

1.1 moves to amend H.F. No. 2434 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 AGING SERVICES

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

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

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

1.21 ~~(c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to~~
1.22 ~~\$990.~~

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

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

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

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

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

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

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

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

2.18 (2) is not eligible for medical assistance;

2.19 (3) has received a community assessment under section 256B.0911, subdivisions 17 to
2.20 21, 23, 24, or 27, and does not require the level of care provided in a nursing facility;

2.21 (4) meets the financial eligibility criteria ~~for the alternative care program under section~~
2.22 ~~256B.0913, subdivision 4~~ under subdivision 3;

2.23 (5) has an assessment summary; and

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

2.28 (i) adult day services;

2.29 (ii) caregiver support;

2.30 (iii) homemaker support;

2.31 (iv) chores;

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

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

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

3.4 (viii) respite care.

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

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

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

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

3.17 Subd. 3. **Financial eligibility criteria.** (a) To be eligible for essential community
3.18 supports, a person may have an income up to 400 percent of the federal poverty guidelines
3.19 for the household size. When determining financial eligibility under this subdivision, the
3.20 commissioner must use the income methodology described in section 256B.056, subdivision
3.21 1a, paragraph (b).

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

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

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

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

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

4.1 (d) The commissioner shall increase the property rate of a nursing facility located in the
4.2 city of Chatfield at 1102 Liberty Street SE in Fillmore County by \$21.35 on January 1,
4.3 2025.

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

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

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

4.9 Subd. 19. **External fixed costs.** "External fixed costs" means costs related to the nursing
4.10 home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122;
4.11 family advisory council fee under section 144A.33; scholarships under section 256R.37;
4.12 planned closure rate adjustments under section 256R.40; consolidation rate adjustments
4.13 under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d;
4.14 single-bed room incentives under section 256R.41; property taxes, special assessments, and
4.15 payments in lieu of taxes; employer health insurance costs; quality improvement incentive
4.16 payment rate adjustments under section 256R.39; performance-based incentive payments
4.17 under section 256R.38; special dietary needs under section 256R.51; Public Employees
4.18 Retirement Association employer costs; ~~and~~ border city rate adjustments under section
4.19 256R.481; and the rate adjustment for nursing home wage standards under section 256R.495.

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

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

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

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

5.1 commissioner of human services shall notify the revisor of statutes when federal approval
5.2 is obtained.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.16 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

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

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

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

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

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

7.1 (f) The portion related to planned closure rate adjustments is as determined under section
7.2 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

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

7.5 (h) The portion related to single-bed room incentives is as determined under section
7.6 256R.41.

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

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

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

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

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

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

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

7.24 (n) The portion related to special dietary needs is the amount determined under section
7.25 256R.51.

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

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

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

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

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

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

8.18 Subd. 2. **Application for January 1, 2026, and January 1, 2027, rate adjustments.** (a)
8.19 To receive a rate adjustment, a nursing facility must submit an application for each rate year
8.20 in which the rate adjustment under this section is in effect to the commissioner in a form
8.21 and manner determined by the commissioner. The application must include data for a period
8.22 beginning with the first pay period after July 1 of the year prior to the rate year in which
8.23 the rate adjustment takes effect, including at least three months of employee compensated
8.24 hours by wage rate, and a spending plan that describes how the funds from the rate adjustment
8.25 will be allocated for compensation to employees as defined by Minnesota Rules, part
8.26 5200.2060, that are paid less than the general wage standards defined in Minnesota Rules,
8.27 part 5200.2080, and the wage standards for certain positions defined by Minnesota Rules,
8.28 part 5200.2090. The application must be submitted by October 1 of the year prior to the
8.29 rate year in which the rate adjustment takes effect. The commissioner may request any
8.30 additional information needed to determine the rate adjustment within 20 calendar days of
8.31 receiving a completed application. The nursing facility must provide any additional
8.32 information requested by the commissioner within 20 calendar days of receiving a request
8.33 from the commissioner for additional information. The commissioner may waive the
8.34 deadlines in this subdivision under extraordinary circumstances.

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

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

9.13 (1) for all nursing home workers, the sum of the difference between \$19.00 and any
9.14 hourly wage rate of less than \$19.00, multiplied by the number of compensated hours at
9.15 that wage rate;

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

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

9.22 (4) for licensed practical nurses, the sum of the difference between \$27.00 and any hourly
9.23 wage rate of less than \$27.00, multiplied by the number of compensated hours at that wage
9.24 rate; and

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

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

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

10.4 (2) for certified nursing assistants, the sum of the difference between \$24.00 and any
10.5 hourly wage rate of less than \$24.00, multiplied by the number of compensated hours at
10.6 that wage rate;

10.7 (3) for trained medication aides, the sum of the difference between \$25.00 and any hourly
10.8 wage rate of less than \$25.00, multiplied by the number of compensated hours at that wage
10.9 rate;

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

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

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

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

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

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

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

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

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

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

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

11.8 (1) the commissioner must determine the RUG-IV facility average case mix using the
11.9 sum of the resident days by the case mix classification for all payers on the September 30,
11.10 2025, Minnesota Statistical and Cost Report; and

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

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

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

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

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

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

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

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

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

- 12.1 (i) from October 1, 2025, to December 31, 2026, 75 percent;
- 12.2 (ii) from January 1, 2027, to December 31, 2027, 50 percent; and
- 12.3 (iii) from January 1, 2028, to December 31, 2028, 25 percent; and
- 12.4 (2) the PDPM medical assistance case mix adjusted direct care payment rate determined
- 12.5 in subdivision 4 multiplied by the following percentages:
- 12.6 (i) October 1, 2025, to December 31, 2026, 25 percent;
- 12.7 (ii) January 1, 2027, to December 31, 2027, 50 percent; and
- 12.8 (iii) January 1, 2028, to December 31, 2028, 75 percent.
- 12.9 Subd. 6. **PDPM phase-in rate adjustment.** The commissioner shall determine a facility's
- 12.10 PDPM phase-in rate adjustment as the difference between:
- 12.11 (1) the blended medical assistance case mix adjusted direct care payment rate determined
- 12.12 in subdivision 5; and
- 12.13 (2) the PDPM medical assistance case mix adjusted direct care payment rate determined
- 12.14 in section 256R.23, subdivision 7.
- 12.15 **EFFECTIVE DATE.** This section is effective October 1, 2025.
- 12.16 Sec. 15. **[256R.532] NURSING FACILITY RATE ADD-ON FOR WORKFORCE**
- 12.17 **STANDARDS.**
- 12.18 (a) Effective for rate years beginning on and after January 1, 2028, or upon federal
- 12.19 approval, whichever is later, the commissioner shall annually provide a rate add-on amount
- 12.20 for nursing facilities reimbursed under this chapter for the initial standards for wages for
- 12.21 nursing home workers adopted by the Nursing Home Workforce Standards Board in
- 12.22 Minnesota Rules, parts 5200.2060 to 5200.2090, pursuant to section 181.213, subdivision
- 12.23 2, paragraph (c). The add-on amount is equal to:
- 12.24 (1) \$3.93 per resident day, effective January 1, 2028; and
- 12.25 (2) \$8.55 per resident day, effective January 1, 2029.
- 12.26 (b) Effective upon federal approval, the commissioner must determine the add-on amount
- 12.27 for subsequent rate years in consultation with the commissioner of labor and industry.
- 12.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.1 Sec. 16. Laws 2023, chapter 61, article 9, section 2, subdivision 14, as amended by Laws
 13.2 2024, chapter 125, article 8, section 13, is amended to read:

13.3 **Subd. 14. Grant Programs; Aging and Adult**
 13.4 **Services Grants** 164,626,000 34,795,000

13.5 **(a) Vulnerable Adult Act Redesign Phase**
 13.6 **Two.** \$17,129,000 in fiscal year 2024 is for
 13.7 adult protection grants to counties and Tribes
 13.8 under Minnesota Statutes, section 256M.42.
 13.9 Notwithstanding Minnesota Statutes, section
 13.10 16A.28, this appropriation is available until
 13.11 June 30, 2027. The base for this appropriation
 13.12 is \$866,000 in fiscal year 2026 and \$867,000
 13.13 in fiscal year 2027.

13.14 **(b) Caregiver Respite Services Grants.**
 13.15 \$1,800,000 in fiscal year 2025 is for caregiver
 13.16 respite services grants under Minnesota
 13.17 Statutes, section 256.9756. This is a onetime
 13.18 appropriation. Notwithstanding Minnesota
 13.19 Statutes, section 16A.28, subdivision 3, this
 13.20 appropriation is available until June 30, 2027.

13.21 **(c) Live Well at Home Grants.** \$4,575,000
 13.22 in fiscal year 2024 is for live well at home
 13.23 grants under Minnesota Statutes, section
 13.24 256.9754, subdivision 3f. This is a onetime
 13.25 appropriation and is available until June 30,
 13.26 2025.

13.27 **(d) Senior Nutrition Program.** \$10,552,000
 13.28 in fiscal year 2024 is for the senior nutrition
 13.29 program. Notwithstanding Minnesota Statutes,
 13.30 section 16A.28, this appropriation is available
 13.31 until June 30, 2027. This is a onetime
 13.32 appropriation.

13.33 **(e) Age-Friendly Community Grants.**
 13.34 \$3,000,000 in fiscal year 2024 is for the

14.1 continuation of age-friendly community grants
 14.2 under Laws 2021, First Special Session
 14.3 chapter 7, article 17, section 8, subdivision 1.
 14.4 Notwithstanding Minnesota Statutes, section
 14.5 16A.28, this is a onetime appropriation and is
 14.6 available until June 30, 2027.

14.7 **(f) Age-Friendly Technical Assistance**
 14.8 **Grants.** \$1,725,000 in fiscal year 2024 is for
 14.9 the continuation of age-friendly technical
 14.10 assistance grants under Laws 2021, First
 14.11 Special Session chapter 7, article 17, section
 14.12 8, subdivision 2. Notwithstanding Minnesota
 14.13 Statutes, section 16A.28, this is a onetime
 14.14 appropriation and is available until June 30,
 14.15 2027.

14.16 **(g) Long-Term Services and Supports Loan**
 14.17 **Program.** \$93,200,000 in fiscal year 2024 is
 14.18 for the long-term services and supports loan
 14.19 program under Minnesota Statutes, section
 14.20 256R.55, and is available as provided therein.

14.21 **(h) Base Level Adjustment.** The general fund
 14.22 base is \$33,861,000 in fiscal year 2026 and
 14.23 \$33,862,000 in fiscal year 2027.

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

14.25 Sec. 17. Laws 2023, chapter 61, article 9, section 2, subdivision 14, as amended by Laws
 14.26 2024, chapter 127, article 53, section 13, is amended to read:

14.27	Subd. 14. Grant Programs; Aging and Adult		
14.28	Services Grants	164,626,000	34,795,000

14.29 **(a) Vulnerable Adult Act Redesign Phase**
 14.30 **Two.** \$17,129,000 in fiscal year 2024 is for
 14.31 adult protection grants to counties and Tribes
 14.32 under Minnesota Statutes, section 256M.42.
 14.33 Notwithstanding Minnesota Statutes, section
 14.34 16A.28, this appropriation is available until

15.1 June 30, 2027. The base for this appropriation
15.2 is \$866,000 in fiscal year 2026 and \$867,000
15.3 in fiscal year 2027.

15.4 **(b) Caregiver Respite Services Grants.**

15.5 \$1,800,000 in fiscal year 2025 is for caregiver
15.6 respite services grants under Minnesota
15.7 Statutes, section 256.9756. This is a onetime
15.8 appropriation. Notwithstanding Minnesota
15.9 Statutes, section 16A.28, subdivision 3, this
15.10 appropriation is available until June 30, 2027.

15.11 **(c) Live Well at Home Grants.** \$4,575,000

15.12 in fiscal year 2024 is for live well at home
15.13 grants under Minnesota Statutes, section
15.14 256.9754, subdivision 3f. This is a onetime
15.15 appropriation and is available until June 30,
15.16 2025.

15.17 **(d) Senior Nutrition Program.** \$10,552,000

15.18 in fiscal year 2024 is for the senior nutrition
15.19 program. Notwithstanding Minnesota Statutes,
15.20 section 16A.28, this appropriation is available
15.21 until June 30, 2027. This is a onetime
15.22 appropriation.

15.23 **(e) Age-Friendly Community Grants.**

15.24 \$3,000,000 in fiscal year 2024 is for the
15.25 continuation of age-friendly community grants
15.26 under Laws 2021, First Special Session
15.27 chapter 7, article 17, section 8, subdivision 1.
15.28 Notwithstanding Minnesota Statutes, section
15.29 16A.28, this is a onetime appropriation and is
15.30 available until June 30, 2027.

15.31 **(f) Age-Friendly Technical Assistance**

15.32 **Grants.** \$1,725,000 in fiscal year 2024 is for
15.33 the continuation of age-friendly technical
15.34 assistance grants under Laws 2021, First

16.1 Special Session chapter 7, article 17, section
16.2 8, subdivision 2. Notwithstanding Minnesota
16.3 Statutes, section 16A.28, this is a onetime
16.4 appropriation and is available until June 30,
16.5 2027.

16.6 **(g) Long-Term Services and Supports Loan**
16.7 **Program.** \$93,200,000 in fiscal year 2024 is
16.8 for the long-term services and supports loan
16.9 program under Minnesota Statutes, section
16.10 256R.55, and is available as provided therein.

16.11 **(h) Base Level Adjustment.** The general fund
16.12 base is \$33,861,000 in fiscal year 2026 and
16.13 \$33,862,000 in fiscal year 2027.

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

16.15 **ARTICLE 2**
16.16 **DISABILITY SERVICES**

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

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

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

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

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

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

16.31 (e) "Representative" means a person who is the resident's guardian or conservator, the
16.32 person authorized to pay the nursing home expenses of the resident, a representative of the

17.1 Office of Ombudsman for Long-Term Care whose assistance has been requested, or any
17.2 other individual designated by the resident.

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

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

17.9 (1) nursing facility services under chapter 256R;

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

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

17.12 ~~(4)~~ (3) state payment of alternative care services under section 256B.0913.

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

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

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

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

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

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

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

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

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

18.1 (7) the person is determined to be at risk for nursing facility admission or readmission
18.2 through a face-to-face long-term care consultation assessment as specified in section
18.3 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
18.4 organization under contract with the Department of Human Services. The person is
18.5 considered at risk under this clause if the person currently lives alone or will live alone or
18.6 be homeless without the person's current housing and also meets one of the following criteria:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19.21 (b) The state must make financial contributions to the Minnesota Caregiver Retirement
19.22 Fund Trust pursuant to a collective bargaining agreement negotiated under this section. The
19.23 financial contributions by the state must be held in trust for the purpose of paying, from
19.24 principal, income, or both, the costs associated with creating, implementing, and
19.25 administering a defined contribution or other individual account retirement program for
19.26 individual providers of direct support services working under a collective bargaining
19.27 agreement and providing services through a covered program under section 256B.0711. A
19.28 board of trustees composed of an equal number of trustees appointed by the governor and
19.29 trustees appointed by the exclusive representative under this section must administer, manage,
19.30 and otherwise jointly control the Minnesota Caregiver Retirement Fund Trust. The trust
19.31 must not be an agent of either the state or the exclusive representative.

19.32 (c) A third-party administrator, financial management institution, other appropriate
19.33 entity, or any combination thereof may provide trust administrative, management, legal,

20.1 and financial services to the board of trustees as designated by the board of trustees from
20.2 time to time. The services must be paid from the money held in trust and created by the
20.3 state's financial contributions to the Minnesota Caregiver Retirement Fund Trust.

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

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

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

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

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

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

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

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

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

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

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

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

21.3 (2) investigate reports of maltreatment;

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

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

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

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

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

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

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

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

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

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

21.22 Subd. 5. **Reporting of maltreatment.** An EIDBI agency must comply with the
21.23 requirements of reporting of maltreatment of vulnerable adults and minors under section
21.24 626.557 and chapter 260E.

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

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

21.30 Subd. 8. **Reconsideration.** (a) If a provisional license holder disagrees with a revocation
21.31 under subdivision 7, or a denial of a provisional license application, the provisional license

22.1 holder may request reconsideration by the commissioner. The reconsideration request process
22.2 must be conducted internally by the commissioner and is not an administrative appeal under
22.3 chapter 14 or section 256.045.

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

22.6 (c) A complete reconsideration request and supporting documentation must be received
22.7 by the commissioner within 15 calendar days after the date the provisional license holder
22.8 receives notice of the revocation under subdivision 7, or a denial of a provisional license
22.9 application.

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

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

22.13 (2) during the pendency of a reconsideration.

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

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

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

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

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

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

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

- 23.1 (1) the recency of the disqualifying characteristic;
- 23.2 (2) the recency of discharge from probation for the crimes;
- 23.3 (3) the number of disqualifying characteristics;
- 23.4 (4) the intrusiveness or violence of the disqualifying characteristic;
- 23.5 (5) the vulnerability of the victim involved in the disqualifying characteristic;
- 23.6 (6) the similarity of the victim to the persons served by the program where the individual
- 23.7 studied will have direct contact;
- 23.8 (7) whether the individual has a disqualification from a previous background study that
- 23.9 has not been set aside;
- 23.10 (8) if the individual has a disqualification which may not be set aside because it is a
- 23.11 permanent bar under section 245C.24, subdivision 1, or the individual is a child care
- 23.12 background study subject who has a felony-level conviction for a drug-related offense in
- 23.13 the last five years, the commissioner may order the immediate removal of the individual
- 23.14 from any position allowing direct contact with, or access to, persons receiving services from
- 23.15 the program and from working in a children's residential facility or foster residence setting;
- 23.16 and
- 23.17 (9) if the individual has a disqualification which may not be set aside because it is a
- 23.18 permanent bar under section 245C.24, subdivision 2, or the individual is a child care
- 23.19 background study subject who has a felony-level conviction for a drug-related offense during
- 23.20 the last five years, the commissioner may order the immediate removal of the individual
- 23.21 from any position allowing direct contact with or access to persons receiving services from
- 23.22 the center and from working in a licensed child care center or certified license-exempt child
- 23.23 care center.
- 23.24 (c) This section does not apply when the subject of a background study is regulated by
- 23.25 a health-related licensing board as defined in chapter 214, and the subject is determined to
- 23.26 be responsible for substantiated maltreatment under section 626.557 or chapter 260E.
- 23.27 (d) This section does not apply to a background study related to an initial application
- 23.28 for a child foster family setting license.
- 23.29 (e) Except for paragraph (f), this section does not apply to a background study that is
- 23.30 also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a
- 23.31 personal care assistant or a qualified professional as defined in section 256B.0659,

24.1 subdivision 1, or to a background study for an individual providing early intensive
24.2 developmental and behavioral intervention services under section 245A.142 or 256B.0949.

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

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

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

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

24.15 (1) ethical considerations;

24.16 (2) functional assessment;

24.17 (3) functional analysis;

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

24.19 (5) selecting intervention outcomes and strategies;

24.20 (6) behavior reduction and elimination strategies that promote least restrictive approved
24.21 alternatives;

24.22 (7) data collection;

24.23 (8) staff and caregiver training;

24.24 (9) support plan monitoring;

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

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

24.27 (12) must be a:

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

25.1 (ii) clinical social worker licensed as an independent clinical social worker under chapter
25.2 148D, or a person with a master's degree in social work from an accredited college or
25.3 university, with at least 4,000 hours of post-master's supervised experience in the delivery
25.4 of clinical services in the areas identified in clauses (1) to (11);

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27.2 **Subdivision 1. Licensed setting required.** A license holder with a home and
27.3 community-based services license providing out-of-home respite care services for children
27.4 may do so only in a licensed setting, unless exempt under subdivision 2. For the purposes
27.5 of this section, "respite care services" has the meaning given in section 245A.02, subdivision
27.6 15.

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

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

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

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

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

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

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

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

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

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

27.31 (9) each individual in the residence at the time services are provided, other than
27.32 individuals receiving services, is an employee, as defined under section 245C.02, of the

28.1 license holder and has had a background study completed under chapter 245C. No other
28.2 household members or other individuals may be present in the residence while services are
28.3 provided.

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

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

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

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

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

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

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

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

28.19 Sec. 10. **[256.4768] DISABILITY SERVICES TECHNOLOGY AND ADVOCACY**
28.20 **EXPANSION GRANT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31.2 Subd. 24. **Remote reassessments.** (a) Assessments performed according to subdivisions
31.3 17 to 20 and 23 must be in person unless the assessment is a reassessment meeting the
31.4 requirements of this subdivision. Remote reassessments conducted by interactive video or
31.5 telephone may substitute for in-person reassessments.

31.6 (b) For services provided by the developmental disabilities waiver under section
31.7 256B.092, and the community access for disability inclusion, community alternative care,
31.8 and brain injury waiver programs under section 256B.49, remote reassessments may be
31.9 substituted for ~~two~~ four consecutive reassessments if followed by an in-person reassessment.

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

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

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

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

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

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

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

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

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

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

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

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

32.18 (c) The assessor must review the most recent prior assessment or reassessment as required
32.19 in subdivision 22, paragraph (a), and paragraph (b), clause (1), before conducting the
32.20 interview. The certified assessor must confirm that the information from the previous
32.21 assessment or reassessment is current.

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

32.23 (1) verify current assessed support needs;

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

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

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

32.27 and

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

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

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

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

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

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

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

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

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

33.25 (b) Except as provided under paragraph (m), payment for targeted case management
33.26 provided by county staff under this subdivision shall be based on the monthly rate
33.27 methodology under section 256B.094, subdivision 6, paragraph (b), calculated as one
33.28 combined average rate together with adult mental health case management under section
33.29 256B.0625, subdivision 20, except for calendar year 2002. In calendar year 2002, the rate
33.30 for case management under this section shall be the same as the rate for adult mental health
33.31 case management in effect as of December 31, 2001. Billing and payment must identify the
33.32 recipient's primary population group to allow tracking of revenues.

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

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

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

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

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

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

34.29 (i) Notwithstanding section 256B.041, county payments for the cost of case management
34.30 services provided by county staff shall not be made to the commissioner of management
34.31 and budget. For the purposes of targeted case management services provided by county
34.32 staff under this section, the centralized disbursement of payments to counties under section
34.33 256B.041 consists only of federal earnings from services provided under this section.

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

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

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

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

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

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

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

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

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

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

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

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

35.29 (1) have at least 2,000 hours of supervised clinical experience or training in examining
35.30 or treating people with ASD or a related condition or equivalent documented coursework
35.31 at the graduate level by an accredited university in ASD diagnostics, ASD developmental

36.1 and behavioral treatment strategies, and typical child development or an equivalent
36.2 combination of documented coursework or hours of experience; and

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

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

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

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

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

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

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

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

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

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

- 37.1 (iv) is certified in one of the other treatment modalities recognized by the department;
- 37.2 or
- 37.3 (2) a person who has:
- 37.4 (i) an associate's degree in a behavioral or child development science or related field
- 37.5 including, but not limited to, mental health, special education, social work, psychology,
- 37.6 speech pathology, or occupational therapy from an accredited college or university; and
- 37.7 (ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people
- 37.8 with ASD or a related condition. Hours worked as a mental health behavioral aide or level
- 37.9 III treatment provider may be included in the required hours of experience; or
- 37.10 (3) a person who has at least 4,000 hours of supervised clinical experience in delivering
- 37.11 treatment to people with ASD or a related condition. Hours worked as a mental health
- 37.12 behavioral aide or level III treatment provider may be included in the required hours of
- 37.13 experience; or
- 37.14 (4) a person who is a graduate student in a behavioral science, child development science,
- 37.15 or related field and is receiving clinical supervision by a QSP affiliated with an agency to
- 37.16 meet the clinical training requirements for experience and training with people with ASD
- 37.17 or a related condition; or
- 37.18 (5) a person who is at least 18 years of age and who:
- 37.19 (i) is fluent in a non-English language or is an individual certified by a Tribal Nation;
- 37.20 (ii) completed the level III EIDBI training requirements; and
- 37.21 (iii) receives observation and direction from a QSP or level I treatment provider at least
- 37.22 once a week until the person meets 1,000 hours of supervised clinical experience.
- 37.23 (d) A level III treatment provider must be ~~employed by~~ an employee of an agency, have
- 37.24 completed the level III training requirement, be at least 18 years of age, and have at least
- 37.25 one of the following:
- 37.26 (1) a high school diploma or commissioner of education-selected high school equivalency
- 37.27 certification;
- 37.28 (2) fluency in a non-English language or Tribal Nation certification;
- 37.29 (3) one year of experience as a primary personal care assistant, community health worker,
- 37.30 waiver service provider, or special education assistant to a person with ASD or a related
- 37.31 condition within the previous five years; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39.27 Sec. 19. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision
39.28 to read:

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

40.1 Sec. 20. Minnesota Statutes 2024, section 256B.19, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

41.6 (1) 24-hour customized living;

41.7 (2) adult day services;

41.8 (3) adult day services bath;

41.9 (4) community residential services;

41.10 (5) customized living;

41.11 (6) day support services;

41.12 (7) employment development services;

41.13 (8) employment exploration services;

41.14 (9) employment support services;

41.15 (10) family residential services;

41.16 (11) individualized home supports;

41.17 (12) individualized home supports with family training;

41.18 (13) individualized home supports with training;

41.19 (14) integrated community supports;

41.20 (15) life sharing;

41.21 (16) effective until the effective date of clauses (17) and (18), night supervision;

41.22 (17) effective January 1, 2026, or upon federal approval, whichever is later, awake night
41.23 supervision;

41.24 (18) effective January 1, 2026, or upon federal approval, whichever is later, asleep night
41.25 supervision;

41.26 ~~(17)~~ (19) positive support services;

41.27 ~~(18)~~ (20) prevocational services;

41.28 ~~(19)~~ (21) residential support services;

42.1 ~~(20)~~ (22) respite services;

42.2 ~~(21)~~ (23) transportation services; and

42.3 ~~(22)~~ (24) other services as approved by the federal government in the state home and
42.4 community-based services waiver plan.

42.5 (b) Effective January 1, 2024, or upon federal approval, whichever is later, respite
42.6 services under paragraph (a), clause ~~(20)~~ (22), are not an applicable service under this
42.7 section.

42.8 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
42.9 that the amendments to paragraph (b) are effective January 1, 2026, or upon federal approval,
42.10 whichever is later. The commissioner of human services shall notify the revisor of statutes
42.11 when federal approval is obtained.

42.12 Sec. 22. Minnesota Statutes 2024, section 256B.4914, subdivision 5, is amended to read:

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

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

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

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

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

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

43.1 Sec. 23. Minnesota Statutes 2024, section 256B.4914, subdivision 5a, is amended to read:

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

43.4 (1) for supervisory staff, 100 percent of the median wage for community and social
43.5 services specialist (SOC code 21-1099), with the exception of the supervisor of positive
43.6 supports professional, positive supports analyst, and positive supports specialist, which is
43.7 100 percent of the median wage for clinical counseling and school psychologist (SOC code
43.8 19-3031);

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

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

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

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

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

43.20 (ii) 85 percent of the subtotal of 40 percent of the median wage for home health and
43.21 personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant
43.22 (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code
43.23 29-2053); and 20 percent of the median wage for social and human services aide (SOC code
43.24 21-1093);

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

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

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

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

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

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

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

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

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

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

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

44.28 (17) effective until the effective date of clauses (18) and (19), for night supervision staff,
44.29 40 percent of the median wage for home health and personal care aide (SOC code 31-1120);
44.30 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the
44.31 median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median
44.32 wage for social and human services aide (SOC code 21-1093);₂

45.1 (18) effective January 1, 2026, or upon federal approval, whichever is later, for awake
45.2 night supervision staff, 40 percent of the median wage for home health and personal care
45.3 aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code
45.4 31-1131); 20 percent the median wage for psychiatric technician (SOC code 29-2053); and
45.5 20 percent of the median wage for social and human services aid (SOC code 21-1093); and

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

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

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

45.10 Subd. 5b. **Standard component value adjustments.** The commissioner shall update
45.11 the base wage index, client and programming support, transportation, and program facility
45.12 cost component values as required in subdivisions 5a and 6 to 9 and the rates identified in
45.13 subdivision 19 for changes in the Consumer Price Index. If the result of this update exceeds
45.14 four percent, the commissioner shall implement a change to these component values of four
45.15 percent. If the result of this update is less than four percent, the commissioner shall implement
45.16 the full value of the change. The commissioner shall adjust these values higher or lower,
45.17 publish these updated values, and load them into the rate management system as follows:

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

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

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

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

45.28 Sec. 25. Minnesota Statutes 2024, section 256B.4914, subdivision 6a, is amended to read:

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

45.31 (1) competitive workforce factor: 6.7 percent;

- 46.1 (2) supervisory span of control ratio: 11 percent;
- 46.2 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 46.3 (4) employee-related cost ratio: 23.6 percent;
- 46.4 (5) general administrative support ratio: 13.25 percent; and
- 46.5 (6) program-related expense ratio: 1.3 percent; and
- 46.6 ~~(7) absence and utilization factor ratio: 3.9 percent.~~
- 46.7 (b) Payments for community residential services must be calculated as follows:
- 46.8 (1) determine the number of shared direct staffing and individual direct staffing hours
- 46.9 to meet a recipient's needs provided on site or through monitoring technology;
- 46.10 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 46.11 provided in subdivisions 5 and 5a;
- 46.12 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 46.13 product of one plus the competitive workforce factor;
- 46.14 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 46.15 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 46.16 to the result of clause (3);
- 46.17 (5) multiply the number of shared direct staffing and individual direct staffing hours
- 46.18 provided on site or through monitoring technology and nursing hours by the appropriate
- 46.19 staff wages;
- 46.20 (6) multiply the number of shared direct staffing and individual direct staffing hours
- 46.21 provided on site or through monitoring technology and nursing hours by the product of the
- 46.22 supervision span of control ratio and the appropriate supervisory staff wage in subdivision
- 46.23 5a, clause (1);
- 46.24 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and
- 46.25 individual direct staffing hours provided through monitoring technology, and multiply the
- 46.26 result by one plus the employee vacation, sick, and training allowance ratio. This is defined
- 46.27 as the direct staffing cost;
- 46.28 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
- 46.29 direct staffing and individual hours provided through monitoring technology, by one plus
- 46.30 the employee-related cost ratio;

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

47.3 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
 47.4 by 365 if customized for adapted transport, based on the resident with the highest assessed
 47.5 need. The commissioner shall update the amounts in this clause as specified in subdivision
 47.6 5b;

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

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

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

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

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

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

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

47.22 (1) competitive workforce factor: 6.7 percent;

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

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

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

47.26 (5) general administrative support ratio: 3.3 percent; and

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

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

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

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

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

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

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

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

48.13 (6) multiply the number of shared direct staffing and individual direct staffing hours
48.14 provided on site or through monitoring technology and nursing hours by the product of the
48.15 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
48.16 5a, clause (1);

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

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

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

48.26 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
48.27 by 365 if customized for adapted transport, based on the resident with the highest assessed
48.28 need. The commissioner shall update the amounts in this clause as specified in subdivision
48.29 5b;

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

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

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

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

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

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

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

49.13 (1) competitive workforce factor: 6.7 percent;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 51.1 (b) Component values for unit-based services with programming are:
- 51.2 (1) competitive workforce factor: 6.7 percent;
- 51.3 (2) supervisory span of control ratio: 11 percent;
- 51.4 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 51.5 (4) employee-related cost ratio: 23.6 percent;
- 51.6 (5) program plan support ratio: 15.5 percent;
- 51.7 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision
- 51.8 5b;
- 51.9 (7) general administrative support ratio: 13.25 percent;
- 51.10 (8) program-related expense ratio: 6.1 percent; and
- 51.11 (9) absence and utilization factor ratio: 3.9 percent.
- 51.12 (c) A unit of service for unit-based services with programming is 15 minutes.
- 51.13 (d) Payments for unit-based services with programming must be calculated as follows,
- 51.14 unless the services are reimbursed separately as part of a residential support services or day
- 51.15 program payment rate:
- 51.16 (1) determine the number of units of service to meet a recipient's needs;
- 51.17 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 51.18 provided in subdivisions 5 and 5a;
- 51.19 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 51.20 product of one plus the competitive workforce factor;
- 51.21 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 51.22 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 51.23 to the result of clause (3);
- 51.24 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 51.25 (6) multiply the number of direct staffing hours by the product of the supervisory span
- 51.26 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 51.27 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 51.28 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 51.29 rate;

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

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

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

52.7 (11) this is the subtotal rate;

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

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

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

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

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

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

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

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

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

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

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

52.30 Subd. 9. **Unit-based services without programming; component values and**
52.31 **calculation of payment rates.** (a) For the purposes of this section, unit-based services

53.1 without programming include individualized home supports without training and night
 53.2 supervision provided to an individual outside of any service plan for a day program or
 53.3 residential support service. Unit-based services without programming do not include respite.
 53.4 This paragraph expires upon the effective date of paragraph (b).

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

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

53.11 (1) competitive workforce factor: 6.7 percent;

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

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

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

53.15 (5) program plan support ratio: 7.0 percent;

53.16 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision
 53.17 5b;

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

53.19 (8) program-related expense ratio: 2.9 percent; and

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

53.21 ~~(e)~~ (d) A unit of service for unit-based services without programming is 15 minutes.

53.22 ~~(d)~~ (e) Payments for unit-based services without programming must be calculated as
 53.23 follows unless the services are reimbursed separately as part of a residential support services
 53.24 or day program payment rate:

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

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

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

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

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

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

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

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

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

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

54.16 (11) this is the subtotal rate;

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

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

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

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

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

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

54.29 **Subd. 14a. Limitations on rate exceptions for residential services.** (a) Effective July
54.30 1, 2026, the commissioner must implement limitations on the size and number of rate

55.1 exceptions for community residential services, customized living services, family residential
55.2 services, and integrated community supports.

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

55.4 (1) a documented behavioral diagnosis; or

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

55.7 (c) Community residential services rate exceptions must not include positive supports
55.8 costs.

55.9 (d) The commissioner must not approve rate exception requests related to increased
55.10 community time or transportation.

55.11 (e) For the commissioner to approve a rate exception annual renewal, the person's most
55.12 recent assessment must indicate continued extraordinary needs in the areas cited in the
55.13 exception request. If a person's assessment continues to identify these extraordinary needs,
55.14 lead agencies requesting an annual renewal of rate exceptions must submit provider-created
55.15 documentation supporting the continuation of the exception, including but not limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

56.6 Subd. 7a. **Enhanced rate.** (a) An enhanced rate of 107.5 percent of the rate paid for
56.7 CFSS must be paid for services provided to persons who qualify for ten or more hours of
56.8 CFSS per day when provided by a support worker who meets the requirements of subdivision
56.9 16, paragraph (e). This paragraph expires upon the effective date of paragraph (b).

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

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

56.22 ~~(e)~~ (d) Any change in the eligibility criteria for the enhanced rate for CFSS as described
56.23 in this subdivision and referenced in subdivision 16, paragraph (e), does not constitute a
56.24 change in a term or condition for individual providers as defined in section 256B.0711, and
56.25 is not subject to the state's obligation to meet and negotiate under chapter 179A.

56.26 **EFFECTIVE DATE.** This section is effective the day following federal approval.

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

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

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

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

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

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

57.9 (3) the presence of Level I behavior.

57.10 (d) The methodology to determine the total service units for CFSS for each home care
57.11 rating is based on the median paid units per day for each home care rating from fiscal year
57.12 2007 data for the PCA program.

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

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

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

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

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

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

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

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

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

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

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

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

58.11 (1) 30 additional minutes per day for a dependency in each critical activity of daily
58.12 living;

58.13 (2) 30 additional minutes per day for each complex health-related need; and

58.14 (3) 30 additional minutes per day for each behavior under this clause that requires
58.15 assistance at least four times per week:

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

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

58.18 or

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

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

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

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

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

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

58.29 (2) an adjustment needed for administrative expenses.

58.30 **EFFECTIVE DATE.** This section is effective the day following final approval.

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

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

59.3 (1) enroll with the department as a support worker after a background study under chapter
59.4 245C has been completed and the support worker has received a notice from the
59.5 commissioner that the support worker:

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

59.7 (ii) is disqualified, but has received a set-aside of the disqualification under section
59.8 245C.22;

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

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

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

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

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

59.27 (7) not independently determine the medication dose or time for medications for the
59.28 participant.

