section 8, subdivision 1.
218.14 Notwithstanding Minnesota Statutes, section
218.15 16A.28, this is a onetime appropriation and is
218.16 available until June 30, 2027.

218.17 **(f) Age-Friendly Technical Assistance**
218.18 **Grants.** \$1,725,000 in fiscal year 2024 is for
218.19 the continuation of age-friendly technical
218.20 assistance grants under Laws 2021, First
218.21 Special Session chapter 7, article 17, section
218.22 8, subdivision 2. Notwithstanding Minnesota
218.23 Statutes, section 16A.28, this is a onetime
218.24 appropriation and is available until June 30,
218.25 2027.

218.26 **(g) Long-Term Services and Supports Loan**
218.27 **Program.** \$93,200,000 in fiscal year 2024 is
218.28 for the long-term services and supports loan
218.29 program under Minnesota Statutes, section
218.30 256R.55, and is available as provided therein.

218.31 **(h) Base Level Adjustment.** The general fund
218.32 base is \$33,861,000 in fiscal year 2026 and
218.33 \$33,862,000 in fiscal year 2027.

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

219.1 Sec. 27. **TRANSFERS.**

219.2 Subdivision 1. **Grants.** The commissioner of human services, with the approval of the
219.3 commissioner of management and budget, may transfer unencumbered appropriation balances
219.4 for the biennium ending June 30, 2025, within fiscal years among general assistance, medical
219.5 assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support
219.6 program, and the entitlement portion of the behavioral health fund between fiscal years of
219.7 the biennium. The commissioner shall report to the chairs and ranking minority members
219.8 of the legislative committees with jurisdiction over health and human services quarterly
219.9 about transfers made under this subdivision.

219.10 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money
219.11 may be transferred within the Department of Human Services as the commissioners deem
219.12 necessary, with the advance approval of the commissioner of management and budget. The
219.13 commissioners shall report to the chairs and ranking minority members of the legislative
219.14 committees with jurisdiction over health and human services finance quarterly about transfers
219.15 made under this section.

219.16 Subd. 3. **Children, youth, and families.** Administrative money may be transferred
219.17 between the Department of Human Services and the Department of Children, Youth, and
219.18 Families as the commissioners deem necessary, with the advance approval of the
219.19 commissioner of management and budget. The commissioners shall report to the chairs and
219.20 ranking minority members of the legislative committees with jurisdiction over children and
219.21 families quarterly about transfers made under this section.

219.22 Sec. 28. **CANCELLATIONS.**

219.23 Subdivision 1. **Local planning grants.** Local planning grants under Laws 2011, First
219.24 Special Session chapter 9, article 10, section 3, subdivision 4, paragraph (k), are eliminated
219.25 and the remaining balance is canceled to the general fund.

219.26 Subd. 2. **Direct care provider premiums through HCBS workforce incentive**
219.27 **fund.** \$20,000,000 of the base appropriation in Laws 2023, chapter 59, article 3, section
219.28 11, is canceled to the general fund.

219.29 Subd. 3. **Self-directed collective bargaining agreement; retention**
219.30 **bonuses.** \$27,000,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2,
219.31 subdivision 16, paragraph (g), is canceled to the general fund.

220.1 Subd. 4. **Temporary grants for small customized living providers.** \$5,450,000 of the
220.2 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (a),
220.3 is canceled to the general fund.

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

220.5 **Sec. 29. APPROPRIATIONS GIVEN EFFECT ONCE.**

220.6 If an appropriation, transfer, or cancellation in this article is enacted more than once
220.7 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
220.8 effect once.

220.9 **Sec. 30. EXPIRATION OF UNCODIFIED LANGUAGE.**

220.10 All uncodified language contained in this article expires on June 30, 2027, unless a
220.11 different expiration date is explicit.