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

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

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

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

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

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

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

60.10 (d) A support worker must not provide or be paid for more than 310 hours of CFSS per
60.11 month, regardless of the number of participants the support worker serves or the number
60.12 of agency-providers or participant employers by which the support worker is employed.
60.13 The department shall not disallow the number of hours per day a support worker works
60.14 unless it violates other law.

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

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

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

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

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

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

60.31 **EFFECTIVE DATE.** This section is effective the day following federal approval.

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

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

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

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

61.6 (3) employee benefits factor, 12.04 percent;

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

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

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

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

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

61.12 (b) For purposes of implementation, the commissioner shall use the following
61.13 implementation components:

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

61.15 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 88.19
61.16 percent; and

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

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

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

61.22 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20
61.23 percent; and

61.24 (3) qualified professional services and CFSS worker training and development: 92.20
61.25 percent.

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

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

62.1 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08
62.2 percent; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

63.22 Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine
 63.23 the rate for personal care assistance services, CFSS, extended personal care assistance
 63.24 services, extended CFSS, enhanced rate personal care assistance services, enhanced rate
 63.25 CFSS, qualified professional services, and CFSS worker training and development as
 63.26 follows:

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

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

63.31 (3) for employee-related expenses, add the employer taxes and workers' compensation
 63.32 factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is

64.1 employee-related expenses. Multiply the product of clause (2) by one plus the value for
64.2 employee-related expenses;

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

64.5 (5) for administrative expenses, add the general business and administrative expenses
64.6 factor in subdivision 5, the program administration expenses factor in subdivision 5, and
64.7 the absence and utilization factor in subdivision 5;

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

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

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

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

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

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

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

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

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

65.1 personal care provider organizations under section 256B.0659 must be forwarded to the
65.2 Department of Human Services provider enrollment.

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

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

65.10 (d) The Department of Education is the agency responsible for screening and investigating
65.11 allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,
65.12 and 13, and chapter 124E. The Department of Education's responsibility to screen and
65.13 investigate includes allegations of maltreatment involving students 18 through 21 years of
65.14 age, including students receiving special education services, up to and including graduation
65.15 and the issuance of a secondary or high school diploma.

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

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

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

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

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

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

65.28 (a) The Department of Health is the lead investigative agency for facilities or services
65.29 licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding
65.30 care homes, hospice providers, residential facilities that are also federally certified as
65.31 intermediate care facilities that serve people with developmental disabilities, or any other
65.32 facility or service not listed in this subdivision that is licensed or required to be licensed by

66.1 the Department of Health for the care of vulnerable adults. "Home care provider" has the
66.2 meaning provided in section 144A.43, subdivision 4, and applies when care or services are
66.3 delivered in the vulnerable adult's home.

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

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

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

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

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

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

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

66.30 (c) The commissioner must develop an individualized budget methodology exception
66.31 to support access to home care nursing services. Lead agencies must submit budget exception
66.32 requests to the commissioner in a form and manner prescribed by the commissioner.

67.1 Eligibility for the budget exception in this paragraph is limited to persons meeting all of the
67.2 following criteria in their most recent assessment:

67.3 (1) the person is assessed to need the level of care delivered in a hospital setting;

67.4 (2) the person is assessed to receive a support range budget of E; and

67.5 (3) the person does not receive community residential services, family residential services,
67.6 integrated community supports, or customized living. Nursing supports funded through the
67.7 budget exception identified in this paragraph must be delivered by a Medicare-certified
67.8 home health nurse or a licensed home care nurse under section 256B.0654. If any of the
67.9 requirements outlined in this paragraph are no longer met following a person's annual
67.10 reassessment under section 256B.0911, the commissioner must terminate the budget
67.11 exception. Lead agencies must require documentation to ensure that all home care nursing
67.12 services authorized under this budget exception are used for home care nursing services
67.13 and not used to fund non-home care nursing services.

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

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

67.21 (f) No later than January 1, 2027, the commissioner must:

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

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

67.28 (3) seek input from people with disabilities about the online support planning tool prior
67.29 to its implementation.

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

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

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

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

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

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

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

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

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

68.29 **EFFECTIVE DATE.** The amendment to clause (5), item (ii), the amendment to clause
68.30 (14), and the amendment striking clause (18) are effective January 1, 2024, or upon federal
68.31 approval, whichever is later. The amendment to clause (4) is effective January 1, ~~2026~~ 2028,

69.1 or upon federal approval, whichever is later. The commissioner of human services shall
69.2 notify the revisor of statutes when federal approval is obtained.

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

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

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

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

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

69.14 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit
69.15 to the chairs and ranking minority members of the legislative committees with jurisdiction
69.16 over human services finance and policy an interim report on the impact and outcomes of
69.17 the grants, including the number of grants awarded and the organizations receiving the
69.18 grants. The interim report must include any available evidence of how grantees were able
69.19 to increase utilization of supported decision making and reduce or avoid more restrictive
69.20 forms of decision making such as guardianship and conservatorship. By December 1, ~~2025~~
69.21 2027, the commissioner must submit to the chairs and ranking minority members of the
69.22 legislative committees with jurisdiction over human services finance and policy a final
69.23 report on the impact and outcomes of the grants, including any updated information from
69.24 the interim report and the total number of people served by the grants. The final report must
69.25 also detail how the money was used to achieve the requirements in subdivision 3, paragraph
69.26 (b).

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

69.29 **EFFECTIVE DATE.** Paragraph (a) is effective January 1, 2024, or upon federal
69.30 approval, whichever is later, and paragraph (b) is effective January 1, ~~2026~~ 2028, or upon

70.1 federal approval, whichever is later. The commissioner of human services shall notify the
70.2 revisor of statutes when federal approval is obtained.

70.3 **Sec. 48. POSITIVE SUPPORTS COMPETENCY PROGRAM.**

70.4 (a) The commissioner shall establish a positive supports competency program with the
70.5 money appropriated for this purpose.

70.6 (b) When establishing the positive supports competency program, the commissioner
70.7 must use a community partner driven process to:

70.8 (1) define the core activities associated with effective intervention services at the positive
70.9 support specialist, positive support analyst, and positive support professional level;

70.10 (2) create tools providers may use to track whether their positive supports specialists,
70.11 analysts, and professionals are competently performing the core activities associated with
70.12 effective intervention services;

70.13 (3) align existing training systems funded through the Department of Human Services
70.14 and develop free online modules for competency-based training to prepare positive support
70.15 specialists, positive support analysts, and positive support professionals to provide effective
70.16 intervention services;

70.17 (4) assist providers interested in utilizing a competency-based training model to create
70.18 a career pathway for the positive support analysts and specialists within their organizations
70.19 by using experienced professionals;

70.20 (5) create written guidelines, stories, and examples for providers that will be placed on
70.21 Department of Human Services websites promoting capacity building; and

70.22 (6) disseminate resources and guidance to providers interested in meeting
70.23 competency-based qualifications for positive supports via already existing regional networks
70.24 of experts, including communities of practice, and develop new avenues for disseminating
70.25 these resources and guidance, including through implementation of ECHO models.

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

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

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

- 71.1 (2) one member of the house of representatives, appointed by the leader of the house of
71.2 representatives Democratic-Farmer-Labor caucus;
- 71.3 (3) one member of the senate, appointed by the senate majority leader;
- 71.4 (4) one member of the senate, appointed by the senate minority leader;
- 71.5 (5) four individuals currently receiving disability waiver services who are under the age
71.6 of 65, appointed by the governor;
- 71.7 (6) one county employee who conducts long-term care consultation services assessments
71.8 for persons under the age of 65, appointed by the Minnesota Association of County Social
71.9 Services Administrators;
- 71.10 (7) one representative of the Department of Human Services with knowledge of the
71.11 requirements for a provider to participate in disability waiver service programs and of the
71.12 administration of benefits, appointed by the commissioner of human services;
- 71.13 (8) one employee of the Minnesota Council on Disability, appointed by the Minnesota
71.14 Council on Disability;
- 71.15 (9) two representatives of disability advocacy organizations, appointed by the governor;
- 71.16 (10) two family members of individuals who are receiving disability waiver services,
71.17 appointed by the governor;
- 71.18 (11) two providers of disability waiver services for persons who are under the age of
71.19 65, appointed by the governor;
- 71.20 (12) one employee from the Office of Ombudsman for Mental Health and Developmental
71.21 Disabilities, appointed by the ombudsman;
- 71.22 (13) one employee from the Olmstead Implementation Office, appointed by the director
71.23 of the office;
- 71.24 (14) the assistant commissioner of the Department of Human Services administration
71.25 that oversees disability services; and
- 71.26 (15) a member of the Minnesota Disability Law Center, appointed by the executive
71.27 director of Mid-Minnesota Legal Aid.
- 71.28 (b) Each appointing authority must make its appointments by September 30, 2025.
71.29 Appointments made by an agency or commissioner may also be made by a designee.
- 71.30 (c) In making task force appointments, the governor must ensure representation from
71.31 greater Minnesota.

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

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

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

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

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

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

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

72.17 (3) criteria and process for provider rate exceptions and individualized budget exceptions;

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

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

72.22 (6) service planning and authorization process for disability waiver services;

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

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

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

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

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

73.3 (d) The Department of Human Services shall provide relevant data and research to the
73.4 task force to facilitate their work.

73.5 Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation
73.6 and expense reimbursement as provided in Minnesota Statutes, section 15.059, subdivision
73.7 3.

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

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

73.15 Subd. 6. **Expiration.** The task force expires upon submission of its report, or December
73.16 31, 2027, whichever is earlier.

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

73.18 Sec. 50. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY**
73.19 **SUPPORTS.**

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

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

73.25 Sec. 51. **ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED**
73.26 **COMMUNITY SUPPORTS.**

73.27 Effective January 1, 2026, or upon federal approval, whichever is later, the commissioner
73.28 must increase the consumer-directed community supports budget exception percentage
73.29 identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49,
73.30 and chapter 256S; and the alternative care program under Minnesota Statutes, section
73.31 256B.0913, from 7.5 to 12.5.

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

74.2 Sec. 52. **REPEALER.**

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

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

74.9 **ARTICLE 3**
74.10 **HEALTH CARE**

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

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

74.15 (b) "Income" means the adjusted gross income of the natural or adoptive parents
74.16 determined according to the previous year's federal tax form, except taxable capital gains
74.17 to the extent the funds have been used to purchase a home shall not be counted as income.

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

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

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

74.24 Subd. 2d. **Parental responsibility.** Parents with household adjusted gross income equal
74.25 to or greater than 675 percent of the federal poverty guidelines are responsible for a portion
74.26 of the cost of services, according to subdivision 2e, when:

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

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

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

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

75.3 Subd. 2e. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
75.4 not including a child determined eligible for medical assistance without consideration of
75.5 parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a
75.6 child accessing home and community-based waiver services, must contribute to the cost of
75.7 services used by making monthly payments on a sliding scale based on income, unless the
75.8 child is married or has been married, parental rights have been terminated, or the child's
75.9 adoption is subsidized according to chapter 259A or through Title IV-E of the Social Security
75.10 Act. The parental contribution is a partial or full payment for medical services provided for
75.11 diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal
75.12 care services as defined in United States Code, title 26, section 213, needed by the child
75.13 with a chronic illness or disability.

75.14 (b) For households with adjusted gross income equal to or greater than 675 percent of
75.15 federal poverty guidelines, the parental contribution shall be computed by applying the
75.16 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

75.17 (1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
75.18 guidelines and less than 975 percent of federal poverty guidelines, the parental contribution
75.19 shall be determined using a sliding fee scale established by the commissioner of human
75.20 services which begins at 4.5 percent of adjusted gross income at 675 percent of federal
75.21 poverty guidelines and increases to 5.99 percent of adjusted gross income for those with
75.22 adjusted gross income up to 975 percent of federal poverty guidelines; and

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

75.25 (c) If the child lives with the parent, the annual adjusted gross income is reduced by
75.26 \$2,400 prior to calculating the parental contribution. If the child resides in an institution
75.27 specified in section 256B.35, the parent is responsible for the personal needs allowance
75.28 specified under that section in addition to the parental contribution determined under this
75.29 section. The parental contribution is reduced by any amount required to be paid directly to
75.30 the child pursuant to a court order, but only if actually paid.

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

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

76.3 Subd. 2f. **Household size; contribution adjustments.** (a) The household size used in
76.4 determining the amount of contribution under subdivision 2e includes natural and adoptive
76.5 parents and their dependents, including the child receiving services.

76.6 (b) Adjustments in the contribution amount due to annual changes in the federal poverty
76.7 guidelines shall be implemented on the first day of July following publication of the changes.

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

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

76.11 Subd. 2g. **Contribution explained in writing.** (a) The contribution shall be explained
76.12 in writing to the parents at the time eligibility for services is determined. The contribution
76.13 shall be made on a monthly basis effective with the first month in which the child receives
76.14 services.

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

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

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

76.26 Subd. 2h. **Annual review; written notice.** (a) The monthly contribution amount must
76.27 be reviewed at least once every 12 months; when there is a change in household size; and
76.28 when there is a loss of or gain in income from one month to another in excess of ten percent.

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

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

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

77.4 Subd. 2i. **Parents who do not live with each other; contribution.** Parents of a minor
77.5 child who do not live with each other shall each pay the contribution required under
77.6 subdivision 2e. An amount equal to the annual court-ordered child support payment actually
77.7 paid on behalf of the child receiving services shall be deducted from the adjusted gross
77.8 income of the parent making the payment prior to calculating the parental contribution under
77.9 subdivision 2e.

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

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

77.13 Subd. 2j. **Parents with more than one child receiving services; contribution.** Parents
77.14 who have more than one child receiving services shall not be required to pay more than the
77.15 amount for the child with the highest expenditures. The parent shall not be required to pay
77.16 a contribution in excess of the cost of the services provided to the child, not counting
77.17 payments made to school districts for education-related services.

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

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

77.21 Subd. 2k. **Insurance coverage.** (a) The contribution under subdivision 2e shall be
77.22 increased by an additional five percent if the local agency determines that insurance coverage
77.23 is available but not obtained for the child.

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

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

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

78.3 Subd. 21. **Contribution reduction.** (a) The contribution under subdivision 2e shall be
78.4 reduced by \$300 per fiscal year if, in the 12 months prior to July 1:

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

78.6 (2) the insurer denied insurance;

78.7 (3) the parents submitted a complaint or appeal, in writing, to the insurer, submitted a
78.8 complaint or appeal, in writing, to the commissioner of health or the commissioner of
78.9 commerce, or litigated the complaint or appeal; and

78.10 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

78.11 (b) A parent who has requested a reduction in the contribution amount under this
78.12 paragraph shall submit proof in the form and manner prescribed by the commissioner or
78.13 local agency, including but not limited to the insurer's denial of insurance, the written letter
78.14 or complaint of the parents, court documents, and the written response of the insurer
78.15 approving insurance. The determinations of the commissioner or local agency under this
78.16 subdivision are not rules subject to chapter 14.

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

78.18 Sec. 11. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
78.19 read:

78.20 Subd. 3a. **Civil actions.** If the parent fails to make appropriate reimbursement as required
78.21 in subdivisions 2d and 2e, the attorney general, at the request of the commissioner, may
78.22 institute or direct the appropriate county attorney to institute civil action to recover the
78.23 required reimbursement.

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

78.25 Sec. 12. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
78.26 read:

78.27 Subd. 4b. **Order of payment.** If the parental contribution is for reimbursement for the
78.28 cost of services to both the local agency and the medical assistance program, the local agency
78.29 shall be reimbursed for its expenses first and the remainder must be deposited in the medical
78.30 assistance account.

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

79.1 Sec. 13. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
79.2 read:

79.3 Subd. 5a. **Determination; redetermination; notice.** A determination order and written
79.4 notice of parental fee shall be mailed to the parent at least annually, or more frequently as
79.5 provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination order and
79.6 notice shall contain the following information:

79.7 (1) the amount the parent is required to contribute;

79.8 (2) notice of the right to a redetermination and appeal; and

79.9 (3) the telephone number of the division at the Department of Human Services that is
79.10 responsible for redeterminations.

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

79.12 Sec. 14. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
79.13 read:

79.14 Subd. 6a. **Appeals.** (a) A parent may appeal the determination or redetermination of an
79.15 obligation to make a contribution under this section, according to section 256.045. The
79.16 parent must make a request for a hearing in writing within 30 days of the date the
79.17 determination or redetermination order is mailed, or within 90 days of such written notice
79.18 if the parent shows good cause why the request was not submitted within the 30-day time
79.19 limit. The commissioner must provide the parent with a written notice that acknowledges
79.20 receipt of the request and notifies the parent of the date of the hearing. While the appeal is
79.21 pending, the parent has the rights regarding making payment that are provided in Minnesota
79.22 Rules, part 9550.6235.

79.23 (b) If the commissioner's determination or redetermination is affirmed, the parent shall,
79.24 within 90 calendar days after the date an order is issued under section 256.045, subdivision
79.25 5, pay the total amount due from the effective date of the notice of determination or
79.26 redetermination that was appealed by the parent. If the commissioner's order under this
79.27 subdivision results in a decrease in the parental fee amount, any payments made by the
79.28 parent that result in an overpayment shall be credited to the parent as provided in Minnesota
79.29 Rules, part 9550.6235, subpart 3.

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

80.1 Sec. 15. Minnesota Statutes 2024, section 256.01, subdivision 29, is amended to read:

80.2 Subd. 29. **State medical review team.** (a) To ensure the timely processing of
80.3 determinations of disability by the commissioner's state medical review team under sections
80.4 256B.055, subdivisions 7, paragraph (b), and 12, and 256B.057, subdivision 9, the
80.5 commissioner shall review all medical evidence and seek information from providers,
80.6 applicants, and enrollees to support the determination of disability where necessary. Disability
80.7 shall be determined according to the rules of title XVI and title XIX of the Social Security
80.8 Act and pertinent rules and policies of the Social Security Administration.

80.9 (b) Medical assistance providers must grant the state medical review team access to
80.10 electronic health records held by the medical assistance providers, when available, to support
80.11 efficient and accurate disability determinations.

80.12 (c) Medicaid providers shall accept electronically signed authorizations to release medical
80.13 records provided by the state medical review team.

80.14 ~~(b)~~ (d) Prior to a denial or withdrawal of a requested determination of disability due to
80.15 insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary
80.16 and appropriate to a determination of disability, and (2) assist applicants and enrollees to
80.17 obtain the evidence, including, but not limited to, medical examinations and electronic
80.18 medical records.

80.19 ~~(e)~~ (e) Any appeal made under section 256.045, subdivision 3, of a disability
80.20 determination made by the state medical review team must be decided according to the
80.21 timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not
80.22 issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal
80.23 must be immediately reviewed by the chief human services judge.

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

80.25 Sec. 16. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

80.26 Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to
80.27 determine the ability of responsible relatives to contribute partial or complete payment or
80.28 repayment of medical assistance furnished to recipients for whom they are responsible. All
80.29 medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for
80.30 nonexcluded resources shall be implemented. Above these limits, a contribution of one-third
80.31 of the excess resources shall be required. These rules shall not require payment or repayment
80.32 when payment would cause undue hardship to the responsible relative or that relative's
80.33 immediate family. ~~These rules do not apply to~~ shall be consistent with the requirements of

81.1 section 252.27 for parents of children with household adjusted gross income equal to or
 81.2 greater than 675 percent of the federal poverty guidelines whose eligibility for medical
 81.3 assistance was determined without deeming of the parents' resources and income under the
 81.4 Tax Equity and Fiscal Responsibility Act (TEFRA) option or to ~~parents of children accessing~~
 81.5 access home and community-based waiver services. The county agency shall give the
 81.6 responsible relative notice of the amount of the payment or repayment. If the state agency
 81.7 or county agency finds that notice of the payment obligation was given to the responsible
 81.8 relative, but that the relative failed or refused to pay, a cause of action exists against the
 81.9 responsible relative for that portion of medical assistance granted after notice was given to
 81.10 the responsible relative, which the relative was determined to be able to pay.

81.11 (b) The action may be brought by the state agency or the county agency in the county
 81.12 where assistance was granted, for the assistance, together with the costs of disbursements
 81.13 incurred due to the action.

81.14 (c) In addition to granting the county or state agency a money judgment, the court may,
 81.15 upon a motion or order to show cause, order continuing contributions by a responsible
 81.16 relative found able to repay the county or state agency. The order shall be effective only
 81.17 for the period of time during which the recipient receives medical assistance from the county
 81.18 or state agency.

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

81.20 **ARTICLE 4**

81.21 **BEHAVIORAL HEALTH**

81.22 Section 1. Minnesota Statutes 2024, section 245.4661, subdivision 2, is amended to read:

81.23 Subd. 2. **Program design and implementation.** Adult mental health initiatives shall
 81.24 be responsible for designing, planning, improving, and maintaining a mental health service
 81.25 delivery system for adults with serious and persistent mental illness that would:

81.26 (1) provide an expanded array of services from which clients can choose services
 81.27 appropriate to their needs;

81.28 (2) be based on purchasing strategies that improve access and coordinate services without
 81.29 cost shifting;

81.30 (3) prioritize evidence-based services and implement services that are promising practices
 81.31 or theory-based practices so that the service can be evaluated according to subdivision 5a;

82.1 (4) incorporate existing state facilities and resources into the community mental health
82.2 infrastructure through creative partnerships with local vendors; and

82.3 (5) utilize ~~existing categorical funding streams and reimbursement sources in combined~~
82.4 ~~and creative ways, except~~ adult mental health initiative funding only after all other eligible
82.5 funding sources have been applied. Appropriations and all funds that are attributable to the
82.6 operation of state-operated services under the control of the Direct Care and Treatment
82.7 executive board are excluded unless appropriated specifically by the legislature for a purpose
82.8 consistent with this section.

82.9 Sec. 2. Minnesota Statutes 2024, section 245.4661, subdivision 6, is amended to read:

82.10 Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives,
82.11 the commissioner shall facilitate integration of funds or other resources as needed and
82.12 requested by each adult mental health initiative. These resources may include:

82.13 (1) community support services funds administered under Minnesota Rules, parts
82.14 9535.1700 to 9535.1760;

82.15 (2) other mental health special project funds;

82.16 (3) medical assistance, MinnesotaCare, and housing support under chapter 256I if
82.17 requested by the adult mental health initiative's managing entity and if the commissioner
82.18 determines this would be consistent with the state's overall health care reform efforts; and

82.19 (4) regional treatment center resources, with consent from the Direct Care and Treatment
82.20 executive board.

82.21 ~~(b) The commissioner shall consider the following criteria in awarding grants for adult~~
82.22 ~~mental health initiatives:~~

82.23 ~~(1) the ability of the initiatives to accomplish the objectives described in subdivision 2;~~

82.24 ~~(2) the size of the target population to be served; and~~

82.25 ~~(3) geographical distribution.~~

82.26 ~~(e)~~ (b) The commissioner shall review overall status of the initiatives at least every two
82.27 years and recommend any legislative changes needed by January 15 of each odd-numbered
82.28 year.

82.29 ~~(d)~~ (c) The commissioner may waive administrative rule requirements that are
82.30 incompatible with the implementation of the adult mental health initiative.

83.1 ~~(e)~~ (d) The commissioner may exempt the participating counties from fiscal sanctions
83.2 for noncompliance with requirements in laws and rules that are incompatible with the
83.3 implementation of the adult mental health initiative.

83.4 ~~(f)~~ (e) The commissioner may award grants to an entity designated by a county board
83.5 or group of county boards to pay for start-up and implementation costs of the adult mental
83.6 health initiative.

83.7 Sec. 3. Minnesota Statutes 2024, section 245.4661, subdivision 7, is amended to read:

83.8 Subd. 7. **Duties of adult mental health initiative board.** The adult mental health
83.9 initiative board, or other entity which is approved to administer an adult mental health
83.10 initiative, shall:

83.11 (1) administer the initiative in a manner that is consistent with the objectives described
83.12 in subdivision 2 and the planning process described in subdivision 5;

83.13 (2) assure that no one is denied services that they would otherwise be eligible for; and

83.14 (3) provide the commissioner of human services with timely and pertinent information
83.15 through the following methods:

83.16 ~~(i) submission of mental health plans and plan amendments which are based on a format
83.17 and timetable determined by the commissioner;~~

83.18 ~~(ii) submission of social services expenditure and grant reconciliation reports, based on
83.19 a coding format to be determined by mutual agreement between the initiative's managing
83.20 entity and the commissioner; and~~

83.21 ~~(iii) submission of data and participation in an evaluation of the adult mental health
83.22 initiatives, to be designed cooperatively by the commissioner and the initiatives. For services
83.23 provided to American Indians in Tribal nations or urban Indian communities, oral reports
83.24 using a system designed in partnership between the commissioner and the reporting
83.25 community satisfy the requirements of this clause.~~

83.26 Sec. 4. Minnesota Statutes 2024, section 245.4871, subdivision 5, is amended to read:

83.27 Subd. 5. **Child.** "Child" means a person under 18 years of age, or a person 18 years of
83.28 age or older and under 21 years of age receiving continuous children's mental health targeted
83.29 case management services as defined in section 245.2875, subdivision 8.

84.1 Sec. 5. Minnesota Statutes 2024, section 245.91, subdivision 4, is amended to read:

84.2 Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or
84.3 residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency,
84.4 facility, or program that provides services or treatment for mental illness, developmental
84.5 disability, substance use disorder, or emotional disturbance that is required to be licensed,
84.6 certified, or registered by the commissioner of human services, health, or education; a ~~sober~~
84.7 home recovery residence as defined in section 254B.01, subdivision 11; peer recovery
84.8 support services provided by a recovery community organization as defined in section
84.9 254B.01, subdivision 8; and an acute care inpatient facility that provides services or treatment
84.10 for mental illness, developmental disability, substance use disorder, or emotional disturbance.

84.11 **EFFECTIVE DATE.** This section is effective January 1, 2027.

84.12 Sec. 6. Minnesota Statutes 2024, section 245G.01, subdivision 13b, is amended to read:

84.13 Subd. 13b. **Guest speaker.** "Guest speaker" means an individual who is not an alcohol
84.14 and drug counselor qualified according to section 245G.11, subdivision 5; is not qualified
84.15 according to the commissioner's list of professionals under section 245G.07, subdivision 3,
84.16 clause (1); and who works under the direct observation of an alcohol and drug counselor to
84.17 present to clients on topics in which the guest speaker has expertise and that the license
84.18 holder has determined to be beneficial to a client's recovery. Tribally licensed programs
84.19 have autonomy to identify the qualifications of their guest speakers.

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

84.23 Sec. 7. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
84.24 read:

84.25 Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led
84.26 psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one
84.27 setting or in a setting with the client and the client's family and other natural supports.

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

85.1 Sec. 8. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
85.2 read:

85.3 Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section
85.4 245G.07, subdivision 1a, clause (2).

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

85.8 Sec. 9. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to
85.9 read:

85.10 Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means
85.11 the services described in section 245G.07, subdivision 1a.

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

85.15 Sec. 10. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
85.16 to read:

85.17 Subd. 20h. **Recovery support services.** "Recovery support services" means the services
85.18 described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

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

85.22 Sec. 11. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision
85.23 to read:

85.24 Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services
85.25 described in section 245G.07, subdivision 1b.

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

86.1 Sec. 12. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

86.2 Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county
 86.3 or recovery community organization that is providing a service for which the county or
 86.4 recovery community organization is an eligible vendor under section 254B.05. This chapter
 86.5 does not apply to an organization whose primary functions are information, referral,
 86.6 diagnosis, case management, and assessment for the purposes of client placement, education,
 86.7 support group services, or self-help programs. This chapter does not apply to the activities
 86.8 of a licensed professional in private practice. A license holder providing the initial set of
 86.9 substance use disorder services allowable under section 254A.03, subdivision 3, paragraph
 86.10 (c), to an individual referred to a licensed nonresidential substance use disorder treatment
 86.11 program after a positive screen for alcohol or substance misuse is exempt from sections
 86.12 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses~~
 86.13 ~~(2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

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

86.17 Sec. 13. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

86.18 Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must
 86.19 offer the treatment services in ~~clauses (1) to (5)~~ subdivisions 1a and 1b and may offer the
 86.20 treatment services in subdivision 2 to each client, unless clinically inappropriate and the
 86.21 justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must
 86.22 ~~offer all treatment services in clauses (1) to (5) and~~ document in the individual treatment
 86.23 plan the specific services for which a client has an assessed need and the plan to provide
 86.24 the services:

86.25 ~~(1) individual and group counseling to help the client identify and address needs related~~
 86.26 ~~to substance use and develop strategies to avoid harmful substance use after discharge and~~
 86.27 ~~to help the client obtain the services necessary to establish a lifestyle free of the harmful~~
 86.28 ~~effects of substance use disorder;~~

86.29 ~~(2) client education strategies to avoid inappropriate substance use and health problems~~
 86.30 ~~related to substance use and the necessary lifestyle changes to regain and maintain health.~~
 86.31 ~~Client education must include information on tuberculosis education on a form approved~~
 86.32 ~~by the commissioner, the human immunodeficiency virus according to section 245A.19,~~
 86.33 ~~other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

87.1 ~~(3) a service to help the client integrate gains made during treatment into daily living~~
87.2 ~~and to reduce the client's reliance on a staff member for support;~~

87.3 ~~(4) a service to address issues related to co-occurring disorders, including client education~~
87.4 ~~on symptoms of mental illness, the possibility of comorbidity, and the need for continued~~
87.5 ~~medication compliance while recovering from substance use disorder. A group must address~~
87.6 ~~co-occurring disorders, as needed. When treatment for mental health problems is indicated,~~
87.7 ~~the treatment must be integrated into the client's individual treatment plan; and~~

87.8 ~~(5) treatment coordination provided one-to-one by an individual who meets the staff~~
87.9 ~~qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

87.10 ~~(i) assistance in coordination with significant others to help in the treatment planning~~
87.11 ~~process whenever possible;~~

87.12 ~~(ii) assistance in coordination with and follow up for medical services as identified in~~
87.13 ~~the treatment plan;~~

87.14 ~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's~~
87.15 ~~medical provider, comprehensive assessment, or treatment plan;~~

87.16 ~~(iv) facilitation of referrals to mental health services as identified by a client's~~
87.17 ~~comprehensive assessment or treatment plan;~~

87.18 ~~(v) assistance with referrals to economic assistance, social services, housing resources,~~
87.19 ~~and prenatal care according to the client's needs;~~

87.20 ~~(vi) life skills advocacy and support accessing treatment follow-up, disease management,~~
87.21 ~~and education services, including referral and linkages to long-term services and supports~~
87.22 ~~as needed; and~~

87.23 ~~(vii) documentation of the provision of treatment coordination services in the client's~~
87.24 ~~file.~~

87.25 (b) A treatment service provided to a client must be provided according to the individual
87.26 treatment plan and must consider cultural differences and special needs of a client.

87.27 (c) A supportive service alone does not constitute a treatment service. Supportive services
87.28 include:

87.29 (1) milieu management or supervising or monitoring clients without also providing a
87.30 treatment service identified in subdivision 1a, 1b, or 2a;

87.31 (2) transporting clients;

88.1 (3) waiting with clients for appointments at social service agencies, court hearings, and
88.2 similar activities; and

88.3 (4) collecting urinalysis samples.

88.4 (d) A treatment service provided in a group setting must be provided in a cohesive
88.5 manner and setting that allows every client receiving the service to interact and receive the
88.6 same service at the same time.

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

88.10 Sec. 14. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

88.11 Subdivision 1. **Treatment service.** (a) A licensed residential treatment program must
88.12 offer the treatment services in clauses (1) to (5) to each client, unless clinically inappropriate
88.13 and the justifying clinical rationale is documented. A nonresidential treatment program must
88.14 offer all treatment services in clauses (1) to (5) and document in the individual treatment
88.15 plan the specific services for which a client has an assessed need and the plan to provide
88.16 the services:

88.17 (1) individual and group counseling to help the client identify and address needs related
88.18 to substance use and develop strategies to avoid harmful substance use after discharge and
88.19 to help the client obtain the services necessary to establish a lifestyle free of the harmful
88.20 effects of substance use disorder;

88.21 (2) client education strategies to avoid inappropriate substance use and health problems
88.22 related to substance use and the necessary lifestyle changes to regain and maintain health.
88.23 Client education must include information on tuberculosis education on a form approved
88.24 by the commissioner, the human immunodeficiency virus according to section 245A.19,
88.25 other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;

88.26 (3) a service to help the client integrate gains made during treatment into daily living
88.27 and to reduce the client's reliance on a staff member for support;

88.28 (4) a service to address issues related to co-occurring disorders, including client education
88.29 on symptoms of mental illness, the possibility of comorbidity, and the need for continued
88.30 medication compliance while recovering from substance use disorder. A group must address
88.31 co-occurring disorders, as needed. When treatment for mental health problems is indicated,
88.32 the treatment must be integrated into the client's individual treatment plan; and

89.1 (5) treatment coordination provided one-to-one by an individual who meets the staff
89.2 qualifications in section 245G.11, subdivision 7. Treatment coordination services include:

89.3 (i) assistance in coordination with significant others to help in the treatment planning
89.4 process whenever possible;

89.5 (ii) assistance in coordination with and follow up for medical services as identified in
89.6 the treatment plan;

89.7 (iii) facilitation of referrals to substance use disorder services as indicated by a client's
89.8 medical provider, comprehensive assessment, or treatment plan;

89.9 (iv) facilitation of referrals to mental health services as identified by a client's
89.10 comprehensive assessment or treatment plan;

89.11 (v) ~~assistance with~~ referrals to and assistance with navigating economic assistance,
89.12 Minnesota health care programs under chapters 256B and 256L, social services, housing
89.13 resources, and prenatal care according to the client's needs;

89.14 (vi) life skills advocacy and support accessing treatment follow-up, disease management,
89.15 and education services, including referral and linkages to long-term services and supports
89.16 as needed; and

89.17 (vii) documentation of the provision of treatment coordination services in the client's
89.18 file.

89.19 (b) A treatment service provided to a client must be provided according to the individual
89.20 treatment plan and must consider cultural differences and special needs of a client.

89.21 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
89.22 whichever is later.

89.23 Sec. 15. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
89.24 to read:

89.25 **Subd. 1a. Psychosocial treatment service.** Psychosocial treatment services must be
89.26 provided according to the hours identified in section 254B.19 for the ASAM level of care
89.27 provided to the client. A license holder must provide the following psychosocial treatment
89.28 services as a part of the client's individual treatment:

89.29 (1) counseling services that provide a client with professional assistance in managing
89.30 substance use disorder and co-occurring conditions, either individually or in a group setting.

89.31 Counseling must:

90.1 (i) use evidence-based techniques to help a client modify behavior, overcome obstacles,
90.2 and achieve and sustain recovery through techniques such as active listening, guidance,
90.3 discussion, feedback, and clarification;

90.4 (ii) help the client to identify and address needs related to substance use, develop
90.5 strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects
90.6 of substance use disorder; and

90.7 (iii) work to improve well-being and mental health, resolve or mitigate symptomatic
90.8 behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and
90.9 social skills, while addressing client-centered psychological and emotional needs; and

90.10 (2) psychoeducation services to provide a client with information about substance use
90.11 and co-occurring conditions, either individually or in a group setting. Psychoeducation
90.12 includes structured presentations, interactive discussions, and practical exercises to help
90.13 clients understand and manage their conditions effectively. Topics include but are not limited
90.14 to:

90.15 (i) the causes of substance use disorder and co-occurring disorders;

90.16 (ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;

90.17 (iii) the importance of maintaining mental health, including understanding symptoms
90.18 of mental illness;

90.19 (iv) medications for addiction and psychiatric disorders and the importance of medication
90.20 adherence;

90.21 (v) the importance of maintaining physical health, health-related risk factors associated
90.22 with substance use disorder, and specific health education on tuberculosis, HIV, other
90.23 sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and

90.24 (vi) harm-reduction strategies.

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

90.28 Sec. 16. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
90.29 to read:

90.30 Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided to a
90.31 single client by an individual who meets the staff qualifications in section 245G.11,
90.32 subdivision 7. Treatment coordination services include:

91.1 (1) coordinating directly with others involved in the client's treatment and recovery,
91.2 including the referral source, family or natural supports, social services agencies, and external
91.3 care providers;

91.4 (2) providing clients with training and facilitating connections to community resources
91.5 that support recovery;

91.6 (3) assisting clients in obtaining necessary resources and services such as financial
91.7 assistance, housing, food, clothing, medical care, education, harm reduction services,
91.8 vocational support, and recreational services that promote recovery;

91.9 (4) helping clients connect and engage with self-help support groups and expand social
91.10 support networks with family, friends, and organizations; and

91.11 (5) assisting clients in transitioning between levels of care, including providing direct
91.12 connections to ensure continuity of care.

91.13 (b) Treatment coordination does not include coordinating services or communicating
91.14 with staff members within the licensed program.

91.15 (c) Treatment coordination may be provided in a setting with the individual client and
91.16 others involved in the client's treatment and recovery.

91.17 Sec. 17. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision
91.18 to read:

91.19 Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary
91.20 services in addition to the hours of psychosocial treatment services identified in section
91.21 254B.19 for the ASAM level of care provided to the client.

91.22 (b) A license holder may provide the following ancillary treatment services as a part of
91.23 the client's individual treatment:

91.24 (1) recovery support services provided individually or in a group setting, that include:

91.25 (i) supporting clients in restoring daily living skills, such as health and health care
91.26 navigation and self-care to enhance personal well-being;

91.27 (ii) providing resources and assistance to help clients restore life skills, including effective
91.28 parenting, financial management, pro-social behavior, education, employment, and nutrition;

91.29 (iii) assisting clients in restoring daily functioning and routines affected by substance
91.30 use and supporting them in developing skills for successful community integration; and

92.1 (iv) helping clients respond to or avoid triggers that threaten their community stability,
92.2 assisting the client in identifying potential crises and developing a plan to address them,
92.3 and providing support to restore the client's stability and functioning; and

92.4 (2) peer recovery support services provided according to sections 254B.05, subdivision
92.5 5, and 254B.052.

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

92.9 Sec. 18. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

92.10 Subd. 3. ~~**Counselors Treatment service providers.**~~ (a) All treatment services, except
92.11 ~~peer recovery support services and treatment coordination,~~ must be provided by an alcohol
92.12 ~~and drug counselor qualified according to section 245G.11, subdivision 5, unless the~~
92.13 ~~individual providing the service is specifically qualified according to the accepted credential~~
92.14 ~~required to provide the service. The commissioner shall maintain a current list of~~
92.15 ~~professionals qualified to provide treatment services.~~

92.16 (b) Psychosocial treatment services must be provided by an alcohol and drug counselor
92.17 qualified according to section 245G.11, subdivision 5, unless the individual providing the
92.18 service is specifically qualified according to the accepted credential required to provide the
92.19 service. The commissioner shall maintain a current list of professionals qualified to provide
92.20 psychosocial treatment services.

92.21 (c) Treatment coordination must be provided by a treatment coordinator qualified
92.22 according to section 245G.11, subdivision 7.

92.23 (d) Recovery support services must be provided by a behavioral health practitioner
92.24 qualified according to section 245G.11, subdivision 12.

92.25 (e) Peer recovery support services must be provided by a recovery peer qualified
92.26 according to section 245I.04, subdivision 18.

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

93.1 Sec. 19. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

93.2 Subd. 4. **Location of service provision.** (a) The license holder must provide all treatment
93.3 services a client receives at one of the license holder's substance use disorder treatment
93.4 licensed locations or at a location allowed under paragraphs (b) to (f). If the services are
93.5 provided at the locations in paragraphs (b) to (d), the license holder must document in the
93.6 client record the location services were provided.

93.7 (b) The license holder may provide nonresidential individual treatment services at a
93.8 client's home or place of residence.

93.9 (c) If the license holder provides treatment services by telehealth, the services must be
93.10 provided according to this paragraph:

93.11 (1) the license holder must maintain a licensed physical location in Minnesota where
93.12 the license holder must offer all treatment services in subdivision 4, ~~paragraph (a), clauses~~
93.13 ~~(1) to (4)~~, 1a physically in-person to each client;

93.14 (2) the license holder must meet all requirements for the provision of telehealth in sections
93.15 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder
93.16 must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client
93.17 receiving services by telehealth, regardless of payment type or whether the client is a medical
93.18 assistance enrollee;

93.19 (3) the license holder may provide treatment services by telehealth to clients individually;

93.20 (4) the license holder may provide treatment services by telehealth to a group of clients
93.21 that are each in a separate physical location;

93.22 (5) the license holder must not provide treatment services remotely by telehealth to a
93.23 group of clients meeting together in person, unless permitted under clause (7);

93.24 (6) clients and staff may join an in-person group by telehealth if a staff member qualified
93.25 to provide the treatment service is physically present with the group of clients meeting
93.26 together in person; and

93.27 (7) the qualified professional providing a residential group treatment service by telehealth
93.28 must be physically present on-site at the licensed residential location while the service is
93.29 being provided. If weather conditions or short-term illness prohibit a qualified professional
93.30 from traveling to the residential program and another qualified professional is not available
93.31 to provide the service, a qualified professional may provide a residential group treatment
93.32 service by telehealth from a location away from the licensed residential location. In such
93.33 circumstances, the license holder must ensure that a qualified professional does not provide

94.1 a residential group treatment service by telehealth from a location away from the licensed
94.2 residential location for more than one day at a time, must ensure that a staff person who
94.3 qualifies as a paraprofessional is physically present with the group of clients, and must
94.4 document the reason for providing the remote telehealth service in the records of clients
94.5 receiving the service. The license holder must document the dates that residential group
94.6 treatment services were provided by telehealth from a location away from the licensed
94.7 residential location in a central log and must provide the log to the commissioner upon
94.8 request.

94.9 (d) The license holder may provide the ~~additional~~ ancillary treatment services under
94.10 subdivision 2, ~~clauses (2) to (6) and (8), 2a~~ away from the licensed location at a suitable
94.11 location appropriate to the treatment service.

94.12 (e) Upon written approval from the commissioner for each satellite location, the license
94.13 holder may provide nonresidential treatment services at satellite locations that are in a
94.14 school, jail, or nursing home. A satellite location may only provide services to students of
94.15 the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing
94.16 homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to
94.17 document compliance with building codes, fire and safety codes, health rules, and zoning
94.18 ordinances.

94.19 (f) The commissioner may approve other suitable locations as satellite locations for
94.20 nonresidential treatment services. The commissioner may require satellite locations under
94.21 this paragraph to meet all applicable licensing requirements. The license holder may not
94.22 have more than two satellite locations per license under this paragraph.

94.23 (g) The license holder must provide the commissioner access to all files, documentation,
94.24 staff persons, and any other information the commissioner requires at the main licensed
94.25 location for all clients served at any location under paragraphs (b) to (f).

94.26 (h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a
94.27 program abuse prevention plan is not required for satellite or other locations under paragraphs
94.28 (b) to (e). An individual abuse prevention plan is still required for any client that is a
94.29 vulnerable adult as defined in section 626.5572, subdivision 21.

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

95.1 Sec. 20. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

95.2 Subd. 6. **Paraprofessionals.** A paraprofessional who does not meet the qualifications
95.3 of the behavioral health practitioner under section 245G.11, subdivision 12, must have
95.4 knowledge of client rights, according to section 148F.165, and staff member responsibilities.
95.5 A paraprofessional may not make decisions to admit, transfer, or discharge a client but may
95.6 perform tasks related to intake and orientation. A paraprofessional may be the responsible
95.7 for the delivery of treatment service staff member according to section 245G.10, subdivision
95.8 3. A paraprofessional must not provide a treatment service unless qualified to do so according
95.9 to section 245G.07, subdivision 3.

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

95.13 Sec. 21. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

95.14 Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination
95.15 must be provided by qualified staff. An individual is qualified to provide treatment
95.16 coordination if the individual meets the qualifications of an alcohol and drug counselor
95.17 under subdivision 5 or if the individual:

95.18 (1) is skilled in the process of identifying and assessing a wide range of client needs;

95.19 (2) is knowledgeable about local community resources and how to use those resources
95.20 for the benefit of the client;

95.21 (3) has successfully completed 30 hours of classroom instruction on treatment
95.22 coordination for an individual with substance use disorder;

95.23 (4) has ~~either:~~ a high school diploma or equivalent; and

95.24 ~~(i) a bachelor's degree in one of the behavioral sciences or related fields; or~~

95.25 ~~(ii) current certification as an alcohol and drug counselor, level I, by the Upper Midwest~~
95.26 ~~Indian Council on Addictive Disorders; and~~

95.27 (5) has at least ~~2,000~~ 1,000 hours of supervised experience working with individuals
95.28 with substance use disorder.

95.29 (b) A treatment coordinator must receive at least one hour of supervision regarding
95.30 individual service delivery from an alcohol and drug counselor, or a mental health
95.31 professional who has substance use treatment and assessments within the scope of their
95.32 practice, on a monthly basis.

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

96.4 Sec. 22. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision
96.5 to read:

96.6 Subd. 12. **Behavioral health practitioners.** (a) A behavioral health practitioner must
96.7 meet the qualifications in section 245I.04, subdivision 4.

96.8 (b) A behavioral health practitioner working within a substance use disorder treatment
96.9 program licensed under this chapter has the following scope of practice:

96.10 (1) a behavioral health practitioner may provide clients with recovery support services,
96.11 as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

96.12 (2) a behavioral health practitioner must not provide treatment supervision to other staff
96.13 persons.

96.14 (c) A behavioral health practitioner working within a substance use disorder treatment
96.15 program licensed under this chapter must receive at least one hour of supervision per month
96.16 on individual service delivery from an alcohol and drug counselor or a mental health
96.17 professional who has substance use treatment and assessments within the scope of their
96.18 practice.

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

96.22 Sec. 23. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

96.23 Subd. 11. **Waiting list.** An opioid treatment program must have a waiting list system.
96.24 If the person seeking admission cannot be admitted within 14 days of the date of application,
96.25 each person seeking admission must be placed on the waiting list, unless the person seeking
96.26 admission is assessed by the program and found ineligible for admission according to this
96.27 chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e),
96.28 and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each
96.29 person seeking treatment while awaiting admission. A person seeking admission on a waiting
96.30 list who receives no services under section 245G.07, subdivision ~~1~~ 1a or 1b, must not be
96.31 considered a client as defined in section 245G.01, subdivision 9.

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

97.4 Sec. 24. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

97.5 Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must
97.6 offer at least 50 consecutive minutes of individual or group therapy treatment services as
97.7 defined in section 245G.07, subdivision 1, ~~paragraph (a)~~ 1a, clause (1), per week, for the
97.8 first ten weeks following the day of service initiation, and at least 50 consecutive minutes
97.9 per month thereafter. As clinically appropriate, the program may offer these services
97.10 cumulatively and not consecutively in increments of no less than 15 minutes over the required
97.11 time period, and for a total of 60 minutes of treatment services over the time period, and
97.12 must document the reason for providing services cumulatively in the client's record. The
97.13 program may offer additional levels of service when deemed clinically necessary.

97.14 (b) Notwithstanding the requirements of comprehensive assessments in section 245G.05,
97.15 the assessment must be completed within 21 days from the day of service initiation.

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

97.19 Sec. 25. Minnesota Statutes 2024, section 254A.19, subdivision 4, is amended to read:

97.20 Subd. 4. **Civil commitments.** For the purposes of determining level of care, a
97.21 comprehensive assessment does not need to be completed for an individual being committed
97.22 as a chemically dependent person, as defined in section 253B.02, and for the duration of a
97.23 civil commitment under section 253B.09 or 253B.095 in order for ~~a county~~ the individual
97.24 to access be eligible for the behavioral health fund under section 254B.04. The ~~county~~
97.25 commissioner must determine if the individual meets the financial eligibility requirements
97.26 for the behavioral health fund under section 254B.04.

97.27 **EFFECTIVE DATE.** This section is effective January 1, 2027.

97.28 Sec. 26. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

97.29 Subd. 10. **Skilled Psychosocial treatment services.** "Skilled Psychosocial treatment
97.30 services" includes the treatment services described in section 245G.07, ~~subdivisions 1,~~
97.31 ~~paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6).~~ Skilled subdivision 1a. Psychosocial

98.1 treatment services must be provided by qualified professionals as identified in section
98.2 245G.07, subdivision 3, paragraph (b).

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

98.6 Sec. 27. Minnesota Statutes 2024, section 254B.01, subdivision 11, is amended to read:

98.7 Subd. 11. ~~Sober home~~ Recovery residence. A ~~sober home~~ recovery residence is a
98.8 cooperative living residence, a room and board residence, an apartment, or any other living
98.9 accommodation that:

98.10 (1) provides temporary housing to persons with substance use disorders;

98.11 (2) stipulates that residents must abstain from using alcohol or other illicit drugs or
98.12 substances not prescribed by a physician;

98.13 (3) charges a fee for living there;

98.14 (4) does not provide counseling or treatment services to residents;

98.15 (5) promotes sustained recovery from substance use disorders; and

98.16 (6) follows the sober living guidelines published by the federal Substance Abuse and
98.17 Mental Health Services Administration.

98.18 **EFFECTIVE DATE.** This section is effective January 1, 2027.

98.19 Sec. 28. Minnesota Statutes 2024, section 254B.02, subdivision 5, is amended to read:

98.20 Subd. 5. ~~Local agency Tribal allocation~~. The commissioner may make payments to
98.21 ~~local agencies~~ Tribal Nation servicing agencies from money allocated under this section to
98.22 support individuals with substance use disorders and determine eligibility for behavioral
98.23 health fund payments. The payment must not be less than 133 percent of the ~~local agency~~
98.24 Tribal Nations payment for the fiscal year ending June 30, 2009, adjusted in proportion to
98.25 the statewide change in the appropriation for this chapter.

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

98.27 Sec. 29. Minnesota Statutes 2024, section 254B.03, subdivision 1, is amended to read:

98.28 Subdivision 1. ~~Local agency duties~~ Financial eligibility determinations. (a) ~~Every~~
98.29 ~~local agency~~ The commissioner of human services or Tribal Nation servicing agencies must
98.30 determine financial eligibility for substance use disorder services and provide substance

99.1 use disorder services to persons residing within its jurisdiction who meet criteria established
 99.2 by the commissioner. Substance use disorder money must be administered by the local
 99.3 agencies according to law and rules adopted by the commissioner under sections 14.001 to
 99.4 14.69.

99.5 (b) In order to contain costs, the commissioner of human services shall select eligible
 99.6 vendors of substance use disorder services who can provide economical and appropriate
 99.7 treatment. ~~Unless the local agency is a social services department directly administered by~~
 99.8 ~~a county or human services board, the local agency shall not be an eligible vendor under~~
 99.9 ~~section 254B.05.~~ The commissioner may approve proposals from county boards to provide
 99.10 services in an economical manner or to control utilization, with safeguards to ensure that
 99.11 necessary services are provided. If a county implements a demonstration or experimental
 99.12 medical services funding plan, the commissioner shall transfer the money as appropriate.

99.13 (c) An individual may choose to obtain a comprehensive assessment as provided in
 99.14 section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled
 99.15 provider that is licensed to provide the level of service authorized pursuant to section
 99.16 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual
 99.17 must comply with any provider network requirements or limitations.

99.18 ~~(d) Beginning July 1, 2022, local agencies shall not make placement location~~
 99.19 ~~determinations.~~

99.20 **EFFECTIVE DATE.** This section is effective January 1, 2027.

99.21 Sec. 30. Minnesota Statutes 2024, section 254B.03, subdivision 3, is amended to read:

99.22 Subd. 3. ~~Local agencies~~ **Counties** to pay state for county share. ~~Local agencies~~
 99.23 **Counties** shall pay the state for the county share of the services authorized by the local
 99.24 ~~agency commissioner~~, except when the payment is made according to section 254B.09,
 99.25 subdivision 8.

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

99.27 Sec. 31. Minnesota Statutes 2024, section 254B.03, subdivision 4, is amended to read:

99.28 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section
 99.29 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out
 99.30 of local money, pay the state for ~~22.95~~ 50 percent of the cost of substance use disorder
 99.31 services, except for ~~those~~ individuals living in carceral settings. The county shall pay the
 99.32 state 22.95 percent of the cost of substance use disorder services for individuals in carceral

100.1 settings. Services provided to persons enrolled in medical assistance under chapter 256B
100.2 and room and board services under section 254B.05, subdivision 5, paragraph (b), are
100.3 exempted from county contributions. Counties may use the indigent hospitalization levy
100.4 for treatment and hospital payments made under this section.

100.5 (b) ~~22.95~~ 50 percent of any state collections from private or third-party pay, less 15
100.6 percent for the cost of payment and collections, must be distributed to the county that paid
100.7 for a portion of the treatment under this section.

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

100.9 Sec. 32. Minnesota Statutes 2024, section 254B.04, subdivision 1a, is amended to read:

100.10 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
100.11 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
100.12 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
100.13 fund services. State money appropriated for this paragraph must be placed in a separate
100.14 account established for this purpose.

100.15 (b) Persons with dependent children who are determined to be in need of substance use
100.16 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
100.17 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
100.18 subdivision 6, or 260C.212, shall be assisted by the ~~local agency~~ commissioner to access
100.19 needed treatment services. Treatment services must be appropriate for the individual or
100.20 family, which may include long-term care treatment or treatment in a facility that allows
100.21 the dependent children to stay in the treatment facility. The county shall pay for out-of-home
100.22 placement costs, if applicable.

100.23 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
100.24 MinnesotaCare is eligible for room and board services under section 254B.05, subdivision
100.25 5, paragraph (b), clause (9).

100.26 (d) A client is eligible to have substance use disorder treatment paid for with funds from
100.27 the behavioral health fund when the client:

100.28 (1) is eligible for MFIP as determined under chapter 142G;

100.29 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
100.30 9505.0010 to ~~9505.0150~~ 9505.140;

100.31 (3) is eligible for general assistance, general assistance medical care, or work readiness
100.32 as determined under Minnesota Rules, parts 9500.1200 to ~~9500.1318~~ 9500.1272; or

101.1 (4) has income that is within current household size and income guidelines for entitled
101.2 persons, as defined in this subdivision and subdivision 7.

101.3 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
101.4 a third-party payment source are eligible for the behavioral health fund if the third-party
101.5 payment source pays less than 100 percent of the cost of treatment services for eligible
101.6 clients.

101.7 (f) A client is ineligible to have substance use disorder treatment services paid for with
101.8 behavioral health fund money if the client:

101.9 (1) has an income that exceeds current household size and income guidelines for entitled
101.10 persons as defined in this subdivision and subdivision 7; or

101.11 (2) has an available third-party payment source that will pay the total cost of the client's
101.12 treatment.

101.13 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
101.14 is eligible for continued treatment service that is paid for by the behavioral health fund until
101.15 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
101.16 if the client:

101.17 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
101.18 medical care; or

101.19 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a ~~local~~
101.20 agency the commissioner under section 254B.04.

101.21 (h) When a county commits a client under chapter 253B to a regional treatment center
101.22 for substance use disorder services and the client is ineligible for the behavioral health fund,
101.23 the county is responsible for the payment to the regional treatment center according to
101.24 section 254B.05, subdivision 4.

101.25 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
101.26 provided through intensive residential treatment services and residential crisis services under
101.27 section 256B.0622.

101.28 (j) A person is eligible for one 60-consecutive-calendar-day period per year. A person
101.29 may submit a request for additional eligibility to the commissioner. A person denied
101.30 additional eligibility under this paragraph may request a state agency hearing under section
101.31 256.045.

101.32 **EFFECTIVE DATE.** This section is effective January 1, 2027.

102.1 Sec. 33. Minnesota Statutes 2024, section 254B.04, subdivision 5, is amended to read:

102.2 Subd. 5. ~~Local agency Commissioner~~ **responsibility to provide administrative**
102.3 **services.** The ~~local agency commissioner of human services~~ may employ individuals to
102.4 conduct administrative activities and facilitate access to substance use disorder treatment
102.5 services.

102.6 **EFFECTIVE DATE.** This section is effective January 1, 2027.

102.7 Sec. 34. Minnesota Statutes 2024, section 254B.04, subdivision 6, is amended to read:

102.8 Subd. 6. ~~Local agency Commissioner~~ **to determine client financial eligibility.** (a)
102.9 The ~~local agency commissioner~~ shall determine a client's financial eligibility for the
102.10 behavioral health fund according to section 254B.04, subdivision 1a, with the income
102.11 calculated prospectively for one year from the date of request. The ~~local agency commissioner~~
102.12 shall pay for eligible clients according to chapter 256G. Client eligibility must be determined
102.13 using only forms prescribed by the commissioner ~~unless the local agency has a reasonable~~
102.14 ~~basis for believing that the information submitted on a form is false.~~ To determine a client's
102.15 eligibility, the ~~local agency commissioner~~ must determine the client's income, the size of
102.16 the client's household, the availability of a third-party payment source, and a responsible
102.17 relative's ability to pay for the client's substance use disorder treatment.

102.18 (b) A client who is a minor child must not be deemed to have income available to pay
102.19 for substance use disorder treatment, unless the minor child is responsible for payment under
102.20 section 144.347 for substance use disorder treatment services sought under section 144.343,
102.21 subdivision 1.

102.22 (c) The ~~local agency commissioner~~ must determine the client's household size as follows:

102.23 (1) if the client is a minor child, the household size includes the following persons living
102.24 in the same dwelling unit:

102.25 (i) the client;

102.26 (ii) the client's birth or adoptive parents; and

102.27 (iii) the client's siblings who are minors; and

102.28 (2) if the client is an adult, the household size includes the following persons living in
102.29 the same dwelling unit:

102.30 (i) the client;

102.31 (ii) the client's spouse;

103.1 (iii) the client's minor children; and

103.2 (iv) the client's spouse's minor children.

103.3 For purposes of this paragraph, household size includes a person listed in clauses (1) and
103.4 (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing
103.5 to the cost of care of the person in out-of-home placement.

103.6 (d) The ~~local agency~~ commissioner must determine the client's current prepaid health
103.7 plan enrollment, the availability of a third-party payment source, including the availability
103.8 of total payment, partial payment, and amount of co-payment.

103.9 ~~(e) The local agency must provide the required eligibility information to the department~~
103.10 ~~in the manner specified by the department.~~

103.11 ~~(f)~~ (e) The ~~local agency~~ commissioner shall require the client and policyholder to
103.12 conditionally assign to the department the client and policyholder's rights and the rights of
103.13 minor children to benefits or services provided to the client if the department is required to
103.14 collect from a third-party pay source.

103.15 ~~(g)~~ (f) The ~~local agency~~ commissioner must ~~redetermine~~ determine a client's eligibility
103.16 for the behavioral health fund ~~every 12 months~~ for a 60-consecutive-calendar-day period
103.17 per calendar year.

103.18 ~~(h)~~ (g) A client, responsible relative, and policyholder must provide income or wage
103.19 verification, household size verification, and must make an assignment of third-party payment
103.20 rights under paragraph ~~(f)~~ (e). If a client, responsible relative, or policyholder does not
103.21 comply with the provisions of this subdivision, the client is ineligible for behavioral health
103.22 fund payment for substance use disorder treatment, and the client and responsible relative
103.23 must be obligated to pay for the full cost of substance use disorder treatment services
103.24 provided to the client.

103.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

103.26 Sec. 35. Minnesota Statutes 2024, section 254B.04, subdivision 6a, is amended to read:

103.27 Subd. 6a. **Span of eligibility.** The ~~local agency~~ commissioner must enter the financial
103.28 eligibility span within five business days of a request. If the comprehensive assessment is
103.29 completed within the timelines required under chapter 245G, then the span of eligibility
103.30 must begin on the date services were initiated. If the comprehensive assessment is not
103.31 completed within the timelines required under chapter 245G, then the span of eligibility
103.32 must begin on the date the comprehensive assessment was completed.

104.1 **EFFECTIVE DATE.** This section is effective January 1, 2027.

104.2 Sec. 36. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

104.3 Subdivision 1. **Licensure or certification required.** (a) Programs licensed by the
104.4 commissioner are eligible vendors. Hospitals may apply for and receive licenses to be
104.5 eligible vendors, notwithstanding the provisions of section 245A.03. American Indian
104.6 programs that provide substance use disorder treatment, extended care, transitional residence,
104.7 or outpatient treatment services, and are licensed by tribal government are eligible vendors.

104.8 (b) A licensed professional in private practice as defined in section 245G.01, subdivision
104.9 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible
104.10 vendor of a comprehensive assessment provided according to section 254A.19, subdivision
104.11 3, and treatment services provided according to sections 245G.06 and 245G.07, ~~subdivision~~
104.12 ~~1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).~~ subdivisions
104.13 1, 1a, and 1b.

104.14 (c) A county is an eligible vendor for a comprehensive assessment when provided by
104.15 an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5,
104.16 and completed according to the requirements of section 254A.19, subdivision 3. A county
104.17 is an eligible vendor of ~~care~~ treatment coordination services when provided by an individual
104.18 who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided
104.19 according to the requirements of section 245G.07, subdivision ~~1, paragraph (a), clause (5).~~
104.20 1b. A county is an eligible vendor of peer recovery services when the services are provided
104.21 by an individual who meets the requirements of section 245G.11, subdivision 8, and
104.22 according to section 254B.052.

104.23 (d) A recovery community organization that meets the requirements of clauses (1) to
104.24 (14), complies with the training requirements in section 254B.052, subdivision 4, and meets
104.25 certification or accreditation requirements of the Alliance for Recovery Centered
104.26 Organizations, the Council on Accreditation of Peer Recovery Support Services, or a
104.27 Minnesota statewide recovery organization identified by the commissioner is an eligible
104.28 vendor of peer recovery support services. A Minnesota statewide recovery organization
104.29 identified by the commissioner must update recovery community organization applicants
104.30 for certification or accreditation on the status of the application within 45 days of receipt.
104.31 If the approved statewide recovery organization denies an application, it must provide a
104.32 written explanation for the denial to the recovery community organization. Eligible vendors
104.33 under this paragraph must:

105.1 (1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be
105.2 free from conflicting self-interests, and be autonomous in decision-making, program
105.3 development, peer recovery support services provided, and advocacy efforts for the purpose
105.4 of supporting the recovery community organization's mission;

105.5 (2) be led and governed by individuals in the recovery community, with more than 50
105.6 percent of the board of directors or advisory board members self-identifying as people in
105.7 personal recovery from substance use disorders;

105.8 (3) have a mission statement and conduct corresponding activities indicating that the
105.9 organization's primary purpose is to support recovery from substance use disorder;

105.10 (4) demonstrate ongoing community engagement with the identified primary region and
105.11 population served by the organization, including individuals in recovery and their families,
105.12 friends, and recovery allies;

105.13 (5) be accountable to the recovery community through documented priority-setting and
105.14 participatory decision-making processes that promote the engagement of, and consultation
105.15 with, people in recovery and their families, friends, and recovery allies;

105.16 (6) provide nonclinical peer recovery support services, including but not limited to
105.17 recovery support groups, recovery coaching, telephone recovery support, skill-building,
105.18 and harm-reduction activities, and provide recovery public education and advocacy;

105.19 (7) have written policies that allow for and support opportunities for all paths toward
105.20 recovery and refrain from excluding anyone based on their chosen recovery path, which
105.21 may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based
105.22 paths;

105.23 (8) maintain organizational practices to meet the needs of Black, Indigenous, and people
105.24 of color communities, LGBTQ+ communities, and other underrepresented or marginalized
105.25 communities. Organizational practices may include board and staff training, service offerings,
105.26 advocacy efforts, and culturally informed outreach and services;

105.27 (9) use recovery-friendly language in all media and written materials that is supportive
105.28 of and promotes recovery across diverse geographical and cultural contexts and reduces
105.29 stigma;

105.30 (10) establish and maintain a publicly available recovery community organization code
105.31 of ethics and grievance policy and procedures;

105.32 (11) not classify or treat any recovery peer hired on or after July 1, 2024, as an
105.33 independent contractor;

106.1 (12) not classify or treat any recovery peer as an independent contractor on or after
106.2 January 1, 2025;

106.3 (13) provide an orientation for recovery peers that includes an overview of the consumer
106.4 advocacy services provided by the Ombudsman for Mental Health and Developmental
106.5 Disabilities and other relevant advocacy services; and

106.6 (14) provide notice to peer recovery support services participants that includes the
106.7 following statement: "If you have a complaint about the provider or the person providing
106.8 your peer recovery support services, you may contact the Minnesota Alliance of Recovery
106.9 Community Organizations. You may also contact the Office of Ombudsman for Mental
106.10 Health and Developmental Disabilities." The statement must also include:

106.11 (i) the telephone number, website address, email address, and mailing address of the
106.12 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman
106.13 for Mental Health and Developmental Disabilities;

106.14 (ii) the recovery community organization's name, address, email, telephone number, and
106.15 name or title of the person at the recovery community organization to whom problems or
106.16 complaints may be directed; and

106.17 (iii) a statement that the recovery community organization will not retaliate against a
106.18 peer recovery support services participant because of a complaint.

106.19 (e) A recovery community organization approved by the commissioner before June 30,
106.20 2023, must have begun the application process as required by an approved certifying or
106.21 accrediting entity and have begun the process to meet the requirements under paragraph (d)
106.22 by September 1, 2024, in order to be considered as an eligible vendor of peer recovery
106.23 support services.

106.24 (f) A recovery community organization that is aggrieved by an accreditation, certification,
106.25 or membership determination and believes it meets the requirements under paragraph (d)
106.26 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause
106.27 (14), for reconsideration as an eligible vendor. If the human services judge determines that
106.28 the recovery community organization meets the requirements under paragraph (d), the
106.29 recovery community organization is an eligible vendor of peer recovery support services.

106.30 (g) All recovery community organizations must be certified or accredited by an entity
106.31 listed in paragraph (d) by June 30, 2025.

106.32 (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to
106.33 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or

107.1 nonresidential substance use disorder treatment or withdrawal management program by the
107.2 commissioner or by tribal government or do not meet the requirements of subdivisions 1a
107.3 and 1b are not eligible vendors.

107.4 (i) Hospitals, federally qualified health centers, and rural health clinics are eligible
107.5 vendors of a comprehensive assessment when the comprehensive assessment is completed
107.6 according to section 254A.19, subdivision 3, and by an individual who meets the criteria
107.7 of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol
107.8 and drug counselor must be individually enrolled with the commissioner and reported on
107.9 the claim as the individual who provided the service.

107.10 (j) Any complaints about a recovery community organization or peer recovery support
107.11 services may be made to and reviewed or investigated by the ombudsperson for behavioral
107.12 health and developmental disabilities under sections 245.91 and 245.94.

107.13 Sec. 37. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

107.14 Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board
107.15 are eligible for behavioral health fund payment if the vendor:

107.16 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
107.17 while residing in the facility and provide consequences for infractions of those rules;

107.18 (2) is determined to meet applicable health and safety requirements;

107.19 (3) is not a jail or prison;

107.20 (4) is not concurrently receiving funds under chapter 256I for the recipient;

107.21 (5) admits individuals who are 18 years of age or older;

107.22 (6) is registered as a board and lodging or lodging establishment according to section
107.23 157.17;

107.24 (7) has awake staff on site whenever a client is present;

107.25 (8) has staff who are at least 18 years of age and meet the requirements of section
107.26 245G.11, subdivision 1, paragraph (b);

107.27 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

107.28 (10) meets the requirements of section 245G.08, subdivision 5, if administering
107.29 medications to clients;

107.30 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
107.31 fraternization and the mandatory reporting requirements of section 626.557;

108.1 (12) documents coordination with the treatment provider to ensure compliance with
108.2 section 254B.03, subdivision 2;

108.3 (13) protects client funds and ensures freedom from exploitation by meeting the
108.4 provisions of section 245A.04, subdivision 13;

108.5 (14) has a grievance procedure that meets the requirements of section 245G.15,
108.6 subdivision 2; and

108.7 (15) has sleeping and bathroom facilities for men and women separated by a door that
108.8 is locked, has an alarm, or is supervised by awake staff.

108.9 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from
108.10 paragraph (a), clauses (5) to (15).

108.11 (c) Programs providing children's mental health crisis admissions and stabilization under
108.12 section 245.4882, subdivision 6, are eligible vendors of room and board.

108.13 (d) Programs providing children's residential services under section 245.4882, except
108.14 services for individuals who have a placement under chapter 260C or 260D, are eligible
108.15 vendors of room and board.

108.16 (e) Licensed programs providing intensive residential treatment services or residential
108.17 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors
108.18 of room and board and are exempt from paragraph (a), clauses (6) to (15).

108.19 (f) A vendor that is not licensed as a residential treatment program must have a policy
108.20 to address staffing coverage when a client may unexpectedly need to be present at the room
108.21 and board site.

108.22 (g) No new vendors for room and board services may be approved after June 30, 2025,
108.23 to receive payments from the behavioral health fund, under the provisions of section 254B.04,
108.24 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,
108.25 2025, may continue to receive payments from the behavioral health fund for services provided
108.26 until June 30, 2027. Room and board vendors providing services in accordance with section
108.27 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and
108.28 board services provided on or after July 1, 2027.

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

109.1 Sec. 38. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

109.2 Subd. 5. **Rate requirements.** (a) Subject to the requirements of subdivision 6, the
109.3 commissioner shall establish rates for the following substance use disorder treatment services
109.4 ~~and service enhancements~~ funded under this chapter.:

109.5 ~~(b) Eligible substance use disorder treatment services include:~~

109.6 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
109.7 and provided according to the following ASAM levels of care:

109.8 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,
109.9 subdivision 1, clause (1);

109.10 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,
109.11 subdivision 1, clause (2);

109.12 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
109.13 subdivision 1, clause (3);

109.14 (iv) ASAM level 2.5 partial hospitalization services provided according to section
109.15 254B.19, subdivision 1, clause (4);

109.16 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
109.17 according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the~~
109.18 ~~base payment rate of \$79.84 per day for services provided under this item;~~

109.19 (vi) ASAM level 3.1 clinically managed low-intensity residential services provided
109.20 according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled
109.21 treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13~~
109.22 ~~per day for services provided under this item;~~

109.23 (vii) ASAM level 3.3 clinically managed population-specific high-intensity residential
109.24 services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner~~
109.25 ~~shall use the specified base payment rate of \$224.06 per day for services provided under~~
109.26 ~~this item;~~ and

109.27 (viii) ASAM level 3.5 clinically managed high-intensity residential services provided
109.28 according to section 254B.19, subdivision 1, clause (7). ~~The commissioner shall use the~~
109.29 ~~specified base payment rate of \$224.06 per day for services provided under this item;~~

109.30 (2) comprehensive assessments provided according to section 254A.19, subdivision 3;

109.31 (3) treatment coordination services provided according to section 245G.07, subdivision
109.32 1, paragraph (a), clause (5);

110.1 (4) peer recovery support services provided according to section 245G.07, subdivision
110.2 2, clause (8);

110.3 (5) withdrawal management services provided according to chapter 245F;

110.4 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
110.5 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to
110.6 144.56;

110.7 (7) substance use disorder treatment services with medications for opioid use disorder
110.8 provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17
110.9 and 245G.22, or under an applicable Tribal license;

110.10 (8) medium-intensity residential treatment services that provide 15 hours of skilled
110.11 treatment services each week and are licensed according to sections 245G.01 to 245G.17
110.12 and 245G.21 or applicable Tribal license;

110.13 (9) adolescent treatment programs that are licensed as outpatient treatment programs
110.14 according to sections 245G.01 to 245G.18 or as residential treatment programs according
110.15 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
110.16 applicable Tribal license;

110.17 (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed
110.18 according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which
110.19 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
110.20 and are provided by a state-operated vendor or to clients who have been civilly committed
110.21 to the commissioner, present the most complex and difficult care needs, and are a potential
110.22 threat to the community; and

110.23 (11) room and board facilities that meet the requirements of subdivision 1a.

110.24 ~~(e)~~ (b) The commissioner shall establish higher rates for programs that meet the
110.25 requirements of paragraph (b) (a) and ~~one of the following additional requirements: the~~
110.26 requirements of one clause in this paragraph.

110.27 (1) Programs that serve parents with their children are eligible for an enhanced payment
110.28 rate if the program:

110.29 (i) provides on-site child care during the hours of treatment activity that:

110.30 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
110.31 9503; or

110.32 (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

111.1 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
111.2 licensed under chapter 245A as:

111.3 (A) a child care center under Minnesota Rules, chapter 9503; or

111.4 (B) a family child care home under Minnesota Rules, chapter 9502;

111.5 In order to be eligible for a higher rate under this clause, a program that provides
111.6 arrangements for off-site child care must maintain current documentation at the substance
111.7 use disorder facility of the child care provider's current licensure to provide child care
111.8 services.