220.12 **Sec. 31. EFFECTIVE DATE.**

220.13 This article is effective July 1, 2025, unless a different effective date is specified.

220.14 **ARTICLE 12**

220.15 **DIRECT CARE AND TREATMENT APPROPRIATIONS**

220.16 Section 1. **DIRECT CARE AND TREATMENT APPROPRIATIONS.**

220.17 The sums shown in the columns marked "Appropriations" are appropriated to the
220.18 executive board of direct care and treatment and for the purposes specified in this article.

220.19 The appropriations are from the general fund, or another named fund, and are available for
220.20 the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this
220.21 article mean that the appropriations listed under them are available for the fiscal year ending
220.22 June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The
220.23 second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

220.24		<u>APPROPRIATIONS</u>
220.25		<u>Available for the Year</u>
220.26		<u>Ending June 30</u>
220.27		2026 2027

220.28 **Sec. 2. EXECUTIVE BOARD OF DIRECT**
220.29 **CARE AND TREATMENT; TOTAL**
220.30 **APPROPRIATION**

\$ 589,928,000 \$ 614,521,000

220.31 The amounts that may be spent for each
220.32 purpose are specified in the following sections.

221.1	Sec. 3. <u>MENTAL HEALTH AND SUBSTANCE</u>			
221.2	<u>ABUSE</u>	\$	<u>189,761,000</u>	\$ <u>194,840,000</u>
221.3	Sec. 4. <u>COMMUNITY-BASED SERVICES</u>	\$	<u>13,927,000</u>	\$ <u>14,170,000</u>
221.4	Sec. 5. <u>FORENSIC SERVICES</u>	\$	<u>160,239,000</u>	\$ <u>164,094,000</u>
221.5	Sec. 6. <u>SEX OFFENDER PROGRAM</u>	\$	<u>128,050,000</u>	\$ <u>131,351,000</u>
221.6	Sec. 7. <u>ADMINISTRATION</u>	\$	<u>97,951,000</u>	\$ <u>110,066,000</u>
221.7	<u>Locked psychiatric residential treatment</u>			
221.8	<u>facility report. \$100,000 in fiscal year 2026</u>			
221.9	<u>is for planning a build-out of a locked</u>			
221.10	<u>psychiatric residential treatment facility</u>			
221.11	<u>(PRTF) operated by Direct Care and</u>			
221.12	<u>Treatment. This is a onetime appropriation</u>			
221.13	<u>and is available until June 30, 2027. By March</u>			
221.14	<u>1, 2026, the Direct Care and Treatment</u>			
221.15	<u>executive board must report to the chairs and</u>			
221.16	<u>ranking minority members of the legislative</u>			
221.17	<u>committees with jurisdiction over human</u>			
221.18	<u>services finance and policy on the plan</u>			
221.19	<u>developed under this section. The report must</u>			
221.20	<u>include but not be limited to:</u>			
221.21	<u>(1) the risks and benefits of locating the locked</u>			
221.22	<u>PRTF in a metropolitan or rural location;</u>			
221.23	<u>(2) the estimated cost for the build-out of the</u>			
221.24	<u>locked PRTF;</u>			
221.25	<u>(3) the estimated ongoing cost of maintaining</u>			
221.26	<u>the locked PRTF; and</u>			
221.27	<u>(4) the estimated amount of costs that can be</u>			
221.28	<u>recouped from medical assistance,</u>			
221.29	<u>MinnesotaCare, and private insurance</u>			
221.30	<u>payments.</u>			
221.31	Sec. 8. Laws 2024, chapter 127, article 53, section 2, subdivision 19, is amended to read:			
221.32	Subd. 19. Direct Care and Treatment - Forensic			
221.33	Services		-0-	7,752,000

222.1 (a) **Employee incentives.** \$1,000,000 in fiscal
222.2 year 2025 is for incentives related to the
222.3 transition of CARE St. Peter to the forensic
222.4 mental health program. Employee incentive
222.5 payments under this paragraph must be made
222.6 to all employees who transitioned from CARE
222.7 St. Peter to another Direct Care and Treatment
222.8 program, including employees who
222.9 transitioned prior to the closure of CARE St.
222.10 Peter. Employee incentive payments must total
222.11 \$30,000 per transitioned employee, subject to
222.12 the payment schedule and service requirements
222.13 in this paragraph. The first incentive payment
222.14 of \$4,000 must be made after the employee
222.15 has completed six months of service as an
222.16 employee of another Direct Care and
222.17 Treatment program, followed by \$6,000 at 12
222.18 months of completed service, \$8,000 at 18
222.19 months of completed service, and \$12,000 at
222.20 24 months of completed service. This is a
222.21 onetime appropriation and is available until
222.22 June 30, 2026.

222.23 (b) **Base Level Adjustment.** The general fund
222.24 base is increased by \$6,612,000 in fiscal year
222.25 2026 and increased by \$6,612,000 in fiscal
222.26 year 2027.

222.27 Sec. 9. **TRANSFER AUTHORITY.**

222.28 (a) Money appropriated for budget programs in sections 3 to 7 may be transferred between
222.29 budget programs and between years of the biennium with the approval of the commissioner
222.30 of management and budget.

222.31 (b) The executive board of Direct Care and Treatment, with the approval of the
222.32 commissioner of management and budget, may transfer money appropriated for Direct Care
222.33 and Treatment into the special revenue account for facilities management, security systems,
222.34 and information technology projects, services, and support.

223.1 (c) Positions, salary money, and nonsalary administrative money may be transferred
223.2 within and between Direct Care and Treatment and the Department of Human Services as
223.3 the executive board and commissioner consider necessary, with the advance approval of
223.4 the commissioner of management and budget.

223.5 **Sec. 10. APPROPRIATIONS GIVEN EFFECT ONCE.**

223.6 If an appropriation, transfer, or cancellation in this article is enacted more than once
223.7 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
223.8 effect once.

223.9 **Sec. 11. EXPIRATION OF UNCODIFIED LANGUAGE.**

223.10 All uncodified language contained in this article expires on June 30, 2027, unless a
223.11 different expiration date is explicit.

223.12 **Sec. 12. EFFECTIVE DATE.**

223.13 This article is effective July 1, 2025, unless a different effective date is specified.

ARTICLE 13

OTHER AGENCY APPROPRIATIONS

223.16 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

223.17 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
223.18 and for the purposes specified in this article. The appropriations are from the general fund,
223.19 or another named fund, and are available for the fiscal years indicated for each purpose.
223.20 The figures "2026" and "2027" used in this article mean that the appropriations listed under
223.21 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.
223.22 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
223.23 is fiscal years 2026 and 2027.

223.24			<u>APPROPRIATIONS</u>	
223.25			<u>Available for the Year</u>	
223.26			<u>Ending June 30</u>	
223.27			<u>2026</u>	<u>2027</u>
223.28	Sec. 2. <u>COMMISSIONER OF HEALTH</u>	\$	<u>1,625,000</u>	\$ <u>1,625,000</u>
223.29	Sec. 3. <u>COUNCIL ON DISABILITY</u>	\$	<u>2,432,000</u>	\$ <u>2,457,000</u>
223.30	Sec. 4. <u>OFFICE OF THE OMBUDSMAN FOR</u>			
223.31	<u>MENTAL HEALTH AND DEVELOPMENTAL</u>			
223.32	<u>DISABILITIES</u>	\$	<u>3,706,000</u>	\$ <u>3,765,000</u>

224.1 Sec. 5. **APPROPRIATIONS GIVEN EFFECT ONCE.**

224.2 If an appropriation, transfer, or cancellation in this article is enacted more than once
224.3 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
224.4 effect once.

224.5 Sec. 6. **EXPIRATION OF UNCODIFIED LANGUAGE.**

224.6 All uncodified language contained in this article expires on June 30, 2027, unless a
224.7 different expiration date is explicit.