111.9 (2) Culturally specific or culturally responsive programs as defined in section 254B.01,
111.10 subdivision 4a, are eligible for an enhanced payment rate.

111.11 (3) Disability responsive programs as defined in section 254B.01, subdivision 4b, are
111.12 eligible for an enhanced payment rate.

111.13 (4) Programs that offer medical services delivered by appropriately credentialed health
111.14 care staff in an amount equal to one hour per client per week are eligible for an enhanced
111.15 payment rate if the medical needs of the client and the nature and provision of any medical
111.16 services provided are documented in the client file; ~~or.~~

111.17 (5) Programs that offer services to individuals with co-occurring mental health and
111.18 substance use disorder problems are eligible for an enhanced payment rate if:

111.19 (i) the program meets the co-occurring requirements in section 245G.20;

111.20 (ii) the program employs a mental health professional as defined in section 245I.04,
111.21 subdivision 2;

111.22 (iii) clients scoring positive on a standardized mental health screen receive a mental
111.23 health diagnostic assessment within ten days of admission;

111.24 (iv) the program has standards for multidisciplinary case review that include a monthly
111.25 review for each client that, at a minimum, includes a licensed mental health professional
111.26 and licensed alcohol and drug counselor, and their involvement in the review is documented;

111.27 (v) family education is offered that addresses mental health and substance use disorder
111.28 and the interaction between the two; and

111.29 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
111.30 training annually.

112.1 ~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program~~
112.2 ~~that provides arrangements for off-site child care must maintain current documentation at~~
112.3 ~~the substance use disorder facility of the child care provider's current licensure to provide~~
112.4 ~~child care services.~~

112.5 ~~(e)~~ Adolescent residential programs that meet the requirements of Minnesota Rules, parts
112.6 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
112.7 in ~~paragraph (c), clause (5);~~ items (i) to (iv).

112.8 ~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face
112.9 services may be provided via telehealth as defined in section 256B.0625, subdivision 3b.
112.10 The use of telehealth to deliver services must be medically appropriate to the condition and
112.11 needs of the person being served. Reimbursement shall be at the same rates and under the
112.12 same conditions that would otherwise apply to direct face-to-face services.

112.13 ~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder
112.14 treatment services provided in a group setting without a group participant maximum or
112.15 maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of
112.16 48 to one. At least one of the attending staff must meet the qualifications as established
112.17 under this chapter for the type of treatment service provided. A recovery peer may not be
112.18 included as part of the staff ratio.

112.19 ~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according
112.20 to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless
112.21 prior authorization of a greater number of hours is obtained from the commissioner.

112.22 ~~(i)~~ (f) Payment for substance use disorder services under this section must start from the
112.23 day of service initiation, when the comprehensive assessment is completed within the
112.24 required timelines.

112.25 ~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because
112.26 a client missed services remains eligible to bill for the client's intensity level of services
112.27 under this paragraph if the license holder can document the reason the client missed services
112.28 and the interventions done to address the client's absence.

112.29 ~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized
112.30 holidays.

112.31 ~~(l)~~ (i) Eligible vendors of peer recovery support services must:

112.32 (1) submit to a review by the commissioner of up to ten percent of all medical assistance
112.33 and behavioral health fund claims to determine the medical necessity of peer recovery

113.1 support services for entities billing for peer recovery support services individually and not
113.2 receiving a daily rate; and

113.3 (2) limit an individual client to 14 hours per week for peer recovery support services
113.4 from an individual provider of peer recovery support services.

113.5 ~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052
113.6 are subject to monetary recovery under section 256B.064 as money improperly paid.

113.7 Sec. 39. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision
113.8 to read:

113.9 Subd. 6. **Rate adjustments.** (a) Effective for services rendered on or after January 1,
113.10 2026, the commissioner must implement the following base payment rates for substance
113.11 use disorder treatment services under subdivision 5, paragraph (a):

113.12 (1) for low-intensity residential services, 100 percent of the modeled rate included in
113.13 the final report required by Laws 2021, First Special Session chapter 7, article 17, section
113.14 18;

113.15 (2) for high-intensity residential services, the rates in effect on December 31, 2025; and

113.16 (3) for all other services not included in clause (1) or (2), 72 percent of the modeled rate
113.17 included in the final report required by Laws 2021, First Special Session chapter 7, article
113.18 17, section 18.

113.19 (b) Effective January 1, 2027, and annually thereafter, the commissioner of human
113.20 services must adjust the payment rates under paragraph (a) according to the change from
113.21 the midpoint of the previous rate year to the midpoint of the rate year for which the rate is
113.22 being determined using the Centers for Medicare and Medicaid Services Medicare Economic
113.23 Index as forecasted in the fourth quarter of the calendar year before the rate year.

113.24 Sec. 40. Minnesota Statutes 2024, section 254B.052, is amended by adding a subdivision
113.25 to read:

113.26 Subd. 4. **Recovery community organization vendor compliance training.** (a) Effective
113.27 January 1, 2027, in order to enroll as an eligible vendor of peer recovery support services,
113.28 a recovery community organization must require all owners active in day-to-day management
113.29 and operations of the organization and managerial and supervisory employees to complete
113.30 compliance training, before applying for enrollment and every three years thereafter.
113.31 Mandatory compliance training format and content must be determined by the commissioner,
113.32 and must include the following topics:

- 114.1 (1) state and federal program billing, documentation, and service delivery requirements;
114.2 (2) eligible vendor enrollment requirements;
114.3 (3) provider program integrity, including fraud prevention, fraud detection, and penalties;
114.4 (4) fair labor standards;
114.5 (5) workplace safety requirements; and
114.6 (6) recent changes in service requirements.

114.7 (b) Any new owners active in day-to-day management and operations of the organization
114.8 and managerial and supervisory employees must complete the training under this subdivision
114.9 in order to be employed by or conduct management and operations activities for the
114.10 organization. If such an individual moves to another recovery community organization and
114.11 serves in a similar ownership or employment capacity, the individual is not required to
114.12 repeat the training required under this subdivision if the individual documents completion
114.13 of the training within the past three years.

114.14 (c) By July 1, 2026, the commissioner must make the training required under this
114.15 subdivision available in-person, online, or by electronic remote connection.

114.16 (d) A recovery community organization enrolled as an eligible vendor before January
114.17 1, 2027, must document completion of the compliance training as required under this
114.18 subdivision by January 1, 2028, and every three years thereafter.

114.19 Sec. 41. Minnesota Statutes 2024, section 254B.06, subdivision 2, is amended to read:

114.20 Subd. 2. **Allocation of collections.** The commissioner shall allocate ~~77.05~~ 50 percent
114.21 of patient payments and third-party payments to the special revenue account and ~~22.95~~ 50
114.22 percent to the county financially responsible for the patient.

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

114.24 Sec. 42. Minnesota Statutes 2024, section 254B.09, subdivision 2, is amended to read:

114.25 Subd. 2. **American Indian agreements.** The commissioner may enter into agreements
114.26 with federally recognized Tribal units to pay for substance use disorder treatment services
114.27 provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how
114.28 the governing body of the Tribal unit fulfills ~~local agency~~ the Tribal unit's responsibilities
114.29 regarding the form and manner of invoicing.

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

115.1 Sec. 43. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

115.2 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level
115.3 of care, eligible vendors must implement the standards set by the ASAM for the respective
115.4 level of care. Additionally, vendors must meet the following requirements:

115.5 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of
115.6 developing a substance-related problem but may not have a diagnosed substance use disorder,
115.7 early intervention services may include individual or group counseling, treatment
115.8 coordination, peer recovery support, screening brief intervention, and referral to treatment
115.9 provided according to section 254A.03, subdivision 3, paragraph (c).

115.10 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per
115.11 week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five
115.12 hours per week. Services must be licensed according to section 245G.20 and meet
115.13 requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment
115.14 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
115.15 hours allowable per week.

115.16 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours
115.17 per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or
115.18 more hours per week. Vendors must be licensed according to section 245G.20 and must
115.19 meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment
115.20 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service
115.21 hours allowable per week. If clinically indicated on the client's treatment plan, this service
115.22 may be provided in conjunction with room and board according to section 254B.05,
115.23 subdivision 1a.

115.24 (4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or
115.25 more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to
115.26 section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for
115.27 clients who need daily monitoring in a structured setting, as directed by the individual
115.28 treatment plan and in accordance with the limitations in section 254B.05, subdivision 5,
115.29 paragraph (h). If clinically indicated on the client's treatment plan, this service may be
115.30 provided in conjunction with room and board according to section 254B.05, subdivision
115.31 1a.

115.32 (5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs
115.33 must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according
115.34 to each client's specific treatment schedule, as directed by the individual treatment plan.

116.1 Programs must be licensed according to section 245G.20 and must meet requirements under
116.2 section 256B.0759.

116.3 (6) For ASAM level 3.3 clinically managed population-specific high-intensity residential
116.4 clients, programs must be licensed according to section 245G.20 and must meet requirements
116.5 under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must
116.6 be enrolled as a disability responsive program as described in section 254B.01, subdivision
116.7 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive
116.8 impairment so significant, and the resulting level of impairment so great, that outpatient or
116.9 other levels of residential care would not be feasible or effective. Programs must provide,
116.10 at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according
116.11 to each client's specific treatment schedule, as directed by the individual treatment plan.

116.12 (7) For ASAM level 3.5 clinically managed high-intensity residential clients, services
116.13 must be licensed according to section 245G.20 and must meet requirements under section
116.14 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum,
116.15 daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's
116.16 specific treatment schedule, as directed by the individual treatment plan.

116.17 (8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal
116.18 management must be provided according to chapter 245F.

116.19 (9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal
116.20 management must be provided according to chapter 245F.

116.21 (b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service
116.22 requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors
116.23 must provide each client at least 30 hours of treatment services per week for the period
116.24 between January 1, 2024, through June 30, 2024.

116.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

116.26 Sec. 44. **[254B.21] DEFINITIONS.**

116.27 **Subdivision 1. Scope.** The terms used in sections 254B.21 to 254B.216 have the meanings
116.28 given in this section.

116.29 **Subd. 2. Applicant.** "Applicant" means any individual, organization, or entity who has
116.30 applied for certification of a recovery residence.

117.1 Subd. 3. **Certified recovery residence.** "Certified recovery residence" means a recovery
117.2 residence that has completed the application process and been approved for certification by
117.3 the commissioner.

117.4 Subd. 4. **Co-occurring disorders.** "Co-occurring disorders" means a diagnosis of both
117.5 a substance use disorder and a mental health disorder.

117.6 Subd. 5. **National Alliance for Recovery Residences or NARR.** "National Alliance
117.7 for Recovery Residences" or "NARR" is a nonprofit organization with a nationally recognized
117.8 standard for the certification of recovery residences that works with and supports
117.9 state-affiliated organizations.

117.10 Subd. 6. **Operator.** "Operator" means the lawful owner or lessee of a recovery residence
117.11 or a person employed and designated by the owner or lessee of the recovery residence to
117.12 have primary responsibility for oversight of the recovery residence, including but not limited
117.13 to hiring and termination of recovery residence staff, recovery residence maintenance, and
117.14 responding to complaints being investigated by the commissioner.

117.15 Subd. 7. **Recovery residence.** "Recovery residence" means a type of community residence
117.16 that provides a safe, healthy, family-like, substance-free living environment that supports
117.17 individuals in recovery from substance use disorder.

117.18 Subd. 8. **Recovery residence registry.** "Recovery residence registry" means the list of
117.19 recovery certified residences maintained by the commissioner.

117.20 Subd. 9. **Resident.** "Resident" means an individual who resides in a recovery residence.

117.21 Subd. 10. **Staff.** "Staff" means employees, contractors, or volunteers who provide
117.22 monitoring, assistance, or other services for the use and benefit of a recovery residence and
117.23 the residence's residents.

117.24 Subd. 11. **Substance free.** "Substance free" means being free from the use of alcohol,
117.25 illicit drugs, and the illicit use of prescribed drugs. This term does not prohibit medications
117.26 prescribed, dispensed, or administered by a licensed health care professional, such as
117.27 pharmacotherapies specifically approved by the United States Food and Drug Administration
117.28 (FDA) for treatment of a substance use disorder as well as other medications approved by
117.29 the FDA for the treatment of co-occurring disorders when taken as directed.

117.30 Subd. 12. **Substance use disorder.** "Substance use disorder" means a pattern of use of
117.31 alcohol or other drugs leading to impairment that meets the applicable diagnostic criteria
117.32 in the latest edition of the Diagnostic and Statistical Manual of Disorders of the American
117.33 Psychiatric Association.

118.1 **EFFECTIVE DATE.** This section is effective January 1, 2027.

118.2 Sec. 45. **[254B.211] RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS.**

118.3 Subdivision 1. **Applicability.** This section is applicable to all recovery residences
118.4 regardless of certification status.

118.5 Subd. 2. **Residence requirements.** All recovery residences must:

118.6 (1) comply with applicable state laws and regulations and local ordinances related to
118.7 maximum occupancy, fire safety, and sanitation;

118.8 (2) have safety policies and procedures that at a minimum address:

118.9 (i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide
118.10 detectors and fire extinguishers, and emergency evacuation drills;

118.11 (ii) exposure to bodily fluids and contagious disease; and

118.12 (iii) emergency procedures posted in conspicuous locations in the residence;

118.13 (3) maintain a supply of an opiate antagonist in the home, post information on proper
118.14 use, and train staff in opiate antagonist use;

118.15 (4) have written policies regarding access to all prescribed medications and storage of
118.16 medications when requested by the resident;

118.17 (5) have written policies regarding residency termination, including how length of stay
118.18 is determined and procedures in case of evictions;

118.19 (6) return all property and medications to a person discharged from the home and retain
118.20 the items for a minimum of 60 days if the person did not collect them upon discharge. The
118.21 owner must make an effort to contact persons listed as emergency contacts for the discharged
118.22 person so that the items are returned;

118.23 (7) ensure separation of money of persons served by the program from money of the
118.24 program or program staff. The program and staff must not:

118.25 (i) borrow money from a person served by the program;

118.26 (ii) purchase personal items from a person served by the program;

118.27 (iii) sell merchandise or personal services to a person served by the program;

118.28 (iv) require a person served by the program to purchase items for which the program is
118.29 eligible for reimbursement; or

- 119.1 (v) use money of persons served by the program to purchase items for which the program
119.2 is already receiving public or private payments;
- 119.3 (8) document the names and contact information for persons to contact in case of an
119.4 emergency, upon discharge, or other circumstances designated by the resident, including
119.5 but not limited to death due to an overdose;
- 119.6 (9) maintain contact information for emergency resources in the community to address
119.7 mental health and health emergencies;
- 119.8 (10) have policies on staff qualifications and a prohibition against relationships between
119.9 operators and residents;
- 119.10 (11) permit residents to use, as directed by a licensed prescriber, legally prescribed and
119.11 dispensed or administered pharmacotherapies approved by the FDA for the treatment of
119.12 opioid use disorder, co-occurring substance use disorders, and mental health conditions;
- 119.13 (12) have a fee schedule and refund policy;
- 119.14 (13) have rules for residents, including on prohibited items;
- 119.15 (14) have policies that promote resident participation in treatment, self-help groups, or
119.16 other recovery supports;
- 119.17 (15) have policies requiring abstinence from alcohol and illicit drugs on the property.
119.18 If the program utilizes drug screening or toxicology, the procedures must be included in the
119.19 program's policies;
- 119.20 (16) distribute the recovery resident bill of rights in subdivision 3, resident rules,
119.21 certification, and grievance process and post the documents in this clause in common areas;
- 119.22 (17) have policies and procedures on person and room searches;
- 119.23 (18) have code of ethics policies and procedures that are aligned with the National
119.24 Alliance for Recovery Residences code of ethics and document they are read and signed
119.25 by all those associated with the operation of the recovery residence, to include owners,
119.26 operators, staff, and volunteers;
- 119.27 (19) have a description of how residents are involved with the governance of the
119.28 residence, including decision-making procedures, how residents are involved in setting and
119.29 implementing rules, and the role of peer-leaders, if any; and
- 119.30 (20) have procedures to maintain a respectful environment, including appropriate action
119.31 to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff,

120.1 and visitors within the residence. Programs should consider trauma-informed and
120.2 resilience-promoting practices when determining action.

120.3 Subd. 3. **Resident bill of rights.** An individual living in a recovery residence has the
120.4 right to:

120.5 (1) have access to an environment that supports recovery;

120.6 (2) have access to an environment that is safe and free from alcohol and other illicit
120.7 drugs or substances;

120.8 (3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms
120.9 of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

120.10 (4) be treated with dignity and respect and to have personal property treated with respect;

120.11 (5) have personal, financial, and medical information kept private and to be advised of
120.12 the recovery residence's policies and procedures regarding disclosure of such information;

120.13 (6) access while living in the residence to other community-based support services as
120.14 needed;

120.15 (7) be referred to appropriate services upon leaving the residence if necessary;

120.16 (8) retain personal property that does not jeopardize the safety or health of the resident
120.17 or others;

120.18 (9) assert the rights in this subdivision personally or have the rights asserted by the
120.19 individual's representative or by anyone on behalf of the individual without retaliation;

120.20 (10) be provided with the name, address, and telephone number of the ombudsman for
120.21 mental health and developmental disabilities and the certifying designated state affiliate
120.22 and be provided with information about the right to file a complaint;

120.23 (11) be fully informed of the rights and responsibilities in this section and program
120.24 policies and procedures; and

120.25 (12) not be required to perform services for the residence that are not included in the
120.26 usual expectations for all residents.

120.27 **EFFECTIVE DATE.** This section is effective January 1, 2027.

120.28 Sec. 46. **[254B.212] COMPLAINTS AGAINST RECOVERY RESIDENCES.**

120.29 Subdivision 1. **In general.** Any complaints about a recovery residence may be made to
120.30 and reviewed or investigated by the commissioner.

121.1 Subd. 2. **Types of complaints.** The commissioner must receive and review complaints
121.2 that concern:

121.3 (1) the health and safety of residents;

121.4 (2) management of the recovery residence, including but not limited to house
121.5 environment, financial procedures, staffing, house rules and regulations, improper handling
121.6 of resident terminations, and recovery support environment; or

121.7 (3) illegal activities or threats.

121.8 Subd. 3. **Investigation.** (a) Complaints regarding illegal activities or threats must be
121.9 immediately referred to law enforcement in the jurisdiction where the recovery residence
121.10 is located. The commissioner must continue to investigate complaints under subdivision 2,
121.11 clause (3), that have been referred to law enforcement unless law enforcement requests the
121.12 commissioner to stay the investigation.

121.13 (b) The commissioner must investigate all other types of complaints under this section
121.14 and may take any action necessary to conduct an investigation, including but not limited to
121.15 interviewing the recovery residence operator, staff, and residents and inspecting the premises.

121.16 Subd. 4. **Anonymity.** When making a complaint pursuant to this section, an individual
121.17 must disclose the individual's identity to the commissioner. Unless ordered by a court or
121.18 authorized by the complainant, the commissioner must not disclose the complainant's
121.19 identity.

121.20 Subd. 5. **Prohibition against retaliation.** A recovery residence owner, operator, director,
121.21 staff member, or resident must not be subject to retaliation, including but not limited to
121.22 interference, threats, coercion, harassment, or discrimination for making any complaint
121.23 against a recovery residence or against a recovery residence owner, operator, or chief
121.24 financial officer.

121.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

121.26 Sec. 47. **[254B.213] CERTIFICATION.**

121.27 Subdivision 1. **Voluntary certification.** The commissioner must establish and provide
121.28 for the administration of a voluntary certification program for recovery residences based
121.29 on the National Alliance for Recovery Residences standards seeking certification under this
121.30 section.

121.31 Subd. 2. **Application requirements.** An applicant for certification must, at minimum,
121.32 submit the following documents on forms approved by the commissioner:

122.1 (1) if the premises for the recovery residence is leased, documentation from the owner
122.2 that the applicant has permission from the owner to operate a recovery residence on the
122.3 premises;

122.4 (2) all policies and procedures required under this chapter;

122.5 (3) copies of all forms provided to residents, including but not limited to the recovery
122.6 residence's medication, drug-testing, return-to-use, refund, and eviction or transfer policies;

122.7 (4) proof of insurance coverage necessary and at a minimum:

122.8 (i) employee dishonesty insurance in the amount of \$10,000 if the vendor has or had
122.9 custody or control of money or property belonging to clients; and

122.10 (ii) bodily injury and property damage insurance in the amount of \$2,000,000 for each
122.11 occurrence; and

122.12 (5) proof of completed background checks for residence staff and operator.

122.13 Subd. 3. **Inspection pursuant to application.** Upon receiving a completed application,
122.14 the commissioner must conduct an initial on-site inspection of the recovery residence to
122.15 ensure the residence is in compliance with the requirements of sections 254B.21 to 254B.216.

122.16 Subd. 4. **Certification.** The commissioner must certify a recovery residence upon
122.17 approval of the application and after the initial on-site inspection. The certification
122.18 automatically terminates three years after issuance of the certification if the commissioner
122.19 does not renew the certification. Upon certification, the commissioner must issue the recovery
122.20 residence a proof of certification.

122.21 Subd. 5. **Display of proof of certification.** A recovery residence must publicly display
122.22 a proof of certification in the recovery residence.

122.23 Subd. 6. **Nontransferrability.** Certifications issued pursuant to this section cannot be
122.24 transferred to an address other than the address in the application or to another certification
122.25 holder without prior approval from the commissioner.

122.26 **EFFECTIVE DATE.** This section is effective January 1, 2027.

122.27 Sec. 48. **[254B.214] MONITORING AND OVERSIGHT OF CERTIFIED**
122.28 **RECOVERY RESIDENCES.**

122.29 Subdivision 1. **Monitoring and inspections.** (a) The commissioner must conduct an
122.30 on-site certification review of the certified recovery residence every three years to determine
122.31 the certification holder's compliance with applicable rules and statutes.

123.1 (b) The commissioner must offer the certification holder a choice of dates for an
123.2 announced certification review. A certification review must occur during regular business
123.3 hours.

123.4 (c) The commissioner must make the results of certification reviews and the results of
123.5 investigations that result in a correction order publicly available on the department's website.

123.6 Subd. 2. Commissioner's right of access. (a) When the commissioner is exercising the
123.7 powers conferred to the commissioner under this section, if the recovery residence is in
123.8 operation and the information is relevant to the commissioner's inspection or investigation,
123.9 the certification holder must provide the commissioner access to:

123.10 (1) the physical facility and grounds where the residence is located;

123.11 (2) documentation and records, including electronically maintained records;

123.12 (3) residents served by the recovery residence;

123.13 (4) staff persons of the recovery residence; and

123.14 (5) personnel records of current and former staff of the recovery residence.

123.15 (b) The applicant or certification holder must provide the commissioner with access to
123.16 the facility and grounds, documentation and records, residents, and staff without prior notice
123.17 and as often as the commissioner considers necessary if the commissioner is conducting an
123.18 inspection or investigating alleged maltreatment or a violation of a law or rule. When
123.19 conducting an inspection, the commissioner may request assistance from other state, county,
123.20 and municipal governmental agencies and departments. The applicant or certification holder
123.21 must allow the commissioner, at the commissioner's expense, to photocopy, photograph,
123.22 and make audio and video recordings during an inspection.

123.23 Subd. 3. Correction orders. (a) If the applicant or certification holder fails to comply
123.24 with a law or rule, the commissioner may issue a correction order. The correction order
123.25 must state:

123.26 (1) the condition that constitutes a violation of the law or rule;

123.27 (2) the specific law or rule that the applicant or certification holder has violated; and

123.28 (3) the time that the applicant or certification holder is allowed to correct each violation.

123.29 (b) If the applicant or certification holder believes that the commissioner's correction
123.30 order is erroneous, the applicant or certification holder may ask the commissioner to
123.31 reconsider the correction order. An applicant or certification holder must make a request
123.32 for reconsideration in writing. The request must be sent via electronic communication to

- 124.1 the commissioner within 20 calendar days after the applicant or certification holder received
124.2 the correction order and must:
- 124.3 (1) specify the part of the correction order that is allegedly erroneous;
124.4 (2) explain why the specified part is erroneous; and
124.5 (3) include documentation to support the allegation of error.
- 124.6 (c) A request for reconsideration does not stay any provision or requirement of the
124.7 correction order. The commissioner's disposition of a request for reconsideration is final
124.8 and not subject to appeal.
- 124.9 (d) If the commissioner finds that the applicant or certification holder failed to correct
124.10 the violation specified in the correction order, the commissioner may decertify the certified
124.11 recovery residence according to subdivision 4.
- 124.12 (e) Nothing in this subdivision prohibits the commissioner from decertifying a recovery
124.13 residence according to subdivision 4.
- 124.14 Subd. 4. **Decertification.** (a) The commissioner may decertify a recovery residence if
124.15 a certification holder:
- 124.16 (1) failed to comply with an applicable law or rule; or
124.17 (2) knowingly withheld relevant information from or gave false or misleading information
124.18 to the commissioner in connection with an application for certification, during an
124.19 investigation, or regarding compliance with applicable laws or rules.
- 124.20 (b) When considering decertification of a recovery residence, the commissioner must
124.21 consider the nature, chronicity, or severity of the violation of law or rule and the effect of
124.22 the violation on the health, safety, or rights of residents.
- 124.23 (c) If the commissioner decertifies a recovery residence, the order of decertification
124.24 must inform the certification holder of the right to have a contested case hearing under
124.25 chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The certification holder
124.26 may appeal the decertification. The certification holder must appeal a decertification in
124.27 writing and send or deliver the appeal to the commissioner by certified mail or personal
124.28 service. If the certification holder mails the appeal, the appeal must be postmarked and sent
124.29 to the commissioner within ten calendar days after the certification holder receives the order
124.30 of decertification. If the certification holder delivers an appeal by personal service, the
124.31 commissioner must receive the appeal within ten calendar days after the certification holder
124.32 received the order. If a certification holder submits a timely appeal of an order of

125.1 decertification, the certification holder may continue to operate the program until the
125.2 commissioner issues a final order on the decertification.

125.3 (d) If the commissioner decertifies a recovery residence pursuant to paragraph (a), clause
125.4 (1), based on a determination that the recovery residence was responsible for maltreatment
125.5 under chapter 260E or section 626.557, the final decertification determination is stayed until
125.6 the commissioner issues a final decision regarding the maltreatment appeal if the certification
125.7 holder appeals the decertification according to paragraph (c) and appeals the maltreatment
125.8 determination pursuant to chapter 260E or section 626.557.

125.9 Subd. 5. **Notifications required and noncompliance.** (a) Changes in recovery residence
125.10 organization, staffing, services, or quality assurance procedures that affect the ability of the
125.11 certification holder to comply with the minimum standards of this chapter must be reported
125.12 in writing by the certification holder to the commissioner within 15 days of the occurrence.
125.13 The commissioner must review the change. If the change would result in noncompliance
125.14 in minimum standards, the commissioner must give the recovery residence written notice
125.15 and up to 180 days to correct the areas of noncompliance before being decertified. The
125.16 recovery residence must develop interim procedures to resolve the noncompliance on a
125.17 temporary basis and submit the interim procedures in writing to the commissioner for
125.18 approval within 30 days of the commissioner's determination of the noncompliance. The
125.19 commissioner must immediately decertify a recovery residence that fails to report a change
125.20 that results in noncompliance within 15 days, fails to develop an approved interim procedure
125.21 within 30 days of the determination of the noncompliance, or does not resolve the
125.22 noncompliance within 180 days.

125.23 (b) The commissioner may require the recovery residence to submit written information
125.24 to document that the recovery residence has maintained compliance with this section.

125.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

125.26 Sec. 49. **[254B.215] CERTIFICATION LEVELS.**

125.27 Subdivision 1. **Certification levels.** When certifying a recovery residence, the
125.28 commissioner must specify whether the residence is a level-one or level-two certified
125.29 recovery residence.

125.30 Subd. 2. **Level-one certification.** The commissioner must designate a certified residence
125.31 as a level-one certified recovery residence when the residence is peer run. A level-one
125.32 certified recovery residence must:

125.33 (1) not permit an allowance for on-site paid staff or operator of the recovery residence;

126.1 (2) permit only nonpaid staff to live or work within the residence; and

126.2 (3) ensure that decisions are made solely by residents.

126.3 Subd. 3. **Level-two certification.** (a) The commissioner must designate a certified

126.4 residence as a level-two certified recovery residence when the residence is managed by

126.5 someone other than the residents. A level-two certified recovery residence must have staff

126.6 to model and teach recovery skills and behaviors.

126.7 (b) A level-two certified recovery residence must:

126.8 (1) have written job descriptions for each staff member position, including position

126.9 responsibilities and qualifications;

126.10 (2) have written policies and procedures for ongoing performance development of staff;

126.11 (3) provide annual training on emergency procedures, resident bill of rights, grievance

126.12 policies and procedures, and code of ethics;

126.13 (4) provide community or house meetings, peer supports, and involvement in self-help

126.14 or off-site treatment services;

126.15 (5) have identified recovery goals;

126.16 (6) maintain documentation that residents are linked with community resources such as

126.17 job search, education, family services, and health and housing programs; and

126.18 (7) maintain documentation of referrals made for additional services.

126.19 (c) Staff of a level-two certified recovery residence must not provide billable peer support

126.20 services to residents of the recovery residence.

126.21 **EFFECTIVE DATE.** This section is effective January 1, 2027.

126.22 Sec. 50. **[254B.216] RESIDENT RECORD.**

126.23 A certified recovery residence must maintain documentation with a resident's signature

126.24 that each resident received the following prior to or on the first day of residency:

126.25 (1) the recovery resident bill of rights in section 254B.211, subdivision 3;

126.26 (2) the residence's financial obligations and agreements, refund policy, and payments

126.27 from third-party payers for any fees paid on the resident's behalf;

126.28 (3) the residence's services provided;

126.29 (4) relapse policies;

- 127.1 (5) policies regarding personal property;
- 127.2 (6) orientation to emergency procedures;
- 127.3 (7) orientation to resident rules; and
- 127.4 (8) all other applicable orientation materials identified in sections 254B.21 to 254B.216.

127.5 **EFFECTIVE DATE.** This section is effective January 1, 2027.

127.6 Sec. 51. Minnesota Statutes 2024, section 256.043, subdivision 3, is amended to read:

127.7 **Subd. 3. Appropriations from registration and license fee account.** (a) The

127.8 appropriations in paragraphs (b) to (n) shall be made from the registration and license fee

127.9 account on a fiscal year basis in the order specified.

127.10 (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs

127.11 (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be

127.12 made accordingly.

127.13 (c) \$100,000 is appropriated to the commissioner of human services for grants for opiate

127.14 antagonist distribution. Grantees may utilize funds for opioid overdose prevention,

127.15 community asset mapping, education, and opiate antagonist distribution.

127.16 (d) \$2,000,000 is appropriated to the commissioner of human services for ~~grants~~ direct

127.17 payments to Tribal nations and five urban Indian communities for traditional healing practices

127.18 for American Indians and to increase the capacity of culturally specific providers in the

127.19 behavioral health workforce. Any evaluations of practices under this paragraph must be

127.20 designed cooperatively by the commissioner and Tribal nations or urban Indian communities.

127.21 The commissioner must not require recipients to provide the details of specific ceremonies

127.22 or identities of healers.

127.23 (e) \$400,000 is appropriated to the commissioner of human services for competitive

127.24 grants for opioid-focused Project ECHO programs.

127.25 (f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the

127.26 commissioner of human services to administer the funding distribution and reporting

127.27 requirements in paragraph (o).

127.28 (g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated

127.29 to the commissioner of human services for safe recovery sites start-up and capacity building

127.30 grants under section 254B.18.

128.1 (h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to
128.2 the commissioner of human services for the opioid overdose surge alert system under section
128.3 245.891.

128.4 (i) \$300,000 is appropriated to the commissioner of management and budget for
128.5 evaluation activities under section 256.042, subdivision 1, paragraph (c).

128.6 (j) \$261,000 is appropriated to the commissioner of human services for the provision of
128.7 administrative services to the Opiate Epidemic Response Advisory Council and for the
128.8 administration of the grants awarded under paragraph (n).

128.9 (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
128.10 fees under section 151.066.

128.11 (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
128.12 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
128.13 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

128.14 (m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining
128.15 amount is appropriated to the commissioner of children, youth, and families for distribution
128.16 to county social service agencies and Tribal social service agency initiative projects
128.17 authorized under section 256.01, subdivision 14b, to provide prevention and child protection
128.18 services to children and families who are affected by addiction. The commissioner shall
128.19 distribute this money proportionally to county social service agencies and Tribal social
128.20 service agency initiative projects through a formula based on intake data from the previous
128.21 three calendar years related to substance use and out-of-home placement episodes where
128.22 parental drug abuse is a reason for the out-of-home placement. County social service agencies
128.23 and Tribal social service agency initiative projects receiving funds from the opiate epidemic
128.24 response fund must annually report to the commissioner on how the funds were used to
128.25 provide prevention and child protection services, including measurable outcomes, as
128.26 determined by the commissioner. County social service agencies and Tribal social service
128.27 agency initiative projects must not use funds received under this paragraph to supplant
128.28 current state or local funding received for child protection services for children and families
128.29 who are affected by addiction.

128.30 (n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in
128.31 the account is appropriated to the commissioner of human services to award grants as
128.32 specified by the Opiate Epidemic Response Advisory Council in accordance with section
128.33 256.042, unless otherwise appropriated by the legislature.

129.1 (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service
129.2 agencies and Tribal social service agency initiative projects under paragraph (m) and grant
129.3 funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n)
129.4 may be distributed on a calendar year basis.

129.5 (p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs
129.6 (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

129.7 Sec. 52. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

129.8 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical
129.9 assistance covers services provided by a not-for-profit certified community behavioral health
129.10 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

129.11 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an
129.12 eligible service is delivered using the CCBHC daily bundled rate system for medical
129.13 assistance payments as described in paragraph (c). The commissioner shall include a quality
129.14 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).
129.15 There is no county share for medical assistance services when reimbursed through the
129.16 CCBHC daily bundled rate system.

129.17 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC
129.18 payments under medical assistance meets the following requirements:

129.19 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each
129.20 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable
129.21 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the
129.22 payment rate, total annual visits include visits covered by medical assistance and visits not
129.23 covered by medical assistance. Allowable costs include but are not limited to the salaries
129.24 and benefits of medical assistance providers; the cost of CCBHC services provided under
129.25 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as
129.26 insurance or supplies needed to provide CCBHC services;

129.27 (2) payment shall be limited to one payment per day per medical assistance enrollee
129.28 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement
129.29 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph
129.30 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or
129.31 licensed agency employed by or under contract with a CCBHC;

129.32 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,
129.33 subdivision 3, shall be established by the commissioner using a provider-specific rate based

130.1 on the newly certified CCBHC's audited historical cost report data adjusted for the expected
130.2 cost of delivering CCBHC services. Estimates are subject to review by the commissioner
130.3 and must include the expected cost of providing the full scope of CCBHC services and the
130.4 expected number of visits for the rate period;

130.5 (4) the commissioner shall rebase CCBHC rates once every two years following the last
130.6 rebasing and no less than 12 months following an initial rate or a rate change due to a change
130.7 in the scope of services. For CCBHCs certified after September 31, 2020, and before January
130.8 1, 2021, the commissioner shall rebase rates according to this clause for services provided
130.9 on or after January 1, 2024;

130.10 (5) the commissioner shall provide for a 60-day appeals process after notice of the results
130.11 of the rebasing;

130.12 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal
130.13 Medicaid rate is not eligible for the CCBHC rate methodology;

130.14 (7) payments for CCBHC services to individuals enrolled in managed care shall be
130.15 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall
130.16 complete the phase-out of CCBHC wrap payments within 60 days of the implementation
130.17 of the CCBHC daily bundled rate system in the Medicaid Management Information System
130.18 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments
130.19 due made payable to CCBHCs no later than 18 months thereafter;

130.20 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each
130.21 provider-specific rate by the Medicare Economic Index for primary care services. This
130.22 update shall occur each year in between rebasing periods determined by the commissioner
130.23 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state
130.24 annually using the CCBHC cost report established by the commissioner; and

130.25 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of
130.26 services when such changes are expected to result in an adjustment to the CCBHC payment
130.27 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information
130.28 regarding the changes in the scope of services, including the estimated cost of providing
130.29 the new or modified services and any projected increase or decrease in the number of visits
130.30 resulting from the change. Estimated costs are subject to review by the commissioner. Rate
130.31 adjustments for changes in scope shall occur no more than once per year in between rebasing
130.32 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

130.33 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC
130.34 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of

131.1 this requirement on the rate of access to the services delivered by CCBHC providers. If, for
131.2 any contract year, federal approval is not received for this paragraph, the commissioner
131.3 must adjust the capitation rates paid to managed care plans and county-based purchasing
131.4 plans for that contract year to reflect the removal of this provision. Contracts between
131.5 managed care plans and county-based purchasing plans and providers to whom this paragraph
131.6 applies must allow recovery of payments from those providers if capitation rates are adjusted
131.7 in accordance with this paragraph. Payment recoveries must not exceed the amount equal
131.8 to any increase in rates that results from this provision. This paragraph expires if federal
131.9 approval is not received for this paragraph at any time.

131.10 (e) The commissioner shall implement a quality incentive payment program for CCBHCs
131.11 that meets the following requirements:

131.12 (1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric
131.13 thresholds for performance metrics established by the commissioner, in addition to payments
131.14 for which the CCBHC is eligible under the CCBHC daily bundled rate system described in
131.15 paragraph (c);

131.16 (2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement
131.17 year to be eligible for incentive payments;

131.18 (3) each CCBHC shall receive written notice of the criteria that must be met in order to
131.19 receive quality incentive payments at least 90 days prior to the measurement year; and

131.20 (4) a CCBHC must provide the commissioner with data needed to determine incentive
131.21 payment eligibility within six months following the measurement year. The commissioner
131.22 shall notify CCBHC providers of their performance on the required measures and the
131.23 incentive payment amount within 12 months following the measurement year.

131.24 (f) All claims to managed care plans for CCBHC services as provided under this section
131.25 shall be submitted directly to, and paid by, the commissioner on the dates specified no later
131.26 than January 1 of the following calendar year, if:

131.27 (1) one or more managed care plans does not comply with the federal requirement for
131.28 payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42,
131.29 section 447.45(b), and the managed care plan does not resolve the payment issue within 30
131.30 days of noncompliance; and

131.31 (2) the total amount of clean claims not paid in accordance with federal requirements
131.32 by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims
131.33 eligible for payment by managed care plans.

132.1 If the conditions in this paragraph are met between January 1 and June 30 of a calendar
132.2 year, claims shall be submitted to and paid by the commissioner beginning on January 1 of
132.3 the following year. If the conditions in this paragraph are met between July 1 and December
132.4 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning
132.5 on July 1 of the following year.

132.6 (g) Peer services provided by a CCBHC certified under section 245.735 are a covered
132.7 service under medical assistance when a licensed mental health professional or alcohol and
132.8 drug counselor determines that peer services are medically necessary. Eligibility under this
132.9 subdivision for peer services provided by a CCBHC supersede eligibility standards under
132.10 sections 256B.0615, 256B.0616, and 245G.07, subdivision ~~2~~ 2a, paragraph (b), clause ~~(8)~~
132.11 (2).

132.12 Sec. 53. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

132.13 Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health
132.14 home services provider must maintain staff with required professional qualifications
132.15 appropriate to the setting.

132.16 (b) If behavioral health home services are offered in a mental health setting, the
132.17 integration specialist must be a licensed nurse, as defined in section 148.171, subdivision
132.18 9.

132.19 (c) If behavioral health home services are offered in a primary care setting, the integration
132.20 specialist must be a mental health professional who is qualified according to section 245I.04,
132.21 subdivision 2.

132.22 (d) If behavioral health home services are offered in either a primary care setting or
132.23 mental health setting, the systems navigator must be a mental health practitioner who is
132.24 qualified according to section 245I.04, subdivision 4, or a community health worker as
132.25 defined in section 256B.0625, subdivision 49.

132.26 (e) If behavioral health home services are offered in either a primary care setting or
132.27 mental health setting, the qualified health home specialist must be one of the following:

132.28 (1) a mental health certified peer specialist who is qualified according to section 245I.04,
132.29 subdivision 10;

132.30 (2) a mental health certified family peer specialist who is qualified according to section
132.31 245I.04, subdivision 12;

133.1 (3) a case management associate as defined in section 245.462, subdivision 4, paragraph
133.2 (g), or 245.4871, subdivision 4, paragraph (j);

133.3 (4) a mental health rehabilitation worker who is qualified according to section 245I.04,
133.4 subdivision 14;

133.5 (5) a community paramedic as defined in section 144E.28, subdivision 9;

133.6 (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~
133.7 245G.11, subdivision 8; or

133.8 (7) a community health worker as defined in section 256B.0625, subdivision 49.

133.9 Sec. 54. Minnesota Statutes 2024, section 256I.04, subdivision 2a, is amended to read:

133.10 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph
133.11 ~~(b)~~(c), an agency may not enter into an agreement with an establishment to provide housing
133.12 support unless:

133.13 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;
133.14 a board and lodging establishment; a boarding care home before March 1, 1985; or a
133.15 supervised living facility, and the service provider for residents of the facility is licensed
133.16 under chapter 245A. However, an establishment licensed by the Department of Health to
133.17 provide lodging need not also be licensed to provide board if meals are being supplied to
133.18 residents under a contract with a food vendor who is licensed by the Department of Health;

133.19 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota
133.20 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior
133.21 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;
133.22 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,
133.23 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,
133.24 subdivision 4a, as a community residential setting by the commissioner of human services;
133.25 or

133.26 (3) the facility is licensed under chapter 144G and provides three meals a day.

133.27 (b) Effective January 1, 2027, the commissioner may enter into housing support
133.28 agreements with a board and lodging establishment under section 256I.04, subdivision 2a,
133.29 paragraph (a), clause (1), that is also certified by the commissioner as a recovery residence,
133.30 subject to the requirements of section 256I.04, subdivisions 2a to 2f. When doing so, the
133.31 department of human services serves as the lead agency for the agreement.

134.1 ~~(b)~~ (c) The requirements under paragraph (a) do not apply to establishments exempt
134.2 from state licensure because they are:

134.3 (1) located on Indian reservations and subject to tribal health and safety requirements;

134.4 or

134.5 (2) supportive housing establishments where an individual has an approved habitability
134.6 inspection and an individual lease agreement.

134.7 ~~(e)~~ (d) Supportive housing establishments that serve individuals who have experienced
134.8 long-term homelessness and emergency shelters must participate in the homeless management
134.9 information system and a coordinated assessment system as defined by the commissioner.

134.10 ~~(d)~~ (e) Effective July 1, 2016, an agency shall not have an agreement with a provider of
134.11 housing support unless all staff members who have direct contact with recipients:

134.12 (1) have skills and knowledge acquired through one or more of the following:

134.13 (i) a course of study in a health- or human services-related field leading to a bachelor
134.14 of arts, bachelor of science, or associate's degree;

134.15 (ii) one year of experience with the target population served;

134.16 (iii) experience as a mental health certified peer specialist according to section 256B.0615;

134.17 or

134.18 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to
134.19 144A.483;

134.20 (2) hold a current driver's license appropriate to the vehicle driven if transporting
134.21 recipients;

134.22 (3) complete training on vulnerable adults mandated reporting and child maltreatment
134.23 mandated reporting, where applicable; and

134.24 (4) complete housing support orientation training offered by the commissioner.

134.25 Sec. 55. Minnesota Statutes 2024, section 325F.725, is amended to read:

134.26 **325F.725 ~~SOBER-HOME~~ RECOVERY RESIDENCE TITLE PROTECTION.**

134.27 No person or entity may use the phrase "~~sober home~~," "recovery residence," whether
134.28 alone or in combination with other words and whether orally or in writing, to advertise,
134.29 market, or otherwise describe, offer, or promote itself, or any housing, service, service
134.30 package, or program that it provides within this state, unless the person or entity meets the

135.1 definition of a ~~sober home~~ recovery residence in section 254B.01, subdivision 11, and meets
135.2 the requirements of ~~section 254B.181~~ sections 254B.21 to 254B.216.

135.3 **EFFECTIVE DATE.** This section is effective January 1, 2027.

135.4 Sec. 56. **RECOVERY RESIDENCE WORKGROUP.**

135.5 (a) The commissioner of human services must convene a workgroup to develop
135.6 recommendations specific to recovery residences. The workgroup must:

135.7 (1) produce a report that examines how other states fund recovery residences, identifying
135.8 best practices and models that could be applicable to Minnesota;

135.9 (2) engage with stakeholders to ensure meaningful collaboration with key external
135.10 stakeholders on the ideas being developed that will inform the final plan and
135.11 recommendations; and

135.12 (3) create an implementable plan addressing housing needs for individuals in outpatient
135.13 substance use disorder treatment that includes:

135.14 (i) clear strategies for aligning housing models with individual treatment needs;

135.15 (ii) an assessment of funding streams, including potential federal funding sources;

135.16 (iii) a timeline for implementation with key milestones and action steps;

135.17 (iv) recommendations for future resource allocation to ensure long-term housing stability
135.18 for individuals in recovery; and

135.19 (v) specific recommendations for policy or legislative changes that may be required to
135.20 support sustainable recovery housing solutions.

135.21 (b) The workgroup must include but is not limited to:

135.22 (1) at least two designees from the Department of Human Services representing: (i)
135.23 behavioral health; and (ii) homelessness and housing and support services;

135.24 (2) the commissioner of health or a designee;

135.25 (3) two people who have experience living in a recovery residence;

135.26 (4) representatives from at least three substance use disorder lodging facilities currently
135.27 operating in Minnesota;

135.28 (5) three representatives from county social services agencies, at least one from inside
135.29 the seven-county metropolitan area and one from outside the seven-county metropolitan
135.30 area;

136.1 (6) a representative from a Tribal social services agency; and

136.2 (7) representatives from national or state organizations specializing in recovery residences
136.3 and substance use disorder treatment.

136.4 (c) The workgroup must meet at least monthly and as necessary to fulfill its
136.5 responsibilities. The commissioner of human services must provide administrative support
136.6 and meeting space for the workgroup. The workgroup may conduct meetings remotely.

136.7 (d) The commissioner of human services must make appointments to the workgroup by
136.8 October 1, 2025, and convene the first meeting of the workgroup by January 15, 2026.

136.9 (e) The workgroup must submit a final report with recommendations to the chairs and
136.10 ranking minority members of the legislative committees with jurisdiction over health and
136.11 human services policy and finance on or before January 1, 2027.

136.12 **Sec. 57. SUBSTANCE USE DISORDER CARE COORDINATION AND**
136.13 **NAVIGATION ASSISTANCE EVALUATION.**

136.14 (a) The commissioner of human services must evaluate and make recommendations on
136.15 ways to ensure that persons with substance use disorder have access to care coordination
136.16 and navigation services that improve access to:

136.17 (1) acute withdrawal services;

136.18 (2) physical health care coverage and services;

136.19 (3) cognitive, behavioral, and emotional health care coverage and services;

136.20 (4) relapse prevention services; and

136.21 (5) recovery environment supports, including but not limited to employment, vocational
136.22 services, transportation, child care, affordable housing, economic assistance, financial
136.23 independence, and reconnection to community.

136.24 (b) As part of the evaluation, the commissioner must assess and identify gaps in the
136.25 current substance use disorder service continuum including treatment coordination, health
136.26 care navigation services, and case management. The commissioner must evaluate
136.27 opportunities and make recommendations for developing, expanding, or integrating medical
136.28 assistance care coordination, navigation, and case management services.

136.29 (c) The commissioner must submit a report on the evaluation and recommendations
136.30 under this section to the chairs and ranking minority members of the committees with
136.31 jurisdiction over health and human services by November 1, 2026. The report must outline

137.1 currently available care coordination and navigation services for persons with substance
137.2 use disorder, identify gaps in the substance use disorder service continuum, and recommend
137.3 new, expanded, or integrated benefits that align with evidence-based, holistic, and
137.4 person-centered approaches to substance use disorder recovery.

137.5 **Sec. 58. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY WORKING**
137.6 **GROUP.**

137.7 (a) By July 15, 2025, the commissioner of human services must convene a working
137.8 group with participation from organizations operating psychiatric residential treatment
137.9 facilities, advocates, health care experts, juvenile detention experts, county representatives,
137.10 and at least one employee of Direct Care and Treatment appointed by the chief executive
137.11 officer of Direct Care and Treatment, at least one employee of the Department of Health
137.12 appointed by the commissioner of health, and at least two employees of the Department of
137.13 Human Services, one of whom must have expertise in behavioral health and one of whom
137.14 must have expertise in licensing of residential facilities.

137.15 (b) By January 15, 2026, the psychiatric residential treatment facility working group
137.16 must submit a report and proposed legislative changes to the chairs and ranking minority
137.17 members of the legislative committees with jurisdiction over children's mental health and
137.18 juvenile detention. The submitted report must include recommendations:

137.19 (1) to amend the state medical assistance plan to expand access to care provided in
137.20 psychiatric residential treatment facilities with consideration being given to enhancing
137.21 flexibilities to serve a continuum of mental health needs;

137.22 (2) to develop licensing standards for psychiatric residential treatment facilities to reflect
137.23 needed flexibilities and broad inclusion of settings where care can be delivered in settings
137.24 operated by Direct Care and Treatment; and

137.25 (3) to update the rate methodology for services provided in psychiatric residential
137.26 treatment facilities to assure high quality of care with required individualization.

137.27 (c) When developing the recommendations required under paragraph (b), the working
137.28 group must:

137.29 (1) consider how best to meet the needs of children with high levels of complexity,
137.30 aggression, and related barriers to being served by community providers; and

137.31 (2) determine what would be required, including needed infrastructure, staffing, and
137.32 sustainable funding sources, to allow qualified residential treatment programs to transition
137.33 to a psychiatric residential treatment facility standard of care.

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

138.2 Sec. 59. **REVISOR INSTRUCTION.**

138.3 The revisor of statutes shall change the terms "mental health practitioner" and "mental
138.4 health practitioners" to "behavioral health practitioner" or "behavioral health practitioners"
138.5 wherever they appear in Minnesota Statutes, chapter 245I.

138.6 Sec. 60. **REPEALER.**

138.7 (a) Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision
138.8 2; and 254B.01, subdivision 5, are repealed.

138.9 (b) Minnesota Statutes 2024, section 254B.04, subdivision 2a, is repealed.

138.10 (c) Minnesota Statutes 2024, section 254B.181, is repealed.

138.11 **EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2025, paragraph (b) is effective
138.12 July 1, 2027, and paragraph (c) is effective January 1, 2027.

138.13 **ARTICLE 5**

138.14 **BACKGROUND STUDIES**

138.15 Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

138.16 Subdivision 1. **Department.** (a) The Department of Children, Youth, and Families is
138.17 established. The commissioner of children, youth, and families is hereby constituted the
138.18 "state agency" for the purposes of Title IV of the Social Security Act of the United States
138.19 and the laws of this state.

138.20 (b) The commissioners of human services and children, youth, and families are hereby
138.21 constituted the "state agency" and the "joint interagency office" for purposes of background
138.22 studies under chapter 245C.

138.23 (c) The commissioner of children, youth, and families is hereby constituted the "state
138.24 agency" for the purposes of administering the child care and development fund.

138.25 Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

138.26 Subdivision 1. **Background studies required.** The commissioner of ~~children, youth,~~
138.27 ~~and families shall contract with the commissioner of human services to~~ shall conduct
138.28 background studies of individuals specified in section 245C.03, subdivision 1, affiliated
138.29 with:

139.1 (1) a facility or program licensed or seeking a license under chapter 142B;

139.2 (2) a license-exempt child care center certified under chapter 142C; or

139.3 (3) a legal nonlicensed child care provider authorized under chapter 142E.

139.4 Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

139.5 Subd. 7. **Commissioner.** "Commissioner" ~~has the meaning given in section 245A.02,~~
139.6 ~~subdivision 5~~ means the commissioner of human services.

139.7 Sec. 4. Minnesota Statutes 2024, section 245C.03, subdivision 6, is amended to read:

139.8 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
139.9 **seniors and individuals with disabilities.** (a) The commissioner shall conduct background
139.10 studies ~~of~~ on any individual who is an owner who has at least a five percent ownership
139.11 stake, an operator, or an employee or volunteer who provides direct contact, as defined in
139.12 section 245C.02, subdivision 11, for services specified in the federally approved home and
139.13 community-based waiver plans under section 256B.4912. The individual studied must meet
139.14 the requirements of this chapter prior to providing waiver services and as part of ongoing
139.15 enrollment.

139.16 (b) The requirements in paragraph (a) apply to consumer-directed community supports
139.17 under section 256B.4911.

139.18 (c) For purposes of this section, "operator" includes but is not limited to a managerial
139.19 officer who oversees the billing, management, or policies of the services provided.

139.20 Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 13, is amended to read:

139.21 Subd. 13. **Providers of housing stabilization services.** The commissioner shall conduct
139.22 background studies ~~of~~ on any provider of individual who is an owner who has at least a five
139.23 percent ownership stake in, an operator of, or an employee or volunteer who provides direct
139.24 contact housing stabilization services required by section 256B.051 ~~to have a background~~
139.25 ~~study completed under this chapter.~~

139.26 Sec. 6. Minnesota Statutes 2024, section 245C.03, subdivision 15, is amended to read:

139.27 Subd. 15. **Early intensive developmental and behavioral intervention providers.** The
139.28 commissioner shall conduct background studies according to this chapter ~~when initiated by~~
139.29 ~~an~~ on any individual who is an owner who has at least a five percent ownership stake in,

140.1 an operator of, or an employee or volunteer who provides direct contact early intensive
140.2 developmental and behavioral intervention ~~provider~~ services under section 256B.0949.

140.3 Sec. 7. Minnesota Statutes 2024, section 245C.04, subdivision 6, is amended to read:

140.4 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
140.5 **seniors and individuals with disabilities** and providers of housing stabilization

140.6 **services.** (a) Providers required to initiate background studies under section ~~256B.4912~~

140.7 245C.03, subdivisions 6 and 13 must initiate a study using the electronic system known as

140.8 NETStudy 2.0 before the individual begins in a position allowing direct contact with persons

140.9 served by the provider. New providers must initiate a study under this subdivision before

140.10 initial enrollment if the provider has not already initiated background studies as part of the

140.11 service licensure requirements.

140.12 (b) Except as provided in paragraphs (c) and (d), the providers must initiate a background
140.13 study annually of an individual required to be studied under section 245C.03, subdivision
140.14 6.

140.15 (c) After an initial background study under this subdivision is initiated on an individual
140.16 by a provider of both services licensed by the commissioner and the unlicensed services
140.17 under this subdivision, a repeat annual background study is not required if:

140.18 (1) the provider maintains compliance with the requirements of section 245C.07,
140.19 paragraph (a), regarding one individual with one address and telephone number as the person
140.20 to receive sensitive background study information for the multiple programs that depend
140.21 on the same background study, and that the individual who is designated to receive the
140.22 sensitive background information is capable of determining, upon the request of the
140.23 commissioner, whether a background study subject is providing direct contact services in
140.24 one or more of the provider's programs or services and, if so, at which location or locations;
140.25 and

140.26 (2) the individual who is the subject of the background study provides direct contact
140.27 services under the provider's licensed program for at least 40 hours per year so the individual
140.28 will be recognized by a probation officer or corrections agent to prompt a report to the
140.29 commissioner regarding criminal convictions as required under section 245C.05, subdivision
140.30 7.

140.31 ~~(d) A provider who initiates background studies through NETStudy 2.0 is exempt from~~
140.32 ~~the requirement to initiate annual background studies under paragraph (b) for individuals~~
140.33 ~~who are on the provider's active roster.~~

141.1 Sec. 8. Minnesota Statutes 2024, section 245C.04, is amended by adding a subdivision to
141.2 read:

141.3 Subd. 12. **Early intensive developmental and behavioral intervention**
141.4 **providers.** Providers required to initiate background studies under section 245C.03,
141.5 subdivision 15, must initiate a study using the electronic system known as NETStudy 2.0
141.6 before the individual begins in a position operating or allowing direct contact with persons
141.7 served by the provider or before the individual becomes an operator or acquires five percent
141.8 or more ownership.

141.9 Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

141.10 Subd. 5. **Authorization.** The commissioner of ~~human services~~ shall be authorized to
141.11 receive information under this chapter.

141.12 Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision
141.13 to read:

141.14 Subd. 9b. **Child foster care and adoption programs.** The commissioner shall recover
141.15 the cost of a background study required for child foster care and adoption studies through
141.16 a fee of no more than \$44 per study. The fees collected under this subdivision are
141.17 appropriated to the commissioner for the purpose of conducting background studies.

141.18 Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

141.19 Subd. 2. **Activities pending completion of background study.** The subject of a
141.20 background study may not perform any activity requiring a background study under
141.21 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

141.22 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

141.23 (1) a notice of the study results under section 245C.17 stating that:

141.24 (i) the individual is not disqualified; or

141.25 (ii) more time is needed to complete the study but the individual is not required to be
141.26 removed from direct contact or access to people receiving services prior to completion of
141.27 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice
141.28 that more time is needed to complete the study must also indicate whether the individual is
141.29 required to be under continuous direct supervision prior to completion of the background
141.30 study. When more time is necessary to complete a background study of an individual
141.31 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,

142.1 the individual may not work in the facility or setting regardless of whether or not the
142.2 individual is supervised;

142.3 (2) a notice that a disqualification has been set aside under section 245C.23; or

142.4 (3) a notice that a variance has been granted related to the individual under section
142.5 245C.30.

142.6 (b) For a background study affiliated with a licensed child care center or certified
142.7 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),
142.8 must not be issued until the commissioner receives a qualifying result for the individual for
142.9 the fingerprint-based national criminal history record check or the fingerprint-based criminal
142.10 history information from the Bureau of Criminal Apprehension. The notice must require
142.11 the individual to be under continuous direct supervision prior to completion of the remainder
142.12 of the background study except as permitted in subdivision 3.

142.13 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

142.14 (1) being issued a license;

142.15 (2) living in the household where the licensed program will be provided;

142.16 (3) providing direct contact services to persons served by a program unless the subject
142.17 is under continuous direct supervision;

142.18 (4) having access to persons receiving services if the background study was completed
142.19 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
142.20 (5), or (6), unless the subject is under continuous direct supervision;

142.21 (5) for licensed child care centers and certified license-exempt child care centers,
142.22 providing direct contact services to persons served by the program;

142.23 (6) for children's residential facilities or foster residence settings, working in the facility
142.24 or setting; or

142.25 (7) for background studies affiliated with a personal care provider organization, except
142.26 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides
142.27 services, the personal care assistance provider agency must initiate a background study of
142.28 the personal care assistant under this chapter and the personal care assistance provider
142.29 agency must have received a notice from the commissioner that the personal care assistant
142.30 is:

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

143.1 (ii) disqualified, but the personal care assistant has received a set aside of the
143.2 disqualification under section 245C.22; or

143.3 (8) for background studies affiliated with an early intensive developmental and behavioral
143.4 intervention provider, before an individual provides services, the early intensive
143.5 developmental and behavioral intervention provider must initiate a background study for
143.6 the individual under this chapter and the early intensive developmental and behavioral
143.7 intervention provider must have received a notice from the commissioner that the individual
143.8 is:

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

143.10 (ii) disqualified, but the individual has received a set-aside of the disqualification under
143.11 section 245C.22.

143.12 **EFFECTIVE DATE.** The amendment to paragraph (b) is effective January 15, 2026.
143.13 The amendments to paragraph (c) are effective August 5, 2025.

143.14 Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
143.15 to read:

143.16 Subd. 4c. **Two-year disqualification.** An individual is disqualified under section
143.17 245C.14, subdivision 6, if less than two years have passed since a determination that the
143.18 individual violated section 142A.12, 245.095, or 256B.064.

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

143.20 Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
143.21 to read:

143.22 Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall
143.23 disqualify an individual who is the subject of a background study from any position involving
143.24 ownership, management, or control of a program or billing activities if a background study
143.25 completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

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

143.27 Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

143.28 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under
143.29 section 245C.14 if: (1) regardless of how much time has passed since the discharge of the
143.30 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of
143.31 the level of the offense, the individual has committed any of the following offenses: sections

144.1 243.166 (violation of predatory offender registration law); 609.185 (murder in the first
144.2 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20
144.3 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony
144.4 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense
144.5 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or
144.6 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228
144.7 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247,
144.8 subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661
144.9 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the
144.10 second degree); 609.2663 (murder of an unborn child in the third degree); 609.322
144.11 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other
144.12 prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal
144.13 sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree);
144.14 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct
144.15 in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual
144.16 extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest);
144.17 a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture);
144.18 a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the
144.19 first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5
144.20 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public
144.21 transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1)
144.22 (indecent exposure involving a minor); 617.246 (use of minors in sexual performance
144.23 prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care
144.24 background study subject, conviction of a crime that would make the individual ineligible
144.25 for employment under United States Code, title 42, section 9858f, except for a felony drug
144.26 conviction, regardless of whether a period of disqualification under subdivisions 2 to 4,
144.27 would apply if the individual were not a child care background study subject.

144.28 (b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
144.29 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes,
144.30 permanently disqualifies the individual under section 245C.14.

144.31 (c) An individual's offense in any other state or country, where the elements of the offense
144.32 are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies
144.33 the individual under section 245C.14.

144.34 (d) When a disqualification is based on a judicial determination other than a conviction,
144.35 the disqualification period begins from the date of the court order. When a disqualification

145.1 is based on an admission, the disqualification period begins from the date of an admission
145.2 in court. When a disqualification is based on an Alford Plea, the disqualification period
145.3 begins from the date the Alford Plea is entered in court. When a disqualification is based
145.4 on a preponderance of evidence of a disqualifying act, the disqualification date begins from
145.5 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for
145.6 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

145.7 (e) If the individual studied commits one of the offenses listed in paragraph (a) that is
145.8 specified as a felony-level only offense, but the sentence or level of offense is a gross
145.9 misdemeanor or misdemeanor, the individual is disqualified, but the disqualification
145.10 look-back period for the offense is the period applicable to gross misdemeanor or
145.11 misdemeanor offenses.

145.12 (f) A child care background study subject shall be disqualified if the individual is
145.13 registered, or required to be registered, on a state sex offender registry or repository or the
145.14 National Sex Offender Registry.

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

145.16 Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

145.17 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding
145.18 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,
145.19 regardless of how much time has passed, an individual is disqualified under section 245C.14
145.20 if the individual committed an act that resulted in a felony-level conviction for sections:
145.21 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder
145.22 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in
145.23 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first
145.24 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);
145.25 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense
145.26 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or
145.27 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
145.28 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
145.29 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
145.30 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
145.31 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
145.32 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
145.33 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
145.34 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child

146.1 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
146.2 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
146.3 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
146.4 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
146.5 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
146.6 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
146.7 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
146.8 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
146.9 conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378
146.10 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision
146.11 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent
146.12 exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession
146.13 of pictorial representations of minors).

146.14 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated
146.15 with a licensed family foster setting, an individual is disqualified under section 245C.14,
146.16 regardless of how much time has passed, if the individual:

146.17 (1) committed an action under paragraph (e) that resulted in death or involved sexual
146.18 abuse, as defined in section 260E.03, subdivision 20;

146.19 (2) committed an act that resulted in a gross misdemeanor-level conviction for section
146.20 609.3451 (criminal sexual conduct in the fifth degree);

146.21 (3) committed an act against or involving a minor that resulted in a felony-level conviction
146.22 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the
146.23 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);
146.24 or

146.25 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level
146.26 conviction for section 617.293 (dissemination and display of harmful materials to minors).

146.27 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
146.28 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20
146.29 years have passed since the termination of the individual's parental rights under section
146.30 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of
146.31 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to
146.32 involuntarily terminate parental rights. An individual is disqualified under section 245C.14
146.33 if fewer than 20 years have passed since the termination of the individual's parental rights
146.34 in any other state or country, where the conditions for the individual's termination of parental

147.1 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph
147.2 (b).

147.3 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
147.4 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
147.5 years have passed since a felony-level violation for sections: 152.021 (controlled substance
147.6 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
147.7 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
147.8 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
147.9 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
147.10 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision
147.11 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
147.12 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
147.13 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related
147.14 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
147.15 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
147.16 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
147.17 child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal
147.18 abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal
147.19 neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery);
147.20 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation,
147.21 inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498,
147.22 subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b
147.23 (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563
147.24 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66
147.25 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749,
147.26 subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting
147.27 at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

147.28 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
147.29 background study affiliated with a licensed family child foster care license, an individual
147.30 is disqualified under section 245C.14 if fewer than five years have passed since:

147.31 (1) a felony-level violation for an act not against or involving a minor that constitutes:
147.32 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
147.33 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
147.34 fifth degree);

147.35 (2) a violation of an order for protection under section 518B.01, subdivision 14;

148.1 (3) a determination or disposition of the individual's failure to make required reports
148.2 under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition
148.3 under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment
148.4 was recurring or serious;

148.5 (4) a determination or disposition of the individual's substantiated serious or recurring
148.6 maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or
148.7 serious or recurring maltreatment in any other state, the elements of which are substantially
148.8 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet
148.9 the definition of serious maltreatment or recurring maltreatment;

148.10 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in
148.11 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);
148.12 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);
148.13 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

148.14 (6) committing an act against or involving a minor that resulted in a misdemeanor-level
148.15 violation of section 609.224, subdivision 1 (assault in the fifth degree).

148.16 (f) For purposes of this subdivision, the disqualification begins from:

148.17 (1) the date of the alleged violation, if the individual was not convicted;

148.18 (2) the date of conviction, if the individual was convicted of the violation but not
148.19 committed to the custody of the commissioner of corrections; or

148.20 (3) the date of release from prison, if the individual was convicted of the violation and
148.21 committed to the custody of the commissioner of corrections.

148.22 Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation
148.23 of the individual's supervised release, the disqualification begins from the date of release
148.24 from the subsequent incarceration.

148.25 (g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
148.26 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota
148.27 Statutes, permanently disqualifies the individual under section 245C.14. An individual is
148.28 disqualified under section 245C.14 if fewer than five years have passed since the individual's
148.29 aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs
148.30 (d) and (e).

148.31 (h) An individual's offense in any other state or country, where the elements of the
148.32 offense are substantially similar to any of the offenses listed in paragraphs (a) and (b),
148.33 permanently disqualifies the individual under section 245C.14. An individual is disqualified

149.1 under section 245C.14 if fewer than five years have passed since an offense in any other
149.2 state or country, the elements of which are substantially similar to the elements of any
149.3 offense listed in paragraphs (d) and (e).

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

149.5 Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

149.6 Subd. 3. **Preeminent weight given to safety of persons being served and program**
149.7 **integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner
149.8 shall give preeminent weight to the safety of each person served by the license holder,
149.9 applicant, or other entities as provided in this chapter, and to program integrity through
149.10 protection of state and federal funds supporting the program, over the interests of the
149.11 disqualified individual, license holder, applicant, or other entity as provided in this chapter,
149.12 and any single factor under subdivision 4, paragraph (b), may be determinative of the
149.13 commissioner's decision whether to set aside the individual's disqualification.

149.14 Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

149.15 Subd. 8. **Sharing of certain data for reconsiderations and appeals.** (a) The following
149.16 commissioners shall be responsible for ~~conducting~~ making final agency decisions on
149.17 background study reconsiderations and defending appeals of background ~~studies for programs~~
149.18 ~~under their jurisdictions~~ study determinations:

149.19 (1) the commissioner of human services for all programs under section 245C.03,
149.20 ~~subdivision 1~~ this chapter, unless otherwise specified in this subdivision;

149.21 (2) the commissioner of health for programs under section 245C.03, subdivision 5a;

149.22 (3) the commissioner of corrections for programs under section 245C.03, subdivision
149.23 5b; and

149.24 (4) the commissioner of the children, youth, and families for programs under section
149.25 245C.03, subdivision 5c.

149.26 (b) The commissioner of human services shall share all relevant background study data
149.27 to allow the commissioners specified in paragraph (a) to complete reconsiderations and
149.28 appeals for programs licensed or regulated by their agencies.

149.29 Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

149.30 Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an
149.31 automatic expungement under this section of that eligibility at any hearing where the court

150.1 dismisses and discharges proceedings against a person under section 152.18, subdivision
150.2 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled
150.3 substance; concludes that all pending actions or proceedings were resolved in favor of the
150.4 person; grants a person's placement into a diversion program; or sentences a person or
150.5 otherwise imposes a consequence for a qualifying offense.

150.6 (b) To the extent possible, prosecutors, defense counsel, supervising agents, and
150.7 coordinators or supervisors of a diversion program shall notify a person who may become
150.8 eligible for an automatic expungement under this section of that eligibility.

150.9 (c) If any party gives notification under this subdivision, the notification shall inform
150.10 the person that:

150.11 (1) a record expunged under this section may be opened for purposes of a background
150.12 study by the Department of Human Services, the Department of Children, Youth, and
150.13 Families, or the Department of Health under section 245C.08 and for purposes of a
150.14 background check by the Professional Educator Licensing and Standards Board as required
150.15 under section 122A.18, subdivision 8; and

150.16 (2) the person can file a petition under section 609A.03, subject to the process in section
150.17 609A.03 and the limitations in section 609A.02, to expunge the records held by the
150.18 commissioner of human services, the commissioner of children, youth, and families, the
150.19 commissioner of health, and the Professional Educator Licensing and Standards Board.

150.20 Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

150.21 Subd. 3. **Expungement relief; notification requirements.** (a) The Bureau of Criminal
150.22 Apprehension shall grant expungement relief to each qualifying person whose records the
150.23 bureau possesses and seal the bureau's records without requiring an application, petition,
150.24 or motion. The bureau shall seal records related to an expungement within 60 days after the
150.25 bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2,
150.26 paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional
150.27 information establishes that the records are not eligible for expungement.

150.28 (b) Nonpublic criminal records maintained by the bureau and subject to a grant of
150.29 expungement relief must display a notation stating "expungement relief granted pursuant
150.30 to section 609A.055."

150.31 (c) The bureau shall inform the judicial branch of all cases that are granted expungement
150.32 relief pursuant to this section. The bureau may notify the judicial branch using electronic
150.33 means and may notify the judicial branch immediately or in a monthly report. Upon receiving

151.1 notice of an expungement, the judicial branch shall seal all related records, including records
151.2 of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon
151.3 receiving notice of an expungement, the judicial branch shall issue any order necessary to
151.4 seal related records. The judicial branch shall not order the Department of Health, the
151.5 Department of Children, Youth, and Families, or the Department of Human Services to seal
151.6 records under this section.

151.7 (d) The bureau shall inform each arresting or citing law enforcement agency or
151.8 prosecutorial office with records affected by the grant of expungement relief issued pursuant
151.9 to paragraph (a) that expungement has been granted. The bureau shall notify each agency
151.10 or office of an expungement within 60 days after the bureau sent notice of the expungement
151.11 to the judicial branch. The bureau may notify each agency or office using electronic means.
151.12 Upon receiving notification of an expungement, an agency or office shall seal all records
151.13 related to the expungement, including the records of the person's arrest, indictment, trial,
151.14 verdict, and dismissal or discharge of the case.

151.15 (e) The bureau shall provide information on its publicly facing website clearly stating
151.16 that persons who are noncitizens may need copies of records affected by a grant of
151.17 expungement relief for immigration purposes, explaining how they can obtain these copies
151.18 after expungement or other granted relief, and stating that a noncitizen should consult with
151.19 an immigration attorney.

151.20 (f) Data on a person whose offense has been expunged under this subdivision, including
151.21 any notice sent pursuant to paragraph (d), are private data on individuals as defined in section
151.22 13.02, subdivision 12.

151.23 (g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing
151.24 the record of proceedings under section 152.18.

151.25 (h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply
151.26 to an order issued under this section.

151.27 (i) The subject whose record qualifies for expungement shall be given access to copies
151.28 of the records of arrest, conviction, or incarceration for any purposes, including immigration
151.29 purposes.