224.8 Sec. 7. **EFFECTIVE DATE.**

224.9 This article is effective July 1, 2025, unless a different effective date is specified.

APPENDIX
Article locations for H2434-1

ARTICLE 1 AGING SERVICES..... Page.Ln 2.17

ARTICLE 2 DISABILITY SERVICES..... Page.Ln 14.1

ARTICLE 3 HEALTH CARE..... Page.Ln 71.24

ARTICLE 4 BEHAVIORAL HEALTH..... Page.Ln 83.3

ARTICLE 5 BACKGROUND STUDIES..... Page.Ln 142.1

ARTICLE 6 DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY.. Page.Ln 155.21

ARTICLE 7 DIRECT CARE AND TREATMENT..... Page.Ln 186.8

ARTICLE 8 HOMELESSNESS, HOUSING, AND SUPPORT SERVICES..... Page.Ln 194.14

ARTICLE 9 MISCELLANEOUS..... Page.Ln 205.6

ARTICLE 10 FORECAST ADJUSTMENTS..... Page.Ln 206.26

ARTICLE 11 DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS..... Page.Ln 208.6

ARTICLE 12 DIRECT CARE AND TREATMENT APPROPRIATIONS..... Page.Ln 220.14

ARTICLE 13 OTHER AGENCY APPROPRIATIONS..... Page.Ln 223.14

245G.01 DEFINITIONS.

Subd. 20d. **Skilled treatment services.** "Skilled treatment services" has the meaning provided in section 254B.01, subdivision 10.

245G.07 TREATMENT SERVICE.

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and

(8) peer recovery support services must be provided by a recovery peer qualified according to section 245I.04, subdivision 18. Peer recovery support services must be provided according to sections 254B.05, subdivision 5, and 254B.052.

254B.01 DEFINITIONS.

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

254B.04 ELIGIBILITY FOR BEHAVIORAL HEALTH FUND SERVICES.

Subd. 2a. **Eligibility for room and board services for persons in outpatient substance use disorder treatment.** A person eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

254B.181 SOBER HOMES.

Subdivision 1. **Requirements.** All sober homes must comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. In addition, all sober homes must:

(1) maintain a supply of an opiate antagonist in the home in a conspicuous location and post information on proper use;

(2) have written policies regarding access to all prescribed medications;

(3) have written policies regarding evictions;

(4) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect them upon discharge. The owner must make an effort to contact persons listed as emergency contacts for the discharged person so that the items are returned;

APPENDIX
Repealed Minnesota Statutes: H2434-1

(5) document the names and contact information for persons to contact in case of an emergency or upon discharge and notification of a family member, or other emergency contact designated by the resident under certain circumstances, including but not limited to death due to an overdose;

(6) maintain contact information for emergency resources in the community to address mental health and health emergencies;

(7) have policies on staff qualifications and prohibition against fraternization;

(8) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration for the treatment of opioid use disorder;

(9) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the United States Food and Drug Administration to treat co-occurring substance use disorders and mental health conditions;

(10) have a fee schedule and refund policy;

(11) have rules for residents;

(12) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;

(13) have policies requiring abstinence from alcohol and illicit drugs; and

(14) distribute the sober home bill of rights.

Subd. 2. **Bill of rights.** An individual living in a sober home has the right to:

(1) have access to an environment that supports recovery;

(2) have access to an environment that is safe and free from alcohol and other illicit drugs or substances;

(3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

(4) be treated with dignity and respect and to have personal property treated with respect;

(5) have personal, financial, and medical information kept private and to be advised of the sober home's policies and procedures regarding disclosure of such information;

(6) access, while living in the residence, to other community-based support services as needed;

(7) be referred to appropriate services upon leaving the residence, if necessary;

(8) retain personal property that does not jeopardize safety or health;

(9) assert these rights personally or have them asserted by the individual's representative or by anyone on behalf of the individual without retaliation;

(10) be provided with the name, address, and telephone number of the ombudsman for mental health, substance use disorder, and developmental disabilities and information about the right to file a complaint;

(11) be fully informed of these rights and responsibilities, as well as program policies and procedures; and

(12) not be required to perform services for the residence that are not included in the usual expectations for all residents.