151.30 (j) Relief granted under this subdivision shall not impact the ability of a petitioner to
151.31 file for relief under section 590.01.

152.1

ARTICLE 6

152.2

DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

152.3

Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

152.4

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated

152.5

by the welfare system are private data on individuals, and shall not be disclosed except:

152.6

(1) according to section 13.05;

152.7

(2) according to court order;

152.8

(3) according to a statute specifically authorizing access to the private data;

152.9

(4) to an agent ~~of the welfare system and an~~ or investigator acting on behalf of a county,

152.10

the state, or the federal government, including a law enforcement person or attorney in the

152.11

investigation or prosecution of a criminal, civil, or administrative proceeding relating to the

152.12

administration of a program;

152.13

(5) to personnel of the welfare system who require the data to verify an individual's

152.14

identity; determine eligibility, amount of assistance, and the need to provide services to an

152.15

individual or family across programs; coordinate services for an individual or family;

152.16

evaluate the effectiveness of programs; assess parental contribution amounts; and investigate

152.17

suspected fraud;

152.18

(6) to administer federal funds or programs;

152.19

(7) between personnel of the welfare system working in the same program;

152.20

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit

152.21

programs and to identify individuals who may benefit from these programs, and prepare

152.22

the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article

152.23

17, section 6. The following information may be disclosed under this paragraph: an

152.24

individual's and their dependent's names, dates of birth, Social Security or individual taxpayer

152.25

identification numbers, income, addresses, and other data as required, upon request by the

152.26

Department of Revenue. Disclosures by the commissioner of revenue to the commissioner

152.27

of human services for the purposes described in this clause are governed by section 270B.14,

152.28

subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent

152.29

care credit under section 290.067, the Minnesota working family credit under section

152.30

290.0671, the property tax refund under section 290A.04, and the Minnesota education

152.31

credit under section 290.0674;

153.1 (9) between the Department of Human Services; the Department of Employment and
153.2 Economic Development; the Department of Children, Youth, and Families; Direct Care and
153.3 Treatment; and, when applicable, the Department of Education, for the following purposes:

153.4 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
153.5 employment or training program administered, supervised, or certified by that agency;

153.6 (ii) to administer any rehabilitation program or child care assistance program, whether
153.7 alone or in conjunction with the welfare system;

153.8 (iii) to monitor and evaluate the Minnesota family investment program or the child care
153.9 assistance program by exchanging data on recipients and former recipients of Supplemental
153.10 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D,
153.11 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter
153.12 256B or 256L; and

153.13 (iv) to analyze public assistance employment services and program utilization, cost,
153.14 effectiveness, and outcomes as implemented under the authority established in Title II,
153.15 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
153.16 Health records governed by sections 144.291 to 144.298 and "protected health information"
153.17 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
153.18 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
153.19 information, must not be exchanged under this clause;

153.20 (10) to appropriate parties in connection with an emergency if knowledge of the
153.21 information is necessary to protect the health or safety of the individual or other individuals
153.22 or persons;

153.23 (11) data maintained by residential programs as defined in section 245A.02 may be
153.24 disclosed to the protection and advocacy system established in this state according to Part
153.25 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
153.26 disabilities or other related conditions who live in residential facilities for these persons if
153.27 the protection and advocacy system receives a complaint by or on behalf of that person and
153.28 the person does not have a legal guardian or the state or a designee of the state is the legal
153.29 guardian of the person;

153.30 (12) to the county medical examiner or the county coroner for identifying or locating
153.31 relatives or friends of a deceased person;

154.1 (13) data on a child support obligor who makes payments to the public agency may be
154.2 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
154.3 eligibility under section 136A.121, subdivision 2, clause (5);

154.4 (14) participant Social Security or individual taxpayer identification numbers and names
154.5 collected by the telephone assistance program may be disclosed to the Department of
154.6 Revenue to conduct an electronic data match with the property tax refund database to
154.7 determine eligibility under section 237.70, subdivision 4a;

154.8 (15) the current address of a Minnesota family investment program participant may be
154.9 disclosed to law enforcement officers who provide the name of the participant and notify
154.10 the agency that:

154.11 (i) the participant:

154.12 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
154.13 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
154.14 jurisdiction from which the individual is fleeing; or

154.15 (B) is violating a condition of probation or parole imposed under state or federal law;

154.16 (ii) the location or apprehension of the felon is within the law enforcement officer's
154.17 official duties; and

154.18 (iii) the request is made in writing and in the proper exercise of those duties;

154.19 (16) the current address of a recipient of general assistance may be disclosed to probation
154.20 officers and corrections agents who are supervising the recipient and to law enforcement
154.21 officers who are investigating the recipient in connection with a felony level offense;

154.22 (17) information obtained from a SNAP applicant or recipient households may be
154.23 disclosed to local, state, or federal law enforcement officials, upon their written request, for
154.24 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
154.25 to Code of Federal Regulations, title 7, section 272.1(c);

154.26 (18) the address, Social Security or individual taxpayer identification number, and, if
154.27 available, photograph of any member of a household receiving SNAP benefits shall be made
154.28 available, on request, to a local, state, or federal law enforcement officer if the officer
154.29 furnishes the agency with the name of the member and notifies the agency that:

154.30 (i) the member:

154.31 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
154.32 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

155.1 (B) is violating a condition of probation or parole imposed under state or federal law;

155.2 or

155.3 (C) has information that is necessary for the officer to conduct an official duty related

155.4 to conduct described in subitem (A) or (B);

155.5 (ii) locating or apprehending the member is within the officer's official duties; and

155.6 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

155.7 (19) the current address of a recipient of Minnesota family investment program, general

155.8 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,

155.9 provide the name of the recipient and notify the agency that the recipient is a person required

155.10 to register under section 243.166, but is not residing at the address at which the recipient is

155.11 registered under section 243.166;

155.12 (20) certain information regarding child support obligors who are in arrears may be

155.13 made public according to section 518A.74;

155.14 (21) data on child support payments made by a child support obligor and data on the

155.15 distribution of those payments excluding identifying information on obligees may be

155.16 disclosed to all obligees to whom the obligor owes support, and data on the enforcement

155.17 actions undertaken by the public authority, the status of those actions, and data on the income

155.18 of the obligor or obligee may be disclosed to the other party;

155.19 (22) data in the work reporting system may be disclosed under section 142A.29,

155.20 subdivision 7;

155.21 (23) to the Department of Education for the purpose of matching Department of Education

155.22 student data with public assistance data to determine students eligible for free and

155.23 reduced-price meals, meal supplements, and free milk according to United States Code,

155.24 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state

155.25 funds that are distributed based on income of the student's family; and to verify receipt of

155.26 energy assistance for the telephone assistance plan;

155.27 (24) the current address and telephone number of program recipients and emergency

155.28 contacts may be released to the commissioner of health or a community health board as

155.29 defined in section 145A.02, subdivision 5, when the commissioner or community health

155.30 board has reason to believe that a program recipient is a disease case, carrier, suspect case,

155.31 or at risk of illness, and the data are necessary to locate the person;

155.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,

155.33 including the attorney general, and agencies of other states, interstate information networks,

156.1 federal agencies, and other entities as required by federal regulation or law for the
156.2 administration of the child support enforcement program;

156.3 (26) to personnel of public assistance programs as defined in section 518A.81, for access
156.4 to the child support system database for the purpose of administration, including monitoring
156.5 and evaluation of those public assistance programs;

156.6 (27) to monitor and evaluate the Minnesota family investment program by exchanging
156.7 data between the Departments of Human Services; Children, Youth, and Families; and
156.8 Education, on recipients and former recipients of SNAP benefits, cash assistance under
156.9 chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical
156.10 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
156.11 256D;

156.12 (28) to evaluate child support program performance and to identify and prevent fraud
156.13 in the child support program by exchanging data between the Department of Human Services;
156.14 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,
156.15 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph
156.16 (c); Department of Health; Department of Employment and Economic Development; and
156.17 other state agencies as is reasonably necessary to perform these functions;

156.18 (29) counties and the Department of Children, Youth, and Families operating child care
156.19 assistance programs under chapter 142E may disseminate data on program participants,
156.20 applicants, and providers to the commissioner of education;

156.21 (30) child support data on the child, the parents, and relatives of the child may be
156.22 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
156.23 Security Act, as authorized by federal law;

156.24 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
156.25 necessary to coordinate services;

156.26 (32) to the chief administrative officer of a school to coordinate services for a student
156.27 and family; data that may be disclosed under this clause are limited to name, date of birth,
156.28 gender, and address;

156.29 (33) to county correctional agencies to the extent necessary to coordinate services and
156.30 diversion programs; data that may be disclosed under this clause are limited to name, client
156.31 demographics, program, case status, and county worker information; or

156.32 (34) between the Department of Human Services and the Metropolitan Council for the
156.33 following purposes:

157.1 (i) to coordinate special transportation service provided under section 473.386 with
157.2 services for people with disabilities and elderly individuals funded by or through the
157.3 Department of Human Services; and

157.4 (ii) to provide for reimbursement of special transportation service provided under section
157.5 473.386.

157.6 The data that may be shared under this clause are limited to the individual's first, last, and
157.7 middle names; date of birth; residential address; and program eligibility status with expiration
157.8 date for the purposes of informing the other party of program eligibility.

157.9 (b) Information on persons who have been treated for substance use disorder may only
157.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
157.11 2.1 to 2.67.

157.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
157.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
157.14 nonpublic while the investigation is active. The data are private after the investigation
157.15 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

157.16 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
157.17 not subject to the access provisions of subdivision 10, paragraph (b).

157.18 For the purposes of this subdivision, a request will be deemed to be made in writing if
157.19 made through a computer interface system.

157.20 Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

157.21 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
157.22 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
157.23 system in an investigation, authorized by statute, and relating to the enforcement of rules
157.24 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
157.25 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
157.26 shall not be disclosed except:

157.27 (1) pursuant to section 13.05;

157.28 (2) pursuant to statute or valid court order;

157.29 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
157.30 preparation of defense;

157.31 (4) to an agent of the welfare system or an investigator acting on behalf of a county,
157.32 state, or federal government, including a law enforcement officer or attorney in the

158.1 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the
158.2 commissioner of human services or commissioner of children, youth, and families determines
158.3 that disclosure may compromise a Department of Human Services or Department of Children,
158.4 Youth, and Families ongoing investigation; or

158.5 (5) to provide notices required or permitted by statute.

158.6 The data referred to in this subdivision shall be classified as public data upon submission
158.7 to an administrative law judge or court in an administrative or judicial proceeding. Inactive
158.8 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

158.9 (b) Notwithstanding any other provision in law, the commissioner of human services
158.10 shall provide all active and inactive investigative data, including the name of the reporter
158.11 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for
158.12 mental health and developmental disabilities upon the request of the ombudsman.

158.13 (c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation
158.14 by the commissioner of human services of possible overpayments of public funds to a service
158.15 provider or recipient or the reduction or withholding of payments may be disclosed if the
158.16 commissioner determines that it will not compromise the investigation.

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

158.18 Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

158.19 Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal
158.20 law, the commissioner may withhold payments to a provider, vendor, individual, associated
158.21 individual, or associated entity in any program administered by the commissioner if the
158.22 commissioner determines:

158.23 (1) there is a credible allegation of fraud for which an investigation is pending for a
158.24 program administered by a Minnesota state or federal agency;

158.25 (2) the individual, the entity, or an associated individual or entity was convicted of a
158.26 crime charged in state or federal court with an offense that involves fraud or theft against
158.27 a program administered by the commissioner or another Minnesota state or federal agency.
158.28 For purposes of this subdivision, "convicted" means a judgment of conviction has been
158.29 entered by a federal, state, or local court, regardless of whether an appeal from the judgment
158.30 is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea
158.31 of guilty or nolo contendere;

159.1 (3) the provider is operating after a Minnesota state or federal agency orders the
159.2 suspension, revocation, or decertification of the provider's license;

159.3 (4) the provider, vendor, associated individual, or associated entity, including those
159.4 receiving funds under any contract or registered program, has a background study
159.5 disqualification under chapter 245C that has not been set aside and for which no variance
159.6 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and
159.7 245C.15, subdivision 4c; or

159.8 (5) by a preponderance of the evidence that the provider, vendor, individual, associated
159.9 individual, or associated entity intentionally provided materially false information on the
159.10 provider's billing forms.

159.11 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation
159.12 that has been verified by the commissioner from any source, including but not limited to:

159.13 (1) fraud hotline complaints;

159.14 (2) claims data mining;

159.15 (3) patterns identified through provider audits, civil false claims cases, and law
159.16 enforcement investigations; and

159.17 (4) court filings and other legal documents, including but not limited to police reports,
159.18 complaints, indictments, informations, affidavits, declarations, and search warrants.

159.19 (c) The commissioner must send notice of the withholding of payments within five days
159.20 of taking such action. The notice must:

159.21 (1) state that payments are being withheld according to this subdivision;

159.22 (2) set forth the general allegations related to the withholding action, except the notice
159.23 need not disclose specific information concerning an ongoing investigation;

159.24 (3) state that the withholding is for a temporary period and cite the circumstances under
159.25 which the withholding will be terminated; and

159.26 (4) inform the provider, vendor, individual, associated individual, or associated entity
159.27 of the right to submit written evidence to contest the withholding action for consideration
159.28 by the commissioner.

159.29 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
159.30 individual, associated individual, or associated entity has a right to request administrative
159.31 reconsideration. A request for administrative reconsideration must be made in writing, state
159.32 with specificity the reasons the payment withholding decision is in error, and include

160.1 documents to support the request. Within 60 days from receipt of the request, the
160.2 commissioner shall judiciously review allegations, facts, evidence available to the
160.3 commissioner, and information submitted by the provider, vendor, individual, associated
160.4 individual, or associated entity to determine whether the payment withholding should remain
160.5 in place.

160.6 (e) The commissioner shall stop withholding payments if the commissioner determines
160.7 there is insufficient evidence of fraud by the provider, vendor, individual, associated
160.8 individual, or associated entity or when legal proceedings relating to the alleged fraud are
160.9 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
160.10 vendor, individual, associated individual, or associated entity.

160.11 (f) The withholding of payments is a temporary action and is not subject to appeal under
160.12 section 256.045 or chapter 14.

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

160.14 Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to
160.15 read:

160.16 **Subd. 6. Data practices.** The commissioner may exchange information, including claims
160.17 data, with state or federal agencies, professional boards, departments, or programs for the
160.18 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related
160.19 to suspected fraud or exclusion from any program administered by a state or federal agency.

160.20 Sec. 5. Minnesota Statutes 2024, section 245A.03, is amended by adding a subdivision to
160.21 read:

160.22 **Subd. 7a. Discretionary temporary licensing moratorium.** (a) The commissioner must
160.23 not issue an initial license for an individual, organization, or government entity seeking
160.24 licensure under this chapter nor add a new service to an existing license when the
160.25 commissioner determines that exceptional growth in applications for licensure or requests
160.26 to add new services exceeds the determined need for service capacity. A temporary licensing
160.27 moratorium issued under this subdivision is effective for a period of up to 24 months from
160.28 the date the commissioner issues the moratorium.

160.29 **(b) Any applicant that will not receive a license due to a temporary licensing moratorium**
160.30 **issued under paragraph (a) may apply for a refund of licensing application fees for up to**
160.31 **one year from the date the commissioner issues the moratorium.**

161.1 (c) The commissioner must notify the chairs and ranking minority members of the
161.2 legislative committees with jurisdiction over health and human services at least 30 days
161.3 prior to issuing a temporary moratorium under this subdivision, and publish notice of the
161.4 moratorium on the department's website. The notice must include:

161.5 (1) a list of all license types to which the moratorium will apply;

161.6 (2) the proposed start date of the moratorium; and

161.7 (3) the anticipated duration of the moratorium.

161.8 (d) The commissioner must establish and make publicly available the processes and
161.9 criteria the commissioner will use to grant exceptions to a temporary moratorium issued
161.10 under this subdivision.

161.11 Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

161.12 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
161.13 entity that is subject to licensure under section 245A.03 must apply for a license. The
161.14 application must be made on the forms and in the manner prescribed by the commissioner.
161.15 The commissioner shall provide the applicant with instruction in completing the application
161.16 and provide information about the rules and requirements of other state agencies that affect
161.17 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
161.18 Minnesota must have a program office located within 30 miles of the Minnesota border.
161.19 An applicant who intends to buy or otherwise acquire a program or services licensed under
161.20 this chapter that is owned by another license holder must apply for a license under this
161.21 chapter and comply with the application procedures in this section and section 245A.043.

161.22 The commissioner shall act on the application within 90 working days after a complete
161.23 application and any required reports have been received from other state agencies or
161.24 departments, counties, municipalities, or other political subdivisions. The commissioner
161.25 shall not consider an application to be complete until the commissioner receives all of the
161.26 required information. If the applicant or a controlling individual is the subject of a pending
161.27 administrative, civil, or criminal investigation, the application is not complete until the
161.28 investigation has closed or the related legal proceedings are complete.

161.29 When the commissioner receives an application for initial licensure that is incomplete
161.30 because the applicant failed to submit required documents or that is substantially deficient
161.31 because the documents submitted do not meet licensing requirements, the commissioner
161.32 shall provide the applicant written notice that the application is incomplete or substantially
161.33 deficient. In the written notice to the applicant the commissioner shall identify documents

162.1 that are missing or deficient and give the applicant 45 days to resubmit a second application
162.2 that is substantially complete. An applicant's failure to submit a substantially complete
162.3 application after receiving notice from the commissioner is a basis for license denial under
162.4 section 245A.043.

162.5 (b) An application for licensure must identify all controlling individuals as defined in
162.6 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
162.7 agent. The application must be signed by the authorized agent and must include the authorized
162.8 agent's first, middle, and last name; mailing address; and email address. By submitting an
162.9 application for licensure, the authorized agent consents to electronic communication with
162.10 the commissioner throughout the application process. The authorized agent must be
162.11 authorized to accept service on behalf of all of the controlling individuals. A government
162.12 entity that holds multiple licenses under this chapter may designate one authorized agent
162.13 for all licenses issued under this chapter or may designate a different authorized agent for
162.14 each license. Service on the authorized agent is service on all of the controlling individuals.
162.15 It is not a defense to any action arising under this chapter that service was not made on each
162.16 controlling individual. The designation of a controlling individual as the authorized agent
162.17 under this paragraph does not affect the legal responsibility of any other controlling individual
162.18 under this chapter.

162.19 (c) An applicant or license holder must have a policy that prohibits license holders,
162.20 employees, subcontractors, and volunteers, when directly responsible for persons served
162.21 by the program, from abusing prescription medication or being in any manner under the
162.22 influence of a chemical that impairs the individual's ability to provide services or care. The
162.23 license holder must train employees, subcontractors, and volunteers about the program's
162.24 drug and alcohol policy.

162.25 (d) An applicant and license holder must have a program grievance procedure that permits
162.26 persons served by the program and their authorized representatives to bring a grievance to
162.27 the highest level of authority in the program.

162.28 (e) The commissioner may limit communication during the application process to the
162.29 authorized agent or the controlling individuals identified on the license application and for
162.30 whom a background study was initiated under chapter 245C. Upon implementation of the
162.31 provider licensing and reporting hub, applicants and license holders must use the hub in the
162.32 manner prescribed by the commissioner. The commissioner may require the applicant,
162.33 except for child foster care, to demonstrate competence in the applicable licensing
162.34 requirements by successfully completing a written examination. The commissioner may
162.35 develop a prescribed written examination format.

163.1 (f) When an applicant is an individual, the applicant must provide:

163.2 (1) the applicant's taxpayer identification numbers including the Social Security number
163.3 or Minnesota tax identification number, and federal employer identification number if the
163.4 applicant has employees;

163.5 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
163.6 of state that includes the complete business name, if any;

163.7 (3) if doing business under a different name, the doing business as (DBA) name, as
163.8 registered with the secretary of state;

163.9 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
163.10 Minnesota Provider Identifier (UMPI) number; and

163.11 (5) at the request of the commissioner, the notarized signature of the applicant or
163.12 authorized agent.

163.13 (g) When an applicant is an organization, the applicant must provide:

163.14 (1) the applicant's taxpayer identification numbers including the Minnesota tax
163.15 identification number and federal employer identification number;

163.16 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
163.17 of state that includes the complete business name, and if doing business under a different
163.18 name, the doing business as (DBA) name, as registered with the secretary of state;

163.19 (3) the first, middle, and last name, and address for all individuals who will be controlling
163.20 individuals, including all officers, owners, and managerial officials as defined in section
163.21 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
163.22 for each controlling individual;

163.23 (4) if applicable, the applicant's NPI number and UMPI number;

163.24 (5) the documents that created the organization and that determine the organization's
163.25 internal governance and the relations among the persons that own the organization, have
163.26 an interest in the organization, or are members of the organization, in each case as provided
163.27 or authorized by the organization's governing statute, which may include a partnership
163.28 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
163.29 or comparable documents as provided in the organization's governing statute; and

163.30 (6) the notarized signature of the applicant or authorized agent.

163.31 (h) When the applicant is a government entity, the applicant must provide:

164.1 (1) the name of the government agency, political subdivision, or other unit of government
164.2 seeking the license and the name of the program or services that will be licensed;

164.3 (2) the applicant's taxpayer identification numbers including the Minnesota tax
164.4 identification number and federal employer identification number;

164.5 (3) a letter signed by the manager, administrator, or other executive of the government
164.6 entity authorizing the submission of the license application; and

164.7 (4) if applicable, the applicant's NPI number and UMPI number.

164.8 (i) At the time of application for licensure or renewal of a license under this chapter, the
164.9 applicant or license holder must acknowledge on the form provided by the commissioner
164.10 if the applicant or license holder elects to receive any public funding reimbursement from
164.11 the commissioner for services provided under the license that:

164.12 (1) the applicant's or license holder's compliance with the provider enrollment agreement
164.13 or registration requirements for receipt of public funding may be monitored by the
164.14 commissioner as part of a licensing investigation or licensing inspection; and

164.15 (2) noncompliance with the provider enrollment agreement or registration requirements
164.16 for receipt of public funding that is identified through a licensing investigation or licensing
164.17 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
164.18 reimbursement for a service, may result in:

164.19 (i) a correction order or a conditional license under section 245A.06, or sanctions under
164.20 section 245A.07;

164.21 (ii) nonpayment of claims submitted by the license holder for public program
164.22 reimbursement;

164.23 (iii) recovery of payments made for the service;

164.24 (iv) disenrollment in the public payment program; or

164.25 (v) other administrative, civil, or criminal penalties as provided by law.

164.26 Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 7, is amended to read:

164.27 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
164.28 the program complies with all applicable rules and laws, the commissioner shall issue a
164.29 license consistent with this section or, if applicable, a temporary change of ownership license
164.30 under section 245A.043. At minimum, the license shall state:

164.31 (1) the name of the license holder;

- 165.1 (2) the address of the program;
- 165.2 (3) the effective date and expiration date of the license;
- 165.3 (4) the type of license, and the specific service the license holder is licensed to provide;
- 165.4 (5) the maximum number and ages of persons that may receive services from the program;
- 165.5 and
- 165.6 (6) any special conditions of licensure.
- 165.7 (b) The commissioner may issue a license for a period not to exceed two years if:
- 165.8 (1) the commissioner is unable to conduct the observation required by subdivision 4,
- 165.9 paragraph (a), clause (3), because the program is not yet operational;
- 165.10 (2) certain records and documents are not available because persons are not yet receiving
- 165.11 services from the program; and
- 165.12 (3) the applicant complies with applicable laws and rules in all other respects.
- 165.13 (c) A decision by the commissioner to issue a license does not guarantee that any person
- 165.14 or persons will be placed or cared for in the licensed program.
- 165.15 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a
- 165.16 license if the applicant, license holder, or an affiliated controlling individual has:
- 165.17 (1) been disqualified and the disqualification was not set aside and no variance has been
- 165.18 granted;
- 165.19 (2) been denied a license under this chapter or chapter 142B within the past two years;
- 165.20 (3) had a license issued under this chapter or chapter 142B revoked within the past five
- 165.21 years; or
- 165.22 (4) failed to submit the information required of an applicant under subdivision 1,
- 165.23 paragraph (f), (g), or (h), after being requested by the commissioner.
- 165.24 When a license issued under this chapter or chapter 142B is revoked, the license holder
- 165.25 and each affiliated controlling individual with a revoked license may not hold any license
- 165.26 under chapter 245A for five years following the revocation, and other licenses held by the
- 165.27 applicant or license holder or licenses affiliated with each controlling individual shall also
- 165.28 be revoked.
- 165.29 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license
- 165.30 affiliated with a license holder or controlling individual that had a license revoked within
- 165.31 the past five years if the commissioner determines that (1) the license holder or controlling

166.1 individual is operating the program in substantial compliance with applicable laws and rules
166.2 and (2) the program's continued operation is in the best interests of the community being
166.3 served.

166.4 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response
166.5 to an application that is affiliated with an applicant, license holder, or controlling individual
166.6 that had an application denied within the past two years or a license revoked within the past
166.7 five years if the commissioner determines that (1) the applicant or controlling individual
166.8 has operated one or more programs in substantial compliance with applicable laws and rules
166.9 and (2) the program's operation would be in the best interests of the community to be served.

166.10 (g) In determining whether a program's operation would be in the best interests of the
166.11 community to be served, the commissioner shall consider factors such as the number of
166.12 persons served, the availability of alternative services available in the surrounding
166.13 community, the management structure of the program, whether the program provides
166.14 culturally specific services, and other relevant factors.

166.15 (h) The commissioner shall not issue or reissue a license under this chapter if an individual
166.16 living in the household where the services will be provided as specified under section
166.17 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside
166.18 and no variance has been granted.

166.19 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
166.20 under this chapter has been suspended or revoked and the suspension or revocation is under
166.21 appeal, the program may continue to operate pending a final order from the commissioner.
166.22 If the license under suspension or revocation will expire before a final order is issued, a
166.23 temporary provisional license may be issued provided any applicable license fee is paid
166.24 before the temporary provisional license is issued.

166.25 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of
166.26 a controlling individual or license holder, and the controlling individual or license holder
166.27 is ordered under section 245C.17 to be immediately removed from direct contact with
166.28 persons receiving services or is ordered to be under continuous, direct supervision when
166.29 providing direct contact services, the program may continue to operate only if the program
166.30 complies with the order and submits documentation demonstrating compliance with the
166.31 order. If the disqualified individual fails to submit a timely request for reconsideration, or
166.32 if the disqualification is not set aside and no variance is granted, the order to immediately
166.33 remove the individual from direct contact or to be under continuous, direct supervision
166.34 remains in effect pending the outcome of a hearing and final order from the commissioner.

167.1 (k) Unless otherwise specified by statute, all licenses issued under this chapter expire
167.2 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
167.3 apply for and be granted a new license to operate the program or the program must not be
167.4 operated after the expiration date.

167.5 (l) The commissioner shall not issue or reissue a license under this chapter if it has been
167.6 determined that a Tribal licensing authority has established jurisdiction to license the program
167.7 or service.

167.8 (m) The commissioner of human services may coordinate and share data with the
167.9 commissioner of children, youth, and families to enforce this section.

167.10 Sec. 8. Minnesota Statutes 2024, section 245A.043, is amended by adding a subdivision
167.11 to read:

167.12 Subd. 2a. **Review of change in ownership.** (a) After a change in ownership under
167.13 subdivision 2, paragraph (a), the commissioner may complete a review for all new license
167.14 holders within 12 months after the new license is issued.

167.15 (b) For all license holders subject to the exception in subdivision 2, paragraph (b), the
167.16 license holder must notify the commissioner of the date of the change in controlling
167.17 individuals pursuant to section 245A.04, subdivision 7a, and the commissioner may complete
167.18 a review within 12 months following the change.

167.19 Sec. 9. Minnesota Statutes 2024, section 245A.05, is amended to read:

167.20 **245A.05 DENIAL OF APPLICATION.**

167.21 (a) The commissioner may deny a license if an applicant or controlling individual:

167.22 (1) fails to submit a substantially complete application after receiving notice from the
167.23 commissioner under section 245A.04, subdivision 1;

167.24 (2) fails to comply with applicable laws or rules;

167.25 (3) knowingly withholds relevant information from or gives false or misleading
167.26 information to the commissioner in connection with an application for a license or during
167.27 an investigation;

167.28 (4) has a disqualification that has not been set aside under section 245C.22 and no
167.29 variance has been granted;

168.1 (5) has an individual living in the household who received a background study under
168.2 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
168.3 has not been set aside under section 245C.22, and no variance has been granted;

168.4 (6) is associated with an individual who received a background study under section
168.5 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
168.6 children or vulnerable adults, and who has a disqualification that has not been set aside
168.7 under section 245C.22, and no variance has been granted;

168.8 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

168.9 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
168.10 6;

168.11 (9) has a history of noncompliance as a license holder or controlling individual with
168.12 applicable laws or rules, including but not limited to this chapter and chapters 142E and
168.13 245C; ~~or~~

168.14 (10) is prohibited from holding a license according to section 245.095; or

168.15 (11) is the subject of a pending administrative, civil, or criminal investigation.

168.16 (b) An applicant whose application has been denied by the commissioner must be given
168.17 notice of the denial, which must state the reasons for the denial in plain language. Notice
168.18 must be given by certified mail, by personal service, or through the provider licensing and
168.19 reporting hub. The notice must state the reasons the application was denied and must inform
168.20 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,
168.21 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
168.22 commissioner in writing by certified mail, by personal service, or through the provider
168.23 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
168.24 commissioner within 20 calendar days after the applicant received the notice of denial. If
168.25 an appeal request is made by personal service, it must be received by the commissioner
168.26 within 20 calendar days after the applicant received the notice of denial. If the order is issued
168.27 through the provider hub, the appeal must be received by the commissioner within 20
168.28 calendar days from the date the commissioner issued the order through the hub. Section
168.29 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

168.30 Sec. 10. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

168.31 Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately
168.32 to temporarily suspend a license issued under this chapter if:

169.1 (1) the license holder's or controlling individual's actions or failure to comply with
169.2 applicable law or rule, or the actions of other individuals or conditions in the program, pose
169.3 an imminent risk of harm to the health, safety, or rights of persons served by the program;

169.4 (2) while the program continues to operate pending an appeal of an order of revocation,
169.5 the commissioner identifies one or more subsequent violations of law or rule which may
169.6 adversely affect the health or safety of persons served by the program; or

169.7 (3) the license holder or controlling individual is criminally charged in state or federal
169.8 court with an offense that involves fraud or theft against a program administered by ~~the~~
169.9 ~~commissioner~~ a state or federal agency.

169.10 (b) No state funds shall be made available or be expended by any agency or department
169.11 of state, county, or municipal government for use by a license holder regulated under this
169.12 chapter while a license issued under this chapter is under immediate suspension. A notice
169.13 stating the reasons for the immediate suspension and informing the license holder of the
169.14 right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to
169.15 1400.8612, must be delivered by personal service to the address shown on the application
169.16 or the last known address of the license holder. The license holder may appeal an order
169.17 immediately suspending a license. The appeal of an order immediately suspending a license
169.18 must be made in writing by certified mail, personal service, or other means expressly set
169.19 forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the
169.20 commissioner within five calendar days after the license holder receives notice that the
169.21 license has been immediately suspended. If a request is made by personal service, it must
169.22 be received by the commissioner within five calendar days after the license holder received
169.23 the order. A license holder and any controlling individual shall discontinue operation of the
169.24 program upon receipt of the commissioner's order to immediately suspend the license.

169.25 (c) The commissioner may act immediately to temporarily suspend a license issued
169.26 under this chapter if the license holder or controlling individual is the subject of a pending
169.27 administrative, civil, or criminal investigation or subject to an administrative or civil action
169.28 related to fraud against a program administered by a state or federal agency.

169.29 Sec. 11. Minnesota Statutes 2024, section 245A.10, subdivision 2, is amended to read:

169.30 Subd. 2. **County fees for applications and licensing inspections.** (a) For purposes of
169.31 adult foster care and child foster residence setting licensing, family adult day services,
169.32 family adult foster care, and licensing the physical plant of a community residential setting
169.33 or residential services facility, under this chapter, a county agency may charge a fee to a
169.34 corporate applicant or corporate license holder to recover the actual cost of licensing

170.1 inspections, not to exceed ~~\$500~~ \$2,100 annually. Of this amount, 50 percent must be allocated
170.2 to the county agency and 50 percent must be deposited as required under subdivision 8.

170.3 (b) Counties may elect to reduce or waive the fees in paragraph (a) under the following
170.4 circumstances:

170.5 (1) in cases of financial hardship;

170.6 (2) if the county has a shortage of providers in the county's area; or

170.7 (3) for new providers.

170.8 Sec. 12. Minnesota Statutes 2024, section 245A.10, subdivision 3, is amended to read:

170.9 Subd. 3. **Application fee for initial license or certification.** (a) Except as provided in
170.10 paragraph (d), for fees required under subdivision 1, an applicant for an initial license or
170.11 certification issued by the commissioner shall submit a ~~\$500~~ \$2,100 application fee with
170.12 each new application required under this subdivision. ~~An applicant for an initial day services~~
170.13 ~~facility license under chapter 245D shall submit a \$250 application fee with each new~~
170.14 ~~application. A new application fee must be submitted when a partial change of ownership~~
170.15 ~~occurs, for each new license holder on the license.~~ The application fee shall not be prorated,
170.16 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
170.17 December 31. The commissioner shall not process an application until the application fee
170.18 is paid.

170.19 (b) Except as provided in paragraph (c), an applicant shall apply for a license to provide
170.20 services at a specific location.

170.21 (c) For a license to provide home and community-based services to persons with
170.22 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
170.23 to provide services statewide.

170.24 (d) For fees required under subdivision 1, an applicant for an initial license or certification
170.25 issued by the commissioner for children's residential facility or mental health clinic licensure
170.26 or certification shall submit a \$500 application fee with each new application required under
170.27 this subdivision.

170.28 Sec. 13. Minnesota Statutes 2024, section 245A.10, subdivision 4, is amended to read:

170.29 Subd. 4. **License or certification fee for certain programs.** (a)(1) A program licensed
170.30 to provide one or more of the home and community-based services and supports identified
170.31 under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual

171.1 nonrefundable license fee based on revenues derived from the provision of services that
 171.2 would require licensure under chapter 245D during the calendar year immediately preceding
 171.3 the year in which the license fee is paid, according to the following schedule:

171.4	License Holder Annual Revenue	License Fee
171.5		\$200
171.6	less than or equal to \$10,000	<u>\$250</u>
171.7	greater than \$10,000 but less than or	\$300
171.8	equal to \$25,000	<u>\$375</u>
171.9	greater than \$25,000 but less than or	\$400
171.10	equal to \$50,000	<u>\$500</u>
171.11	greater than \$50,000 but less than or	\$500
171.12	equal to \$100,000	<u>\$625</u>
171.13	greater than \$100,000 but less than or	\$600
171.14	equal to \$150,000	<u>\$750</u>
171.15	greater than \$150,000 but less than or	\$800
171.16	equal to \$200,000	<u>\$1,000</u>
171.17	greater than \$200,000 but less than or	\$1,000
171.18	equal to \$250,000	<u>\$1,250</u>
171.19	greater than \$250,000 but less than or	\$1,200
171.20	equal to \$300,000	<u>\$1,500</u>
171.21	greater than \$300,000 but less than or	\$1,400
171.22	equal to \$350,000	<u>\$1,750</u>
171.23	greater than \$350,000 but less than or	\$1,600
171.24	equal to \$400,000	<u>\$2,000</u>
171.25	greater than \$400,000 but less than or	\$1,800
171.26	equal to \$450,000	<u>\$2,250</u>
171.27	greater than \$450,000 but less than or	\$2,000
171.28	equal to \$500,000	<u>\$2,500</u>
171.29	greater than \$500,000 but less than or	\$2,250
171.30	equal to \$600,000	<u>\$2,850</u>
171.31	greater than \$600,000 but less than or	\$2,500
171.32	equal to \$700,000	<u>\$3,200</u>
171.33	greater than \$700,000 but less than or	\$2,750
171.34	equal to \$800,000	<u>\$3,600</u>
171.35	greater than \$800,000 but less than or	\$3,000
171.36	equal to \$900,000	<u>\$3,900</u>
171.37	greater than \$900,000 but less than or	\$3,250
171.38	equal to \$1,000,000	<u>\$4,250</u>
171.39	greater than \$1,000,000 but less than or	\$3,500
171.40	equal to \$1,250,000	<u>\$4,550</u>
171.41	greater than \$1,250,000 but less than or	\$3,750
171.42	equal to \$1,500,000	<u>\$4,900</u>
171.43	greater than \$1,500,000 but less than or	\$4,000
171.44	equal to \$1,750,000	<u>\$5,200</u>

172.1	greater than \$1,750,000 but less than or	\$4,250
172.2	equal to \$2,000,000	<u>\$5,500</u>
172.3	greater than \$2,000,000 but less than or	\$4,500
172.4	equal to \$2,500,000	<u>\$5,900</u>
172.5	greater than \$2,500,000 but less than or	\$4,750
172.6	equal to \$3,000,000	<u>\$6,200</u>
172.7	greater than \$3,000,000 but less than or	\$5,000
172.8	equal to \$3,500,000	<u>\$6,500</u>
172.9	greater than \$3,500,000 but less than or	\$5,500
172.10	equal to \$4,000,000	<u>\$7,200</u>
172.11	greater than \$4,000,000 but less than or	\$6,000
172.12	equal to \$4,500,000	<u>\$7,800</u>
172.13	greater than \$4,500,000 but less than or	\$6,500
172.14	equal to \$5,000,000	<u>\$9,000</u>
172.15	greater than \$5,000,000 but less than or	\$7,000
172.16	equal to \$7,500,000	<u>\$10,000</u>
172.17	greater than \$7,500,000 but less than or	\$8,500
172.18	equal to \$10,000,000	<u>\$14,000</u>
172.19	greater than \$10,000,000 but less than or	\$10,000
172.20	equal to \$12,500,000	<u>\$18,000</u>
172.21	greater than \$12,500,000 but less than or	\$14,000
172.22	equal to \$15,000,000	<u>\$25,000</u>
172.23	greater than \$15,000,000 <u>but less than or</u>	\$18,000
172.24	<u>equal to \$17,500,000</u>	<u>\$28,000</u>
172.25	<u>greater than \$17,500,000 but less than</u>	
172.26	<u>\$20,000,000</u>	<u>\$32,000</u>
172.27	<u>greater than \$20,000,000 but less than</u>	
172.28	<u>\$25,000,000</u>	<u>\$36,000</u>
172.29	<u>greater than \$25,000,000 but less than</u>	
172.30	<u>\$30,000,000</u>	<u>\$45,000</u>
172.31	<u>greater than \$30,000,000 but less than</u>	
172.32	<u>\$35,000,000</u>	<u>\$55,000</u>
172.33	<u>greater than \$35,000,000</u>	<u>\$75,000</u>

172.34 (2) If requested, the license holder shall provide the commissioner information to verify
 172.35 the license holder's annual revenues or other information as needed, including copies of
 172.36 documents submitted to the Department of Revenue.

172.37 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
 172.38 and not provide annual revenue information to the commissioner.

172.39 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
 172.40 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
 172.41 of double the fee the provider should have paid.

173.1 (b) A residential substance use disorder treatment program licensed under chapter 245G,
 173.2 to provide substance use disorder treatment shall pay an annual nonrefundable license fee
 173.3 based on the following schedule:

173.4	Licensed Capacity	License Fee
173.5		\$600
173.6	1 to 24 persons	<u>\$2,600</u>
173.7		\$800
173.8	25 to 49 persons	<u>\$3,000</u>
173.9		\$1,000
173.10	50 to 74 persons	<u>\$5,000</u>
173.11		\$1,200
173.12	75 to 99 persons	<u>\$10,000</u>
173.13		\$1,400
173.14	100 or more persons <u>to 199 persons</u>	<u>\$15,000</u>
173.15	<u>200 or more persons</u>	<u>\$20,000</u>

173.16 (c) A nonresidential substance use disorder treatment program licensed under chapter
 173.17 245G to provide substance use disorder treatment shall pay an annual nonrefundable license
 173.18 fee of \$2,600.

173.19 ~~(e)~~ (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
 173.20 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
 173.21 an annual nonrefundable license fee based on the following schedule:

173.22	Licensed Capacity	License Fee
173.23		\$760
173.24	1 to 24 persons	<u>\$2,600</u>
173.25		\$960
173.26	25 to 49 persons	<u>\$3,000</u>
173.27		\$1,160
173.28	50 or more persons	<u>\$5,000</u>

173.29 A detoxification program that also operates a withdrawal management program at the same
 173.30 location shall only pay one fee based upon the licensed capacity of the program with the
 173.31 higher overall capacity.

173.32 ~~(d)~~ (e) A children's residential facility licensed under Minnesota Rules, chapter 2960,
 173.33 to serve children shall pay an annual nonrefundable license fee based on the following
 173.34 schedule:

173.35	Licensed Capacity	License Fee
173.36	1 to 24 persons	\$1,000
173.37	25 to 49 persons	\$1,100

174.1	50 to 74 persons	\$1,200
174.2	75 to 99 persons	\$1,300
174.3	100 or more persons	\$1,400

174.4 ~~(e)~~ (f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts
 174.5 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
 174.6 nonrefundable license fee based on the following schedule:

174.7	Licensed Capacity	License Fee
174.8		\$2,525
174.9	1 to 24 persons	<u>\$2,600</u>
174.10		\$2,725
174.11	25 or more persons <u>to 49 persons</u>	<u>\$3,000</u>
174.12	<u>50 or more persons</u>	<u>\$20,000</u>

174.13 ~~(f)~~ (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to
 174.14 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable
 174.15 license fee based on the following schedule:

174.16	Licensed Capacity	License Fee
174.17	1 to 24 persons	\$450
174.18	25 to 49 persons	\$650
174.19	50 to 74 persons	\$850
174.20	75 to 99 persons	\$1,050
174.21	100 or more persons	\$1,250

174.22 ~~(g)~~ (h) A program licensed as an adult day care center licensed under Minnesota Rules,
 174.23 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
 174.24 following schedule:

174.25	Licensed Capacity	License Fee
174.26	1 to 24 persons	\$500
174.27	25 to 49 persons	\$700
174.28	50 to 74 persons	\$900
174.29	75 to 99 persons	\$1,100
174.30	100 or more persons	\$1,300

174.31 ~~(h)~~ (i) A program licensed to provide treatment services to persons with sexual
 174.32 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
 174.33 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

174.34 ~~(i)~~ (j) A mental health clinic certified under section 245I.20 shall pay an annual
 174.35 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a

175.1 primary location with satellite facilities, the satellite facilities shall be certified with the
175.2 primary location without an additional charge.

175.3 (k) If a program subject to annual fees under paragraphs (b), (c), (d), or (f) provides
175.4 services at a primary location with satellite facilities, the satellite facilities shall be licensed
175.5 with the primary location and shall be subject to an additional \$500 annual nonrefundable
175.6 license fee per satellite facility.

175.7 Sec. 14. Minnesota Statutes 2024, section 245A.10, subdivision 8, is amended to read:

175.8 Subd. 8. **Deposit of license fees.** A human services licensing and program integrity
175.9 account is created in the state government special revenue fund. Fees collected under
175.10 subdivisions 3 and 4 must be deposited in the human services licensing and program integrity
175.11 account and are annually appropriated to the commissioner for licensing activities authorized
175.12 under this chapter and program integrity activities.

175.13 Sec. 15. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision
175.14 to read:

175.15 Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,
175.16 submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'
175.17 Healthcare Common Procedure Coding System and the American Medical Association's
175.18 Current Procedural Terminology to determine the appropriate units of time to report.

175.19 (b) More than half the duration of a time-based code must be spent performing the service
175.20 to be eligible under this section. Any provision of service during the remaining balance of
175.21 the unit of time is not eligible for any other claims submission and would be considered a
175.22 duplicative claim submission.

175.23 (c) A provider may only round up to the next whole number of service units on a
175.24 submitted claim when more than one and one-half times the defined value of the code has
175.25 occurred and no additional time increment code exists.

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

175.27 Sec. 16. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

175.28 Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through
175.29 the settlement provisions applicable to the Supplemental Nutrition Assistance Program
175.30 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other
175.31 federal and state-funded programs.

176.1 (b) The commissioners will maintain program compliance if for any ~~three consecutive~~
176.2 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention
176.3 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
176.4 by the commissioners. This result is contingent on the commissioners providing written
176.5 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~
176.6 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required
176.7 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice
176.8 of noncompliance. Failure to submit a corrective action plan or, continued deviation from
176.9 standards of more than ten percent after submission of a corrective action plan, will result
176.10 in denial of funding for each subsequent month, or billing the county or Tribal agency for
176.11 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation
176.12 of program grant funds, or investigative resources, or both, to other counties or Tribal
176.13 agencies. The denial of funding shall apply to the general settlement received by the county
176.14 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to
176.15 the FPI project.

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

176.17 Sec. 17. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

176.18 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
176.19 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
176.20 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
176.21 a format determined by the commissioner, information and documentation that includes,
176.22 but is not limited to, the following:

176.23 (1) the personal care assistance provider agency's current contact information including
176.24 address, telephone number, and email address;

176.25 (2) proof of surety bond coverage for each business location providing services. Upon
176.26 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up
176.27 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If
176.28 the Medicaid revenue in the previous year is over \$300,000, the provider agency must
176.29 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
176.30 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
176.31 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
176.32 surety bond must occur within six years from the date the debt is affirmed by a final agency
176.33 decision. An agency decision is final when the right to appeal the debt has been exhausted
176.34 or the time to appeal has expired under section 256B.064;

- 177.1 (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location
177.2 providing service;
- 177.3 (4) proof of workers' compensation insurance coverage identifying the business location
177.4 where personal care assistance services are provided;
- 177.5 (5) proof of liability insurance coverage identifying the business location where personal
177.6 care assistance services are provided and naming the department as a certificate holder;
- 177.7 (6) a copy of the personal care assistance provider agency's written policies and
177.8 procedures including: hiring of employees; training requirements; service delivery; and
177.9 employee and consumer safety including process for notification and resolution of consumer
177.10 grievances, identification and prevention of communicable diseases, and employee
177.11 misconduct;
- 177.12 (7) copies of all other forms the personal care assistance provider agency uses in the
177.13 course of daily business including, but not limited to:
- 177.14 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
177.15 varies from the standard time sheet for personal care assistance services approved by the
177.16 commissioner, and a letter requesting approval of the personal care assistance provider
177.17 agency's nonstandard time sheet;
- 177.18 (ii) the personal care assistance provider agency's template for the personal care assistance
177.19 care plan; and
- 177.20 (iii) the personal care assistance provider agency's template for the written agreement
177.21 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;
- 177.22 (8) a list of all training and classes that the personal care assistance provider agency
177.23 requires of its staff providing personal care assistance services;
- 177.24 (9) documentation that the personal care assistance provider agency and staff have
177.25 successfully completed all the training required by this section, including the requirements
177.26 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
177.27 provided and submitted for an enhanced rate under subdivision 17a;
- 177.28 (10) documentation of the agency's marketing practices;
- 177.29 (11) disclosure of ownership, leasing, or management of all residential properties that
177.30 is used or could be used for providing home care services;
- 177.31 (12) documentation that the agency will use the following percentages of revenue
177.32 generated from the medical assistance rate paid for personal care assistance services for

178.1 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
178.2 care assistance choice option and 72.5 percent of revenue from other personal care assistance
178.3 providers. The revenue generated by the qualified professional and the reasonable costs
178.4 associated with the qualified professional shall not be used in making this calculation; and

178.5 (13) effective May 15, 2010, documentation that the agency does not burden recipients'
178.6 free exercise of their right to choose service providers by requiring personal care assistants
178.7 to sign an agreement not to work with any particular personal care assistance recipient or
178.8 for another personal care assistance provider agency after leaving the agency and that the
178.9 agency is not taking action on any such agreements or requirements regardless of the date
178.10 signed.

178.11 (b) Personal care assistance provider agencies shall provide the information specified
178.12 in paragraph (a) to the commissioner at the time the personal care assistance provider agency
178.13 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
178.14 the information specified in paragraph (a) from all personal care assistance providers
178.15 beginning July 1, 2009.

178.16 (c) All personal care assistance provider agencies shall require all employees in
178.17 management and supervisory positions and owners of the agency who are active in the
178.18 day-to-day management and operations of the agency to complete mandatory training as
178.19 determined by the commissioner before submitting an application for enrollment of the
178.20 agency as a provider. All personal care assistance provider agencies shall also require
178.21 qualified professionals to complete the training required by subdivision 13 before submitting
178.22 an application for enrollment of the agency as a provider. Employees in management and
178.23 supervisory positions and owners who are active in the day-to-day operations of an agency
178.24 who have completed the required training as an employee with a personal care assistance
178.25 provider agency do not need to repeat the required training if they are hired by another
178.26 agency, if they have completed the training within the past three years. By September 1,
178.27 2010, the required training must be available with meaningful access according to title VI
178.28 of the Civil Rights Act and federal regulations adopted under that law or any guidance from
178.29 the United States Health and Human Services Department. The required training must be
178.30 available online or by electronic remote connection. The required training must provide for
178.31 competency testing. Personal care assistance provider agency billing staff shall complete
178.32 training about personal care assistance program financial management. This training is
178.33 effective July 1, 2009. Any personal care assistance provider agency enrolled before that
178.34 date shall, if it has not already, complete the provider training within 18 months of July 1,
178.35 2009. Any new owners or employees in management and supervisory positions involved

179.1 in the day-to-day operations are required to complete mandatory training as a requisite of
179.2 working for the agency. Personal care assistance provider agencies certified for participation
179.3 in Medicare as home health agencies are exempt from the training required in this
179.4 subdivision. When available, Medicare-certified home health agency owners, supervisors,
179.5 or managers must successfully complete the competency test.

179.6 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability
179.7 insurance required by this subdivision must be maintained continuously. After initial
179.8 enrollment, a provider must submit proof of bonds and required coverages at any time at
179.9 the request of the commissioner. Services provided while there are lapses in coverage are
179.10 not eligible for payment. Lapses in coverage may result in sanctions, including termination.
179.11 The commissioner shall send instructions and a due date to submit the requested information
179.12 to the personal care assistance provider agency.

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

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

179.16 Subd. 16a. **Background studies.** An early intensive developmental and behavioral
179.17 intervention services agency must fulfill any background studies requirements under this
179.18 section by initiating a background study through the commissioner's NETStudy 2.0 system
179.19 as provided under ~~sections 245C.03, subdivision 15, and 245C.10, subdivision 17~~ chapter
179.20 245C and must maintain documentation of background study requests and results.

179.21 Sec. 19. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

179.22 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers
179.23 providing services to seniors and individuals with disabilities under chapter 256S and
179.24 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

179.25 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota
179.26 health care program requirements;

179.27 (2) regular reviews of provider qualifications, and including requests of proof of
179.28 documentation; and

179.29 (3) processes to gather the necessary information to determine provider qualifications.

179.30 (b) A provider shall not require or coerce any service recipient to change waiver programs
179.31 or move to a different location, consistent with the informed choice and independent living
179.32 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

180.1 (c) ~~Beginning July 1, 2012,~~ For staff that provide direct contact, as defined in section
180.2 245C.02, subdivision 11, for services specified in the federally approved waiver plans,
180.3 providers must meet the requirements of chapter 245C prior to providing waiver services
180.4 and as part of ongoing enrollment. Upon federal approval, and maintain documentation of
180.5 background study requests and results. This requirement ~~must~~ also ~~apply~~ applies to
180.6 consumer-directed community supports.

180.7 (d) ~~Beginning January 1, 2014,~~ Service owners and managerial officials overseeing the
180.8 management or policies of services that provide direct contact as specified in the federally
180.9 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment
180.10 or revalidation or, for new providers, prior to initial enrollment if they have not already
180.11 done so as a part of service licensure requirements.

180.12 Sec. 20. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

180.13 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS
180.14 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation
180.15 as a CFSS agency-provider in a format determined by the commissioner, information and
180.16 documentation that includes but is not limited to the following:

180.17 (1) the CFSS agency-provider's current contact information including address, telephone
180.18 number, and email address;

180.19 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's
180.20 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the
180.21 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid
180.22 revenue in the previous calendar year is greater than \$300,000, the agency-provider must
180.23 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
180.24 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
180.25 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
180.26 surety bond must occur within six years from the date the debt is affirmed by a final agency
180.27 decision. An agency decision is final when the right to appeal the debt has been exhausted
180.28 or the time to appeal has expired under section 256B.064;

180.29 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

180.30 (4) proof of workers' compensation insurance coverage;

180.31 (5) proof of liability insurance;

180.32 (6) a copy of the CFSS agency-provider's organizational chart identifying the names
180.33 and roles of all owners, managing employees, staff, board of directors, and additional

181.1 documentation reporting any affiliations of the directors and owners to other service
181.2 providers;

181.3 (7) proof that the CFSS agency-provider has written policies and procedures including:
181.4 hiring of employees; training requirements; service delivery; and employee and consumer
181.5 safety, including the process for notification and resolution of participant grievances, incident
181.6 response, identification and prevention of communicable diseases, and employee misconduct;

181.7 (8) proof that the CFSS agency-provider has all of the following forms and documents:

181.8 (i) a copy of the CFSS agency-provider's time sheet; and

181.9 (ii) a copy of the participant's individual CFSS service delivery plan;

181.10 (9) a list of all training and classes that the CFSS agency-provider requires of its staff
181.11 providing CFSS services;

181.12 (10) documentation that the CFSS agency-provider and staff have successfully completed
181.13 all the training required by this section;

181.14 (11) documentation of the agency-provider's marketing practices;

181.15 (12) disclosure of ownership, leasing, or management of all residential properties that
181.16 are used or could be used for providing home care services;

181.17 (13) documentation that the agency-provider will use at least the following percentages
181.18 of revenue generated from the medical assistance rate paid for CFSS services for CFSS
181.19 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except
181.20 100 percent of the revenue generated by a medical assistance rate increase due to a collective
181.21 bargaining agreement under section 179A.54 must be used for support worker wages and
181.22 benefits. The revenue generated by the worker training and development services and the
181.23 reasonable costs associated with the worker training and development services shall not be
181.24 used in making this calculation; and

181.25 (14) documentation that the agency-provider does not burden participants' free exercise
181.26 of their right to choose service providers by requiring CFSS support workers to sign an
181.27 agreement not to work with any particular CFSS participant or for another CFSS
181.28 agency-provider after leaving the agency and that the agency is not taking action on any
181.29 such agreements or requirements regardless of the date signed.

181.30 (b) CFSS agency-providers shall provide to the commissioner the information specified
181.31 in paragraph (a).

182.1 (c) All CFSS agency-providers shall require all employees in management and
182.2 supervisory positions and owners of the agency who are active in the day-to-day management
182.3 and operations of the agency to complete mandatory training as determined by the
182.4 commissioner. Employees in management and supervisory positions and owners who are
182.5 active in the day-to-day operations of an agency who have completed the required training
182.6 as an employee with a CFSS agency-provider do not need to repeat the required training if
182.7 they are hired by another agency and they have completed the training within the past three
182.8 years. CFSS agency-provider billing staff shall complete training about CFSS program
182.9 financial management. Any new owners or employees in management and supervisory
182.10 positions involved in the day-to-day operations are required to complete mandatory training
182.11 as a requisite of working for the agency.

182.12 (d) Agency-providers shall submit all required documentation in this section within 30
182.13 days of notification from the commissioner. If an agency-provider fails to submit all the
182.14 required documentation, the commissioner may take action under subdivision 23a.

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

182.16 ARTICLE 7

182.17 DIRECT CARE AND TREATMENT

182.18 Section 1. Minnesota Statutes 2024, section 246.54, subdivision 1a, is amended to read:

182.19 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the
182.20 cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the
182.21 following schedule:

182.22 (1) zero percent for the first 30 days;

182.23 (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate
182.24 for the client; and

182.25 (3) 100 percent for each day during the stay, including the day of admission, when the
182.26 facility determines that it is clinically appropriate for the client to be discharged.

182.27 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent
182.28 of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause
182.29 (2), the county shall be responsible for paying the state only the remaining amount. The
182.30 county shall not be entitled to reimbursement from the client, the client's estate, or from the
182.31 client's relatives, except as provided in section 246.53.

183.1 (c) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not
183.2 responsible for the cost of care under paragraph (a), clause (3), for a person who is committed
183.3 as a person who has a mental illness and is dangerous to the public under section 253B.18
183.4 and who is awaiting transfer to another state-operated facility or program. This paragraph
183.5 expires ~~March 31, 2025~~ June 30, 2027.

183.6 (d) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not
183.7 responsible for the cost of care under paragraph (a), clause (3), for a person who is civilly
183.8 committed, if the client is awaiting transfer:

183.9 (1) to a facility operated by the Department of Corrections; or

183.10 (2) to another state-operated facility or program, and the Direct Care and Treatment
183.11 executive medical director's office or a designee has determined that:

183.12 (i) the client meets criteria for admission to that state-operated facility or program; and

183.13 (ii) the state-operated facility or program is the only facility or program that can
183.14 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2027.

183.15 (e) Notwithstanding any law to the contrary, the client is not responsible for payment
183.16 of the cost of care under this subdivision.

183.17 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

183.18 Sec. 2. Minnesota Statutes 2024, section 246.54, subdivision 1b, is amended to read:

183.19 Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost
183.20 of care provided at state-operated community-based behavioral health hospitals for adults
183.21 and children shall be according to the following schedule:

183.22 (1) 100 percent for each day during the stay, including the day of admission, when the
183.23 facility determines that it is clinically appropriate for the client to be discharged; and

183.24 (2) the county shall not be entitled to reimbursement from the client, the client's estate,
183.25 or from the client's relatives, except as provided in section 246.53.

183.26 (b) ~~Between July 1, 2023, and March 31~~ Beginning July 1, 2025, the county is not
183.27 responsible for the cost of care under paragraph (a), clause (1), for a person committed as
183.28 a person who has a mental illness and is dangerous to the public under section 253B.18 and
183.29 who is awaiting transfer to another state-operated facility or program. This paragraph expires
183.30 ~~March 31, 2025~~ June 30, 2027.

184.1 (c) ~~Between April 1, 2025, and June 30~~ Beginning July 1, 2025, the county is not
184.2 responsible for the cost of care under paragraph (a), clause (1), for a person who is civilly
184.3 committed, if the client is awaiting transfer:

184.4 (1) to a facility operated by the Department of Corrections; or

184.5 (2) to another state-operated facility or program, and the Direct Care and Treatment
184.6 executive medical director's office or a designee has determined that:

184.7 (i) the client meets criteria for admission to that state-operated facility or program; and

184.8 (ii) the state-operated facility or program is the only facility or program that can
184.9 reasonably serve the client. This paragraph expires June 30, ~~2025~~ 2027.

184.10 (d) Notwithstanding any law to the contrary, the client is not responsible for payment
184.11 of the cost of care under this subdivision.

184.12 **EFFECTIVE DATE.** This section is effective retroactively from March 30, 2025.

184.13 Sec. 3. Minnesota Statutes 2024, section 246B.10, is amended to read:

184.14 **246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.**

184.15 (a) The civilly committed sex offender's county shall pay to the state a portion of the
184.16 cost of care provided in the Minnesota Sex Offender Program to a civilly committed sex
184.17 offender who has legally settled in that county.

184.18 (b) A county's payment must be made from the county's own sources of revenue and
184.19 payments must:

184.20 (1) equal ten percent of the cost of care, as determined by the executive board, for each
184.21 day or portion of a day that the civilly committed sex offender spends at the facility for
184.22 individuals admitted to the Minnesota Sex Offender Program before August 1, 2011; or

184.23 (2) equal 25 percent of the cost of care, as determined by the executive board, for each
184.24 day or portion of a day that the civilly committed sex offender:

184.25 (i) spends at the facility for individuals admitted to the Minnesota Sex Offender Program
184.26 on or after August 1, 2011; or

184.27 (ii) receives services within a program operated by the Minnesota Sex Offender Program
184.28 while on provisional discharge.

184.29 This paragraph expires June 30, 2027.

185.1 (c) The county is responsible for paying the state the remaining amount if payments
185.2 received by the state under this chapter exceed:

185.3 (1) 90 percent of the cost of care for individuals admitted to the Minnesota Sex Offender
185.4 Program before August 1, 2011; or

185.5 (2) 75 percent of the cost of care for individuals:

185.6 (i) admitted to the Minnesota Sex Offender Program on or after August 1, 2011; or

185.7 (ii) receiving services within a program operated by the Minnesota Sex Offender Program
185.8 while on provisional discharge.

185.9 This paragraph expires June 30, 2027.

185.10 (d) The county is not entitled to reimbursement from the civilly committed sex offender,
185.11 the civilly committed sex offender's estate, or from the civilly committed sex offender's
185.12 relatives, except as provided in section 246B.07.

185.13 (e) Effective July 1, 2027, a county's payment must be made from the county's own
185.14 sources of revenue and payments must equal 40 percent of the cost of care as determined
185.15 by the executive board, for each day or portion of a day that the civilly committed sex
185.16 offender spends at the facility or receives services within a program operated by the
185.17 Minnesota Sex Offender Program while on provisional discharge.

185.18 (f) Effective July 1, 2027, the county is responsible for paying the state the remaining
185.19 amount if payments received by the state under this chapter exceed 60 percent of the cost
185.20 of care for individuals.

185.21 Sec. 4. Minnesota Statutes 2024, section 246C.091, subdivision 3, is amended to read:

185.22 Subd. 3. **Direct Care and Treatment systems account.** (a) The Direct Care and
185.23 Treatment systems account is created in the special revenue fund of the state treasury.
185.24 Beginning July 1, 2025, money in the account is appropriated to the Direct Care and
185.25 Treatment executive board and may be used for security systems and information technology
185.26 projects, services, and support under the control of the executive board.

185.27 (b) The commissioner of human services shall transfer all money allocated to the Direct
185.28 Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment
185.29 systems account by June 30, 2026.

185.30 (c) Beginning July 1, 2025, and each fiscal year thereafter, \$5,000,000 of general fund
185.31 cost of care collections under section 246.18, subdivision 4, shall be deposited into the

186.1 Direct Care and Treatment systems account to support the Direct Care and Treatment
186.2 electronic health record system and information technology projects.

186.3 Sec. 5. Minnesota Statutes 2024, section 256G.08, subdivision 1, is amended to read:

186.4 Subdivision 1. **Commitment and competency proceedings.** In cases of voluntary
186.5 admission, ~~or~~ commitment to state or other institutions, or criminal orders for inpatient
186.6 examination or participation in a competency attainment program under chapter 611, the
186.7 committing county or the county from which the first criminal order for inpatient examination
186.8 or order for participation in a competency attainment program under chapter 611 is issued
186.9 shall initially pay for all costs. This includes the expenses of the taking into custody,
186.10 confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07,
186.11 examination, commitment, conveyance to the place of detention, rehearing, and hearings
186.12 under ~~section~~ sections 253B.092 and 611.47, including hearings held under ~~that section~~
186.13 ~~which~~ those sections that are venued outside the county of commitment or the county of
186.14 the chapter 611 competency proceedings order.

186.15 **EFFECTIVE DATE.** This section is effective July 1, 2027

186.16 Sec. 6. Minnesota Statutes 2024, section 256G.08, subdivision 2, is amended to read:

186.17 Subd. 2. **Responsibility for nonresidents.** If a person committed, ~~or~~ voluntarily admitted
186.18 to a state institution, or ordered for inpatient examination or participation in a competency
186.19 attainment program under chapter 611 has no residence in this state, financial responsibility
186.20 belongs to the county of commitment or the county from which the first criminal order for
186.21 inpatient examination or order for participation in a competency attainment program under
186.22 chapter 611 was issued.

186.23 **EFFECTIVE DATE.** This section is effective July 1, 2027

186.24 Sec. 7. Minnesota Statutes 2024, section 256G.09, subdivision 1, is amended to read:

186.25 Subdivision 1. **General procedures.** If upon investigation the local agency decides that
186.26 the application, ~~or~~ commitment, or first criminal order under chapter 611 was not filed in
186.27 the county of financial responsibility as defined by this chapter, but that the applicant is
186.28 otherwise eligible for assistance, it shall send a copy of the application, ~~or~~ commitment
186.29 claim, or chapter 611 claim together with the record of any investigation it has made, to the
186.30 county it believes is financially responsible. The copy and record must be sent within 60
186.31 days of the date the application was approved or the claim was paid. The first local agency

187.1 shall provide assistance to the applicant until financial responsibility is transferred under
187.2 this section.

187.3 The county receiving the transmittal has 30 days to accept or reject financial
187.4 responsibility. A failure to respond within 30 days establishes financial responsibility by
187.5 the receiving county.

187.6 **EFFECTIVE DATE.** This section is effective July 1, 2027

187.7 Sec. 8. Minnesota Statutes 2024, section 256G.09, subdivision 2, is amended to read:

187.8 Subd. 2. **Financial disputes.** (a) If the county receiving the transmittal does not believe
187.9 it is financially responsible, it should provide to the commissioner of human services and
187.10 the initially responsible county a statement of all facts and documents necessary for the
187.11 commissioner to make the requested determination of financial responsibility. The submission
187.12 must clearly state the program area in dispute and must state the specific basis upon which
187.13 the submitting county is denying financial responsibility.

187.14 (b) The initially responsible county then has 15 calendar days to submit its position and
187.15 any supporting evidence to the commissioner. The absence of a submission by the initially
187.16 responsible county does not limit the right of the commissioner of human services or Direct
187.17 Care and Treatment executive board to issue a binding opinion based on the evidence actually
187.18 submitted.

187.19 (c) A case must not be submitted until the local agency taking the application, ~~or~~ making
187.20 the commitment, or residing in the county from which the first criminal order under chapter
187.21 611 was issued has made an initial determination about eligibility and financial responsibility,
187.22 and services have been initiated. This paragraph does not prohibit the submission of closed
187.23 cases that otherwise meet the applicable statute of limitations.

187.24 **EFFECTIVE DATE.** This section is effective July 1, 2027

187.25 Sec. 9. Minnesota Statutes 2024, section 611.43, is amended by adding a subdivision to
187.26 read:

187.27 **Subd. 5. Costs related to confined treatment.** (a) When a defendant is ordered to
187.28 participate in an examination in a treatment facility, a locked treatment facility, or a
187.29 state-operated treatment facility under subdivision 1, paragraph (b), the facility shall bill
187.30 the responsible health plan first. The county in which the criminal charges are filed is
187.31 responsible to pay any charges not covered by the health plan, including co-pays and
187.32 deductibles. If the defendant has health plan coverage and is confined in a hospital, but the

188.1 hospitalization does not meet the criteria in section 62M.07, subdivision 2, clause (1);
188.2 62Q.53; 62Q.535, subdivision 1; or 253B.045, subdivision 6, the county in which criminal
188.3 charges are filed is responsible for payment.

188.4 (b) The Direct Care and Treatment executive board shall determine the cost of
188.5 confinement in a state-operated treatment facility based on the executive board's
188.6 determination of cost of care pursuant to section 246.50, subdivision 5.

188.7 Sec. 10. Minnesota Statutes 2024, section 611.46, subdivision 1, is amended to read:

188.8 Subdivision 1. **Order to competency attainment program.** (a) If the court finds the
188.9 defendant incompetent and the charges have not been dismissed, the court shall order the
188.10 defendant to participate in a program to assist the defendant in attaining competency. The
188.11 court may order participation in a competency attainment program provided outside of a
188.12 jail, a jail-based competency attainment program, or an alternative program. The court must
188.13 determine the least-restrictive program appropriate to meet the defendant's needs and public
188.14 safety. In making this determination, the court must consult with the forensic navigator and
188.15 consider any recommendations of the court examiner. The court shall not order a defendant
188.16 to participate in a jail-based program or a state-operated treatment program if the highest
188.17 criminal charge is a targeted misdemeanor.

188.18 (b) If the court orders the defendant to a locked treatment facility or jail-based program,
188.19 the court must calculate the defendant's custody credit and cannot order the defendant to a
188.20 locked treatment facility or jail-based program for a period that would cause the defendant's
188.21 custody credit to exceed the maximum sentence for the underlying charge.

188.22 (c) The court may only order the defendant to participate in competency attainment at
188.23 an inpatient or residential treatment program under this section if the head of the treatment
188.24 program determines that admission to the program is clinically appropriate and consents to
188.25 the defendant's admission. The court may only order the defendant to participate in
188.26 competency attainment at a state-operated treatment facility under this section if the Direct
188.27 Care and Treatment executive board or a designee determines that admission of the defendant
188.28 is clinically appropriate and consents to the defendant's admission. The court may require
188.29 a competency program that qualifies as a locked facility or a state-operated treatment program
188.30 to notify the court in writing of the basis for refusing consent for admission of the defendant
188.31 in order to ensure transparency and maintain an accurate record. The court may not require
188.32 personal appearance of any representative of a competency program. The court shall send
188.33 a written request for notification to the locked facility or state-operated treatment program

189.1 and the locked facility or state-operated treatment program shall provide a written response
189.2 to the court within ten days of receipt of the court's request.

189.3 (d) If the defendant is confined in jail and has not received competency attainment
189.4 services within 30 days of the finding of incompetency, the court shall review the case with
189.5 input from the prosecutor and defense counsel and may:

189.6 (1) order the defendant to participate in an appropriate competency attainment program
189.7 that takes place outside of a jail;

189.8 (2) order a conditional release of the defendant with conditions that include but are not
189.9 limited to a requirement that the defendant participate in a competency attainment program
189.10 when one becomes available and accessible;

189.11 (3) make a determination as to whether the defendant is likely to attain competency in
189.12 the reasonably foreseeable future and proceed under section 611.49; or

189.13 (4) upon a motion, dismiss the charges in the interest of justice.

189.14 (e) The court may order any hospital, treatment facility, or correctional facility that has
189.15 provided care or supervision to a defendant in the previous two years to provide copies of
189.16 the defendant's medical records to the competency attainment program or alternative program
189.17 in which the defendant was ordered to participate. This information shall be provided in a
189.18 consistent and timely manner and pursuant to all applicable laws.

189.19 (f) If at any time the defendant refuses to participate in a competency attainment program
189.20 or an alternative program, the head of the program shall notify the court and any entity
189.21 responsible for supervision of the defendant.

189.22 (g) At any time, the head of the program may discharge the defendant from the program
189.23 or facility. The head of the program must notify the court, prosecutor, defense counsel, and
189.24 any entity responsible for the supervision of the defendant prior to any planned discharge.
189.25 Absent emergency circumstances, this notification shall be made five days prior to the
189.26 discharge if the defendant is not being discharged to jail or a correctional facility. Upon the
189.27 receipt of notification of discharge or upon the request of either party in response to
189.28 notification of discharge, the court may order that a defendant who is subject to bail or
189.29 unmet conditions of release be returned to jail upon being discharged from the program or
189.30 facility. If the court orders a defendant returned to jail, the court shall notify the parties and
189.31 head of the program at least one day before the defendant's planned discharge, except in
189.32 the event of an emergency discharge where one day notice is not possible. The court must

190.1 hold a review hearing within seven days of the defendant's return to jail. The forensic
190.2 navigator must be given notice of the hearing and be allowed to participate.

190.3 (h) If the defendant is discharged from the program or facility under emergency
190.4 circumstances, notification of emergency discharge shall include a description of the
190.5 emergency circumstances and may include a request for emergency transportation. The
190.6 court shall make a determination on a request for emergency transportation within 24 hours.
190.7 Nothing in this section prohibits a law enforcement agency from transporting a defendant
190.8 pursuant to any other authority.

190.9 (i) If the defendant is ordered to participate in an inpatient or residential competency
190.10 attainment or alternative program, the program or facility must notify the court, prosecutor,
190.11 defense counsel, forensic navigator, and any entity responsible for the supervision of the
190.12 defendant if the defendant is placed on a leave or elopement status from the program and
190.13 if the defendant returns to the program from a leave or elopement status.

190.14 (j) Defense counsel, prosecutors, and forensic navigators must have access to information
190.15 relevant to a defendant's participation and treatment in a competency attainment program
190.16 or alternative program, including but not limited to discharge planning.