Subd. 3. **Complaints; ombudsman for mental health and developmental disabilities.** Any complaints about a sober home may be made to and reviewed or investigated by the ombudsman for mental health and developmental disabilities, pursuant to sections 245.91 and 245.94.

Subd. 4. **Private right of action.** In addition to pursuing other remedies, an individual may bring an action to recover damages caused by a violation of this section.

Laws 2021, First Special Session chapter 7, article 13, section 75, as amended Subdivisions 3, 3as amended by Laws 2024, chapter 108, article 1, section 28; 6, 6as amended by Laws 2024, chapter 108, article 1, section 28;

Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.

Sec. 28. Laws 2021, First Special Session chapter 7, article 13, section 75, is amended to read:

Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.

Subdivision 1. **Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments to the streamlined service menu from waiver reimagine phase I and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with ~~and~~ seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.

Subd. 2. **Public stakeholder engagement.** The commissioner must offer a public method to regularly receive input and concerns from people with disabilities and their families about waiver reimagine phase II. The commissioner shall provide ~~regular~~ quarterly public updates on policy development and on how recent stakeholder input was used throughout the ~~is being incorporated into the current~~ development and implementation of waiver reimagine phase II.

Subd. 3. **Waiver Reimagine Advisory Committee.** (a) The commissioner must convene, at regular intervals throughout the development and implementation of waiver reimagine phase II, a Waiver Reimagine Advisory Committee that consists of a group of diverse, representative stakeholders. The commissioner must solicit and endeavor to include racially, ethnically, and geographically diverse membership from each of the following groups:

- (1) people with disabilities who use waiver services;
- (2) family members of people who use waiver services;
- (3) disability and behavioral health advocates;
- (4) lead agency representatives; and
- (5) waiver service providers.

(b) The assistant commissioner of aging and disability services must attend and participate in meetings of the Waiver Reimagine Advisory Committee.

(c) The Waiver Reimagine Advisory Committee must have the opportunity to assist collaborate in a meaningful way in developing and providing feedback on proposed plans for waiver reimagine components, including an individual budget methodology, criteria and a process for individualized budget exemptions, the consolidation of the four current home and community-based waiver service programs into two-waiver programs, the role of assessments and the MnCHOICES 2.0 assessment tool in determining service needs and individual budgets, and other aspects of waiver reimagine phase II.

~~(e)~~ (d) The Waiver Reimagine Advisory Committee must have an opportunity to assist in the development of and provide feedback on proposed adjustments and modifications to the streamlined menu of services and the existing rate exception criteria and process.

Subd. 4. **Required report.** Prior to seeking federal approval for any aspect of waiver reimagine phase II and in ~~consultation~~ collaboration with the Waiver Reimagine Advisory Committee, the

APPENDIX
Repealed Minnesota Session Laws: H2434-1

commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services a report on plans for waiver reimagine phase II. The report must also include any plans to adjust or modify the streamlined menu of services ~~or~~, the existing rate exemption criteria or process, the proposed individual budget ranges, and the role of MnCHOICES 2.0 assessment tool in determining service needs and individual budget ranges.

Subd. 5. **Transition process.** (a) Prior to implementation of wavier reimagine phase II, the commissioner must establish a process to assist people who use waiver services and lead agencies transition to a two-waiver system with an individual budget methodology.

(b) 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.

Subd. 6. **Online support planning tool.** The commissioner must develop an online support planning and tracking tool for people using disability waiver services that allows access to the total budget available to the person, the services for which they are eligible, and the services they have chosen and used. The commissioner must explore operability options that would facilitate real-time tracking of a person's remaining available budget throughout the service year. The online support planning tool must provide information in an accessible format to support the person's informed choice. The commissioner must seek input from people with disabilities about the online support planning tool prior to its implementation.

Subd. 7. **Curriculum and training.** The commissioner must develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to comply with informed decision making for people who used home and community-based disability waivers. Training and competency evaluations must be completed annually by all staff responsible for case management as described in Minnesota Statutes, sections 256B.092, subdivision 1a, paragraph (f), and 256B.49, subdivision 13, paragraph (e).

Sec. 28. Laws 2021, First Special Session chapter 7, article 13, section 75, is amended to read:

Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.

Subdivision 1. **Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments to the streamlined service menu from waiver reimagine phase I and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with ~~and~~, seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.

Subd. 2. **Public stakeholder engagement.** The commissioner must offer a public method to regularly receive input and concerns from people with disabilities and their families about waiver reimagine phase II. The commissioner shall provide ~~regular~~ quarterly public updates on policy development and on how recent stakeholder input was used throughout the is being incorporated into the current development and implementation of waiver reimagine phase II.

Subd. 3. **Waiver Reimagine Advisory Committee.** (a) The commissioner must convene, at regular intervals throughout the development and implementation of waiver reimagine phase II, a Waiver Reimagine Advisory Committee that consists of a group of diverse, representative stakeholders. The commissioner must solicit and endeavor to include racially, ethnically, and geographically diverse membership from each of the following groups:

- (1) people with disabilities who use waiver services;
- (2) family members of people who use waiver services;

APPENDIX
Repealed Minnesota Session Laws: H2434-1

(3) disability and behavioral health advocates;

(4) lead agency representatives; and

(5) waiver service providers.

(b) The assistant commissioner of aging and disability services must attend and participate in meetings of the Waiver Reimagine Advisory Committee.

(c) The Waiver Reimagine Advisory Committee must have the opportunity to ~~assist~~ collaborate in a meaningful way in developing and providing feedback on proposed plans for waiver reimagine components, including an individual budget methodology, criteria and a process for individualized budget exemptions, the consolidation of the four current home and community-based waiver service programs into two-waiver programs, the role of assessments and the MnCHOICES 2.0 assessment tool in determining service needs and individual budgets, and other aspects of waiver reimagine phase II.

~~(c)~~ (d) The Waiver Reimagine Advisory Committee must have an opportunity to assist in the development of and provide feedback on proposed adjustments and modifications to the streamlined menu of services and the existing rate exception criteria and process.

Subd. 4. Required report. Prior to seeking federal approval for any aspect of waiver reimagine phase II and in ~~consultation~~ collaboration with the Waiver Reimagine Advisory Committee, the commissioner must submit to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services a report on plans for waiver reimagine phase II. The report must also include any plans to adjust or modify the streamlined menu of services ~~or~~, the existing rate exemption criteria or process, the proposed individual budget ranges, and the role of MnCHOICES 2.0 assessment tool in determining service needs and individual budget ranges.

Subd. 5. Transition process. (a) Prior to implementation of wavier reimagine phase II, the commissioner must establish a process to assist people who use waiver services and lead agencies transition to a two-waiver system with an individual budget methodology.

(b) 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.

Subd. 6. Online support planning tool. The commissioner must develop an online support planning and tracking tool for people using disability waiver services that allows access to the total budget available to the person, the services for which they are eligible, and the services they have chosen and used. The commissioner must explore operability options that would facilitate real-time tracking of a person's remaining available budget throughout the service year. The online support planning tool must provide information in an accessible format to support the person's informed choice. The commissioner must seek input from people with disabilities about the online support planning tool prior to its implementation.

Subd. 7. Curriculum and training. The commissioner must develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to comply with informed decision making for people who used home and community-based disability waivers. Training and competency evaluations must be completed annually by all staff responsible for case management as described in Minnesota Statutes, sections 256B.092, subdivision 1a, paragraph (f), and 256B.49, subdivision 13, paragraph (e).