190.17 Sec. 11. Minnesota Statutes 2024, section 611.55, is amended by adding a subdivision to
190.18 read:

190.19 Subd. 5. **Data access.** Forensic navigators must have access to all data collected, created,
190.20 or maintained by a competency attainment program or an alternative program regarding a
190.21 defendant in order for navigators to carry out their duties under this section. A competency
190.22 attainment program or alternative program may request a copy of the court order appointing
190.23 the forensic navigator before disclosing any private information about a defendant.

190.24 **EFFECTIVE DATE.** This section is effective July 1, 2027

190.25

ARTICLE 8

190.26

HOMELESSNESS, HOUSING, AND SUPPORT SERVICES

190.27 Section 1. Minnesota Statutes 2024, section 256B.051, subdivision 6, is amended to read:

190.28 Subd. 6. **Provider qualifications and duties.** A provider eligible for reimbursement
190.29 under this section shall:

190.30 (1) enroll as a medical assistance Minnesota health care program provider and meet all
190.31 applicable provider standards and requirements;

191.1 (2) demonstrate compliance with federal and state laws and policies for housing
191.2 stabilization services as determined by the commissioner;

191.3 (3) comply with background study requirements under chapter 245C and maintain
191.4 documentation of background study requests and results;

191.5 (4) directly provide housing stabilization services and not use a subcontractor or reporting
191.6 agent; ~~and~~

191.7 (5) complete annual vulnerable adult training; and

191.8 (6) complete compliance training as required under subdivision 6a.

191.9 Sec. 2. Minnesota Statutes 2024, section 256B.051, is amended by adding a subdivision
191.10 to read:

191.11 Subd. 6a. **Requirements for provider enrollment.** (a) Effective January 1, 2027, in
191.12 order to enroll as a housing stabilization services provider agency, an agency must require
191.13 all owners of the agency who are active in the day-to-day management and operations of
191.14 the agency and managerial and supervisory employees to complete compliance training
191.15 before applying for enrollment and every three years thereafter. Mandatory compliance
191.16 training format and content must be determined by the commissioner, and must include the
191.17 following topics:

191.18 (1) state and federal program billing, documentation, and service delivery requirements;

191.19 (2) enrollment requirements;

191.20 (3) provider program integrity, including fraud prevention, detection, and penalties;

191.21 (4) fair labor standards;

191.22 (5) workplace safety requirements; and

191.23 (6) recent changes in service requirements.

191.24 (b) Any new owners active in day-to-day management and operations of the agency and
191.25 managerial and supervisory employees must complete compliance training under this
191.26 subdivision in order to be employed by or conduct management and operations activities
191.27 for the agency. If such an individual moves to another housing stabilization services provider
191.28 agency and serves in a similar ownership or employment capacity, the individual is not
191.29 required to repeat the training required under this subdivision if the individual documents
191.30 completion of the training within the past three years.

192.1 (c) Any housing stabilization services provider agency enrolled before January 1, 2027,
192.2 must complete the compliance training by January 1, 2028, and every three years thereafter.

192.3 Sec. 3. Minnesota Statutes 2024, section 256I.03, subdivision 11 a, is amended to read:

192.4 Subd. 11a. **MSA equivalent rate.** "MSA equivalent rate" means an amount equal to the
192.5 total of:

192.6 (1) the combined maximum shelter and basic needs standards for MSA recipients living
192.7 alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

192.8 (2) the maximum allotment authorized by the federal Supplemental Nutrition Assistance
192.9 Program (SNAP) for a single individual which is in effect on the first day of July each year;
192.10 less

192.11 (3) the personal needs allowance authorized for medical assistance recipients under
192.12 section 256B.35.

192.13 The MSA equivalent rate ~~is to~~ shall be adjusted on the first day of July each year to
192.14 reflect ~~changes~~ increases in any of the component rates under clauses (1) to (3).

192.15 Sec. 4. **[256K.50] EMERGENCY SHELTER FACILITIES.**

192.16 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
192.17 the meanings given.

192.18 (b) "Commissioner" means the commissioner of human services.

192.19 (c) "Eligible applicant" means a statutory or home rule charter city, county, Tribal
192.20 government, not-for-profit corporation under section 501(c)(3) of the Internal Revenue
192.21 Code, or housing and redevelopment authority established under section 469.003.

192.22 (d) "Emergency shelter facility" or "facility" means a facility that provides a safe, sanitary,
192.23 accessible, and suitable emergency shelter for individuals and families experiencing
192.24 homelessness, regardless of whether the facility provides emergency shelter during the day,
192.25 overnight, or both.

192.26 Subd. 2. **Project criteria.** The commissioner shall prioritize grants under this section
192.27 for projects that improve or expand emergency shelter facility options by:

192.28 (1) adding additional emergency shelter facilities by renovating existing facilities not
192.29 currently operating as emergency shelter facilities;

193.1 (2) adding additional emergency shelter facility beds by renovating existing emergency
193.2 shelter facilities, including major projects that address an accumulation of deferred
193.3 maintenance or repair or replacement of mechanical, electrical, and safety systems and
193.4 components in danger of failure;

193.5 (3) adding additional emergency shelter facility beds through acquisition and construction
193.6 of new emergency shelter facilities;

193.7 (4) improving the safety, sanitation, accessibility, and habitability of existing emergency
193.8 shelter facilities, including major projects that address an accumulation of deferred
193.9 maintenance or repair or replacement of mechanical, electrical, and safety systems and
193.10 components in danger of failure; and

193.11 (5) improving access to emergency shelter facilities that provide culturally appropriate
193.12 shelter and gender-inclusive shelter.

193.13 Subd. 3. **Eligible uses of grant funds.** A grant under this section may be used to pay
193.14 for 100 percent of total project capital expenditures or a specified project phase, up to
193.15 \$300,000 per project.

193.16 Subd. 4. **State and local building codes met.** All projects funded with a grant under
193.17 this section must meet all applicable state and local building codes at the time of project
193.18 completion.

193.19 Subd. 5. **Competitive request for proposal process; priority.** (a) The commissioner
193.20 must use a competitive request for proposal process to identify potential projects and eligible
193.21 applicants on a statewide basis. At least 40 percent of the appropriation for this purpose
193.22 must be awarded to projects located in greater Minnesota. If the commissioner does not
193.23 receive sufficient eligible funding requests from greater Minnesota to award at least 40
193.24 percent of the appropriation for this purpose to projects in greater Minnesota, the
193.25 commissioner may award the remaining funds to other eligible projects.

193.26 (b) For eligible applicants seeking funding under this section for the acquisition and
193.27 construction of new emergency shelter facilities under subdivision 2, clause (3), the
193.28 commissioner must give priority to projects in which the eligible applicant will provide at
193.29 least ten percent of total project funding.

193.30 Sec. 5. **HOUSING SUPPORT BACKGROUND STUDY EVALUATION.**

193.31 (a) The commissioner of human services shall conduct an evaluation of background
193.32 study requirements outlined in Minnesota Statutes, sections 245C.03, subdivision 10, and
193.33 256I.04, subdivision 2c, in order to:

194.1 (1) assess the impact of eligibility, disqualifications, and processing times on supportive
194.2 housing and emergency shelter providers;

194.3 (2) determine the applicability of alternative background study methods to protect the
194.4 individuals served by supportive housing and emergency shelter programs; and

194.5 (3) make recommendations for reforms that address inefficiencies or weaknesses which
194.6 prevent qualified individuals from providing services or securing employment.

194.7 (b) The commissioner shall contract with an independent contractor to complete the
194.8 evaluation and submit a report to the Department of Human Services.

194.9 (c) Evaluation findings shall be summarized in a written report to the chairs and ranking
194.10 minority members of the legislative committees with jurisdiction over supportive housing
194.11 and human services licensing by December 1, 2027.

194.12 **Sec. 6. DIRECTION TO COMMISSIONER; HOUSING SUPPORT TEMPORARY**
194.13 **SUPPLEMENTARY SERVICE RATES.**

194.14 The commissioner of human services shall increase housing support supplementary
194.15 services rates under Minnesota Statutes, section 256I.05, subdivision 1a, within available
194.16 appropriations for fiscal years 2026 and 2027.

194.17 **Sec. 7. DIRECTION TO COMMISSIONER; INDIAN HEALTH SERVICE**
194.18 **ENCOUNTER RATE.**

194.19 The commissioner of human services must submit a state plan amendment to the Centers
194.20 for Medicare and Medicaid Services authorizing housing services as a new service category
194.21 eligible for reimbursement at the outpatient per-day rate approved by the Indian Health
194.22 Service. This reimbursement is limited to services provided by facilities of the Indian Health
194.23 Service and facilities owned or operated by a Tribe or Tribal organization. For the purposes
194.24 of this section, "housing services" means housing stabilization services as described in
194.25 Minnesota Statutes, section 256B.051, subdivision 5, paragraphs (a) to (d).

194.26 **Sec. 8. REPEALER.**

194.27 Minnesota Statutes 2024, section 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l,
194.28 1m, 1n, 1p, 1q, 1r, 1s, 1t, and 1u, are repealed.

195.1

ARTICLE 9

195.2

MISCELLANEOUS

195.3 Section 1. Minnesota Statutes 2024, section 144.0724, subdivision 11, is amended to read:

195.4 Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment
195.5 of long-term care services, a recipient must be determined, using assessments defined in
195.6 subdivision 4, to meet one of the following nursing facility level of care criteria:

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

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

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

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

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

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

195.18 (7) the person is determined to be at risk for nursing facility admission or readmission
195.19 through a face-to-face long-term care consultation assessment as specified in section
195.20 256B.0911, subdivision 17 to 21, 23, 24, 27, or 28, by a county, tribe, or managed care
195.21 organization under contract with the Department of Human Services. The person is
195.22 considered at risk under this clause if the person currently lives alone or will live alone or
195.23 be homeless without the person's current housing and also meets one of the following criteria:

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

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

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

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

196.1 assistance payment for long-term care services occur prior to the date of the determination
196.2 of nursing facility level of care.

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

196.9 Sec. 2. Minnesota Statutes 2024, section 256.01, subdivision 34, is amended to read:

196.10 Subd. 34. **Federal administrative reimbursement dedicated.** Federal administrative
196.11 reimbursement resulting from the following activities is appropriated to the commissioner
196.12 for the designated purposes:

196.13 (1) reimbursement for the Minnesota senior health options project; ~~and~~

196.14 (2) reimbursement related to prior authorization, review of medical necessity, and
196.15 inpatient admission certification by a professional review organization. A portion of these
196.16 funds must be used for activities to decrease unnecessary pharmaceutical costs in medical
196.17 assistance; and

196.18 (3) reimbursement for capacity building and implementation grant expenditures for the
196.19 medical assistance reentry demonstration waiver under section 256B.0761.

196.20 **ARTICLE 10**

196.21 **FORECAST ADJUSTMENTS**

196.22 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

196.23 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
196.24 shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70,
196.25 article 20, from the general fund, or any other fund named, to the commissioner of human
196.26 services for the purposes specified in this article, to be available for the fiscal year indicated
196.27 for each purpose. The figure "2025" used in this article means that the appropriations listed
196.28 are available for the fiscal year ending June 30, 2025.

196.29 **APPROPRIATIONS**

196.30 **Available for the Year**

196.31 **Ending June 30**

196.32 **2025**

197.1	<u>Sec. 2. COMMISSIONER OF HUMAN</u>		
197.2	<u>SERVICES</u>		
197.3	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>53,115,000</u>
197.4	<u>Appropriations by Fund</u>		
197.5		<u>2025</u>	
197.6	<u>General</u>		<u>75,025,000</u>
197.7	<u>Health Care Access</u>		<u>(16,182,000)</u>
197.8	<u>Federal TANF</u>		<u>(5,285,000)</u>
197.9	<u>Subd. 2. Forecasted Programs</u>		
197.10	<u>(a) Minnesota Family</u>		
197.11	<u>Investment Program</u>		
197.12	<u>(MFIP)/Diversionary Work</u>		
197.13	<u>Program (DWP)</u>		
197.14	<u>Appropriations by Fund</u>		
197.15		<u>2025</u>	
197.16	<u>General</u>		<u>(5,951,000)</u>
197.17	<u>Federal TANF</u>		<u>(5,285,000)</u>
197.18	<u>(b) MFIP Child Care Assistance</u>		<u>(62,336,000)</u>
197.19	<u>(c) General Assistance</u>		<u>3,737,000</u>
197.20	<u>(d) Minnesota Supplemental Aid</u>		<u>3,428,000</u>
197.21	<u>(e) Housing Support</u>		<u>11,923,000</u>
197.22	<u>(f) Northstar Care for Children</u>		<u>(9,526,000)</u>
197.23	<u>(g) MinnesotaCare</u>		<u>(16,182,000)</u>
197.24	<u>This appropriation is from the health care</u>		
197.25	<u>access fund.</u>		
197.26	<u>(h) Medical Assistance</u>		
197.27	<u>Appropriations by Fund</u>		
197.28		<u>2025</u>	
197.29	<u>General</u>		<u>(1,735,000)</u>
197.30	<u>Health Care Access</u>		<u>(443,000)</u>
197.31	<u>(i) Behavioral Health Fund</u>		<u>135,928,000</u>
197.32	<u>Sec. 3. EFFECTIVE DATE.</u>		
197.33	<u>Sections 1 and 2 are effective the day following final enactment.</u>		

198.1 **ARTICLE 11**198.2 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**198.3 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

198.4 The sums shown in the columns marked "Appropriations" are appropriated to the
 198.5 commissioner of human services and for the purposes specified in this article. The
 198.6 appropriations are from the general fund, or another named fund, and are available for the
 198.7 fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article
 198.8 mean that the appropriations listed under them are available for the fiscal year ending June
 198.9 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second
 198.10 year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2026</u>	<u>2027</u>
198.11		
198.12		
198.13		
198.14		
198.15	<u>\$ 8,836,144,000</u>	<u>\$ 8,882,498,000</u>

198.15 Sec. 2. **TOTAL APPROPRIATION**

198.16 **Subdivision 1. Appropriations by Fund**

	<u>Appropriations by Fund</u>	
	<u>2026</u>	<u>2027</u>
198.17		
198.18		
198.19	<u>8,782,786,000</u>	<u>8,829,140,000</u>
198.20	<u>163,000</u>	<u>163,000</u>
198.21		
198.22	<u>4,273,000</u>	<u>4,273,000</u>
198.23		
198.24	<u>530,000</u>	<u>530,000</u>
198.25		
198.26	<u>48,922,000</u>	<u>48,922,000</u>

198.27 The amounts that may be spent for each
 198.28 purpose are specified in the following sections.

198.29 **Subd. 2. Information Technology Appropriations**198.30 **(a) IT Appropriations Generally**

198.31 This appropriation includes funds for
 198.32 information technology projects, services, and
 198.33 support. Notwithstanding Minnesota Statutes,
 198.34 section 16E.0466, funding for information
 198.35 technology project costs must be incorporated
 198.36 into the service-level agreement and paid to

199.1 Minnesota IT Services by the Department of
 199.2 Human Services under the rates and
 199.3 mechanism specified in that agreement.

199.4 **(b) Receipts for Systems Project**

199.5 Appropriations and federal receipts for
 199.6 information technology systems projects for
 199.7 MAXIS, PRISM, MMIS, ISDS, METS, and
 199.8 SSIS must be deposited in the state systems
 199.9 account authorized in Minnesota Statutes,
 199.10 section 256.014. Money appropriated for
 199.11 information technology projects approved by
 199.12 the commissioner of Minnesota IT Services,
 199.13 funded by the legislature, and approved by the
 199.14 commissioner of management and budget may
 199.15 be transferred from one project to another and
 199.16 from development to operations as the
 199.17 commissioner of human services deems
 199.18 necessary. Any unexpended balance in the
 199.19 appropriation for these projects does not
 199.20 cancel and is available for ongoing
 199.21 development and operations.

199.22 Sec. 3. **CENTRAL OFFICE; OPERATIONS** \$ **176,228,000** \$ **180,071,000**

199.23	<u>Appropriations by Fund</u>	
199.24	<u>2026</u>	<u>2027</u>
199.25	<u>General</u>	<u>156,167,000</u> <u>160,010,000</u>
199.26	<u>State Government</u>	
199.27	<u>Special Revenue</u>	<u>248,000</u> <u>248,000</u>
199.28	<u>Health Care Access</u>	
199.29	<u>Fund</u>	<u>19,813,000</u> <u>19,813,000</u>
199.30	<u>Paid Family Medical</u>	
199.31	<u>Leave</u>	<u>530,000</u> <u>530,000</u>

199.32 The general fund base for this section is
 199.33 \$156,589,000 in fiscal year 2028 and
 199.34 \$156,879,000 in fiscal year 2029.

199.35 Sec. 4. **CENTRAL OFFICE; HEALTH CARE** \$ **72,312,000** \$ **68,980,000**

200.1	<u>Appropriations by Fund</u>				
200.2		<u>2026</u>	<u>2027</u>		
200.3	<u>General</u>	<u>44,144,000</u>	<u>40,812,000</u>		
200.4	<u>Health Care Access</u>				
200.5	<u>Fund</u>	<u>28,168,000</u>	<u>28,168,000</u>		
200.6	<u>Sec. 5. CENTRAL OFFICE; AGING AND</u>				
200.7	<u>DISABILITY SERVICES</u>			\$	<u>54,438,000</u> \$ <u>53,025,000</u>
200.8	<u>Subdivision 1. Appropriations by Fund</u>				
200.9		<u>2026</u>	<u>2027</u>		
200.10	<u>General</u>	<u>54,313,000</u>	<u>52,900,000</u>		
200.11	<u>State Government</u>				
200.12	<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>		
200.13	<u>Subd. 2. Base Level Adjustment</u>				
200.14	<u>The general fund base for this section is</u>				
200.15	<u>\$51,632,000 in fiscal year 2028 and</u>				
200.16	<u>\$51,432,000 in fiscal year 2029.</u>				
200.17	<u>Sec. 6. CENTRAL OFFICE; BEHAVIORAL</u>				
200.18	<u>HEALTH</u>			\$	<u>24,728,000</u> \$ <u>24,358,000</u>
200.19	<u>Appropriations by Fund</u>				
200.20		<u>2026</u>	<u>2027</u>		
200.21	<u>General</u>	<u>24,565,000</u>	<u>24,195,000</u>		
200.22	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>		
200.23	<u>The general fund base for this section is</u>				
200.24	<u>\$24,018,000 in fiscal year 2028 and</u>				
200.25	<u>\$24,018,000 in fiscal year 2029.</u>				
200.26	<u>Sec. 7. CENTRAL OFFICE; HOMELESSNESS,</u>				
200.27	<u>HOUSING, AND SUPPORT SERVICES</u>			\$	<u>6,692,000</u> \$ <u>6,424,000</u>
200.28	<u>The general fund base for this section is</u>				
200.29	<u>\$6,469,000 in fiscal year 2028 and \$6,469,000</u>				
200.30	<u>in fiscal year 2029.</u>				
200.31	<u>Sec. 8. CENTRAL OFFICE; OFFICE OF</u>				
200.32	<u>INSPECTOR GENERAL</u>			\$	<u>43,786,000</u> \$ <u>47,100,000</u>
200.33	<u>Appropriations by Fund</u>				
200.34		<u>2026</u>	<u>2027</u>		
200.35	<u>General</u>	<u>38,945,000</u>	<u>42,259,000</u>		

201.1	<u>State Government</u>				
201.2	<u>Special Revenue</u>	<u>3,900,000</u>	<u>3,900,000</u>		
201.3	<u>Health Care Access</u>				
201.4	<u>Fund</u>	<u>941,000</u>	<u>941,000</u>		
201.5	<u>The general fund base for this section is</u>				
201.6	<u>\$42,202,000 in fiscal year 2028 and</u>				
201.7	<u>\$42,148,000 in fiscal year 2029.</u>				
201.8	Sec. 9. <u>FORECASTED PROGRAMS;</u>				
201.9	<u>GENERAL ASSISTANCE GRANTS</u>			\$ <u>84,138,000</u>	\$ <u>86,462,000</u>
201.10	Sec. 10. <u>FORECASTED PROGRAMS;</u>				
201.11	<u>MINNESOTA SUPPLEMENTAL AID</u>				
201.12	<u>GRANTS</u>			\$ <u>67,113,000</u>	\$ <u>69,089,000</u>
201.13	Sec. 11. <u>FORECASTED PROGRAMS;</u>				
201.14	<u>HOUSING SUPPORT</u>			\$ <u>279,258,000</u>	\$ <u>275,009,000</u>
201.15	Sec. 12. <u>FORECASTED PROGRAMS;</u>				
201.16	<u>MEDICAL ASSISTANCE</u>			\$ <u>7,466,424,000</u>	\$ <u>7,574,388,000</u>
201.17	Sec. 13. <u>FORECASTED PROGRAMS;</u>				
201.18	<u>ALTERNATIVE CARE</u>			\$ <u>55,694,000</u>	\$ <u>56,312,000</u>
201.19	<u>Any money allocated to the alternative care</u>				
201.20	<u>program that is not spent for the purposes</u>				
201.21	<u>indicated does not cancel but must be</u>				
201.22	<u>transferred to the medical assistance account.</u>				
201.23	Sec. 14. <u>FORECASTED PROGRAMS;</u>				
201.24	<u>BEHAVIORAL HEALTH FUND</u>			\$ <u>136,578,000</u>	\$ <u>115,673,000</u>
201.25	Sec. 15. <u>GRANT PROGRAMS; REFUGEE</u>				
201.26	<u>SERVICES GRANTS</u>			\$ <u>100,000</u>	\$ <u>100,000</u>
201.27	Sec. 16. <u>GRANT PROGRAMS; HEALTH</u>				
201.28	<u>CARE GRANTS</u>			\$ <u>(100,000)</u>	\$ <u>(100,000)</u>
201.29	Sec. 17. <u>GRANT PROGRAMS; OTHER</u>				
201.30	<u>LONG-TERM CARE GRANTS</u>			\$ <u>3,543,000</u>	\$ <u>2,721,000</u>
201.31	<u>Supported-decision-making programs.</u>				
201.32	<u>\$796,000 in fiscal year 2026 and \$796,000 in</u>				
201.33	<u>fiscal year 2027 are for</u>				
201.34	<u>supported-decision-making grants under Laws</u>				
201.35	<u>2023, chapter 61, article 1, section 61,</u>				
201.36	<u>subdivision 3. This is a onetime appropriation</u>				
201.37	<u>and is available until June 30, 2027.</u>				

202.1	Sec. 18. <u>GRANT PROGRAMS; AGING AND</u>			
202.2	<u>ADULT SERVICES GRANTS</u>	\$	<u>42,054,000</u>	\$ <u>41,055,000</u>
202.3	<u>Subdivision 1. Senior Nutrition Programs</u>			
202.4	<u>\$1,538,000 in fiscal year 2026 and \$1,538,000</u>			
202.5	<u>in fiscal year 2027 are for senior nutrition</u>			
202.6	<u>programs under Minnesota Statutes, section</u>			
202.7	<u>256.9752. This is a onetime appropriation.</u>			
202.8	<u>Subd. 2. Dementia Grants</u>			
202.9	<u>\$1,000,000 in fiscal year 2026 is for regional</u>			
202.10	<u>and local dementia grants administered by the</u>			
202.11	<u>Minnesota Board on Aging under Minnesota</u>			
202.12	<u>Statutes, section 256.975, subdivision 11. This</u>			
202.13	<u>is a onetime appropriation and is available</u>			
202.14	<u>until June 20, 2027.</u>			
202.15	<u>Subd. 3. Base Level Adjustment</u>			
202.16	<u>The general fund base for this section is</u>			
202.17	<u>\$39,517,000 in fiscal year 2028 and</u>			
202.18	<u>\$39,517,000 in fiscal year 2029.</u>			
202.19	Sec. 19. <u>DEAF, DEAFBLIND, AND HARD OF</u>			
202.20	<u>HEARING GRANTS</u>	\$	<u>2,886,000</u>	\$ <u>2,886,000</u>
202.21	Sec. 20. <u>GRANT PROGRAMS; DISABILITY</u>			
202.22	<u>GRANTS</u>	\$	<u>66,580,000</u>	\$ <u>26,353,000</u>
202.23	<u>Subdivision 1. Self-Directed Bargaining</u>			
202.24	<u>Agreement; Orientation Start-Up Funds</u>			
202.25	<u>\$3,000,000 in fiscal year 2026 is for</u>			
202.26	<u>orientation program start-up costs as defined</u>			
202.27	<u>by the SEIU collective bargaining agreement.</u>			
202.28	<u>This is a onetime appropriation.</u>			
202.29	<u>Subd. 2. Self-Directed Bargaining Agreement;</u>			
202.30	<u>Orientation Ongoing Funds</u>			
202.31	<u>\$2,000,000 in fiscal year 2026 and \$500,000</u>			
202.32	<u>in fiscal year 2027 are for ongoing costs</u>			
202.33	<u>related to the orientation program as defined</u>			
202.34	<u>by the SEIU collective bargaining agreement.</u>			

203.1 The base for this appropriation is \$500,000 in
203.2 fiscal year 2028 and \$500,000 in fiscal year
203.3 2029.

203.4 **Subd. 3. Self-Directed Bargaining Agreement;**
203.5 **Training Stipends**

203.6 \$2,250,000 in fiscal year 2026 is for onetime
203.7 stipends of \$750 for collective bargaining unit
203.8 members for training. This is a onetime
203.9 appropriation.

203.10 **Subd. 4. Self-Directed Bargaining Agreement;**
203.11 **Retirement Trust Funds**

203.12 \$350,000 in fiscal year 2026 is for a vendor
203.13 to create a retirement trust, as defined by the
203.14 SEIU collective bargaining agreement. This
203.15 is a onetime appropriation.

203.16 **Subd. 5. Self-Directed Bargaining Agreement;**
203.17 **Health Care Stipends**

203.18 \$30,750,000 in fiscal year 2026 is for stipends
203.19 of \$1,200 for collective bargaining unit
203.20 members for retention and defraying any
203.21 health insurance costs they may incur.
203.22 Stipends are available once per fiscal year per
203.23 member for fiscal year 2026 and fiscal year
203.24 2027. Of this amount, \$30,000,000 in fiscal
203.25 year 2026 is for stipends and \$750,000 in
203.26 fiscal year 2026 is for administration. This is
203.27 a onetime appropriation and is available until
203.28 June 30, 2027.

203.29 **Subd. 6. HIV/AIDS Supportive Services**

203.30 \$6,000,000 in fiscal year 2026 from the
203.31 general fund to the commissioner of human
203.32 services for grants to community-based
203.33 HIV/AIDS supportive services providers as
203.34 defined in Minnesota Statutes, section 256.01,
203.35 subdivision 19, and for payment of allowed

204.1 health care costs as defined in Minnesota
 204.2 Statutes, section 256.9365. This is a onetime
 204.3 appropriation and is available until June 30,
 204.4 2027.

204.5 **Subd. 7. Disability Service Technology and**
 204.6 **Advocacy Grant**

204.7 \$500,000 in fiscal year 2026 and \$500,000 in
 204.8 fiscal year 2027 are for the purposes of the
 204.9 disability services technology and advocacy
 204.10 grant under Minnesota Statutes, section
 204.11 256.4768. The general fund base appropriation
 204.12 for this purpose is set at \$500,000 in fiscal
 204.13 year 2028, \$500,000 in fiscal year 2029,
 204.14 \$500,000 in fiscal year 2030, and \$0 in fiscal
 204.15 year 2031.

204.16 **Subd. 8. Intensive Residential Treatment**
 204.17 **Services; Hennepin County**

204.18 \$1,500,000 in fiscal year 2026 is for a grant
 204.19 to the city of Brooklyn Park, as start-up
 204.20 funding for an intensive residential treatment
 204.21 services and residential crisis stabilization
 204.22 services facility. This is a onetime
 204.23 appropriation and is available until June 30,
 204.24 2027.

204.25 **Sec. 21. GRANT PROGRAMS; HOUSING**
 204.26 **GRANTS**

\$ 99,998,000 \$ 100,098,000

204.27 **Subdivision 1. Minnesota Homeless Study**
 204.28 (a) \$900,000 in fiscal year 2026 is for a grant
 204.29 to the Amherst H. Wilder Foundation for the
 204.30 Minnesota homeless study. This appropriation
 204.31 must be disbursed to the Amherst H. Wilder
 204.32 Foundation no later than July 15, 2025, and
 204.33 used for activities directly related to the
 204.34 triennial Minnesota homeless study.
 204.35 Notwithstanding Minnesota Statutes, section

205.1 16B.98, subdivision 14, the commissioner may
 205.2 use up to one percent of this appropriation for
 205.3 administrative costs.

205.4 (b) The Amherst H. Wilder Foundation must
 205.5 submit a copy of the Minnesota homeless
 205.6 study and a report that summarizes the
 205.7 findings of the study to the chairs and ranking
 205.8 minority members of the legislative
 205.9 committees with jurisdiction over housing and
 205.10 homelessness by March 1, 2028.

205.11 (c) Notwithstanding Minnesota Statutes,
 205.12 section 16A.28, any unencumbered balance
 205.13 in fiscal year 2026 does not cancel and is
 205.14 available in fiscal year 2027.

205.15 **Subd. 2. Emergency Shelter Facilities**

205.16 (a) \$3,000,000 in fiscal year 2026 is for grants
 205.17 to eligible applicants for the acquisition of
 205.18 property; site preparation, including
 205.19 demolition; predesign; design; construction;
 205.20 renovation; furnishing; and equipping of
 205.21 emergency shelter facilities in accordance with
 205.22 emergency shelter facilities grants.

205.23 (b) This is a onetime appropriation and is
 205.24 available until June 30, 2027.

205.25 **Subd. 3. Base Level Adjustment**

205.26 The general fund base for this section is
 205.27 \$97,098,000 in fiscal year 2028 and
 205.28 \$97,098,000 in fiscal year 2029.

205.29 **Sec. 22. GRANT PROGRAMS; ADULT**
 205.30 **MENTAL HEALTH GRANTS**

\$ 110,852,000 \$ 110,852,000

205.31 **Mobile crisis grants.** \$1,620,000 in fiscal year
 205.32 2026 is for mobile crisis grants under
 205.33 Minnesota Statutes, section 245.4661,
 205.34 subdivision 9, paragraph (b), clause (15).

206.1 Funds may be used by mobile crisis teams to
 206.2 purchase and renovate vehicles to provide
 206.3 protected transport under Minnesota Statutes,
 206.4 section 256B.0625, subdivision 17, paragraph
 206.5 (l), clause (6). This is a onetime appropriation.

206.6 **Sec. 23. GRANT PROGRAMS; CHILDREN'S**
 206.7 **MENTAL HEALTH GRANTS** \$ **37,375,000** \$ **36,175,000**

206.8 **Subdivision 1. Clay County Psychiatric**
 206.9 **Residential Treatment Facility**

206.10 \$1,200,000 in fiscal year 2026 is for a grant
 206.11 to Clay County for costs related to the
 206.12 purchase of equipment and final redesign and
 206.13 remodeling for the conversion of the West
 206.14 Central Regional Juvenile Center nonsecure
 206.15 unit into an 18-bed psychiatric residential
 206.16 treatment facility for persons younger than 21
 206.17 years of age, pursuant to Minnesota Statutes,
 206.18 section 256B.0941. This is a onetime
 206.19 appropriation.

206.20 **Subd. 2. School-Linked Behavioral Health**
 206.21 **Grants**

206.22 \$1,250,000 in fiscal year 2026 and \$1,250,000
 206.23 in fiscal year 2027 are for school-linked
 206.24 behavioral health grants under Minnesota
 206.25 Statutes, section 245.4901.

206.26 **Sec. 24. GRANT PROGRAMS; CHEMICAL**
 206.27 **DEPENDENCY TREATMENT SUPPORT**
 206.28 **GRANTS** \$ **3,247,000** \$ **3,247,000**

206.29 **Sec. 25. GRANT PROGRAMS; HIV GRANTS** \$ **2,220,000** \$ **2,220,000**

206.30 **Sec. 26. TRANSFERS.**

206.31 Subdivision 1. Grants. The commissioner of human services, with the approval of the
 206.32 commissioner of management and budget, may transfer unencumbered appropriation balances
 206.33 for the biennium ending June 30, 2025, within fiscal years among general assistance, medical
 206.34 assistance, MinnesotaCare, the Minnesota supplemental aid program, the housing support
 206.35 program, and the entitlement portion of the behavioral health fund between fiscal years of

207.1 the biennium. The commissioner shall report to the chairs and ranking minority members
207.2 of the legislative committees with jurisdiction over health and human services quarterly
207.3 about transfers made under this subdivision.

207.4 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money
207.5 may be transferred within the Department of Human Services as the commissioners deem
207.6 necessary, with the advance approval of the commissioner of management and budget. The
207.7 commissioners shall report to the chairs and ranking minority members of the legislative
207.8 committees with jurisdiction over health and human services finance quarterly about transfers
207.9 made under this section.

207.10 Subd. 3. **Children, youth, and families.** Administrative money may be transferred
207.11 between the Department of Human Services and the Department of Children, Youth, and
207.12 Families as the commissioners deem necessary, with the advance approval of the
207.13 commissioner of management and budget. The commissioners shall report to the chairs and
207.14 ranking minority members of the legislative committees with jurisdiction over children and
207.15 families quarterly about transfers made under this section.

207.16 Sec. 27. **CANCELLATIONS.**

207.17 Subdivision 1. **Local planning grants.** Local planning grants under Laws 2011, First
207.18 Special Session chapter 9, article 10, subdivision 4, paragraph (k), are eliminated and the
207.19 remaining balance is canceled to the general fund.

207.20 Subd. 2. **Direct care provider premiums through HCBS workforce incentive**
207.21 **fund.** \$20,000,000 of the base appropriation in Laws 2023, chapter 59, article 3, section
207.22 11, is canceled to the general fund.

207.23 Subd. 3. **Self-directed collective bargaining agreement; retention**
207.24 **bonuses.** \$27,000,000 of the appropriation in Laws 2023, chapter 61, article 9, section 2,
207.25 subdivision 16, paragraph (g), is canceled to the general fund.

207.26 Subd. 4. **Temporary grants for small customized living providers.** \$5,450,000 of the
207.27 appropriation in Laws 2023, chapter 61, article 9, section 2, subdivision 16, paragraph (a),
207.28 is canceled to the general fund.

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

208.1 Sec. 28. APPROPRIATIONS GIVEN EFFECT ONCE.

208.2 If an appropriation, transfer, or cancellation in this article is enacted more than once
 208.3 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
 208.4 effect once.

208.5 Sec. 29. EXPIRATION OF UNCODIFIED LANGUAGE.

208.6 All uncodified language contained in this article expires on June 30, 2027, unless a
 208.7 different expiration date is explicit.

208.8 Sec. 30. EFFECTIVE DATE.

208.9 This article is effective July 1, 2025, unless a different effective date is specified.

208.10 **ARTICLE 12**208.11 **DIRECT CARE AND TREATMENT APPROPRIATIONS**208.12 Section 1. DIRECT CARE AND TREATMENT APPROPRIATIONS.

208.13 The sums shown in the columns marked "Appropriations" are appropriated to the
 208.14 executive board of direct care and treatment and for the purposes specified in this article.
 208.15 The appropriations are from the general fund, or another named fund, and are available for
 208.16 the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this
 208.17 article mean that the appropriations listed under them are available for the fiscal year ending
 208.18 June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The
 208.19 second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

	APPROPRIATIONS	
	Available for the Year	
	Ending June 30	
	<u>2026</u>	<u>2027</u>
208.24 Sec. 2. <u>EXECUTIVE BOARD OF DIRECT</u>		
208.25 <u>CARE AND TREATMENT; TOTAL</u>		
208.26 <u>APPROPRIATION</u>	\$ <u>589,928,000</u>	\$ <u>614,521,000</u>
208.27 <u>The amounts that may be spent for each</u>		
208.28 <u>purpose are specified in the following sections.</u>		
208.29 Sec. 3. <u>MENTAL HEALTH AND SUBSTANCE</u>		
208.30 <u>ABUSE</u>	\$ <u>189,761,000</u>	\$ <u>194,840,000</u>
208.31 Sec. 4. <u>COMMUNITY-BASED SERVICES</u>	\$ <u>13,927,000</u>	\$ <u>14,170,000</u>
208.32 Sec. 5. <u>FORENSIC SERVICES</u>	\$ <u>160,239,000</u>	\$ <u>164,094,000</u>
208.33 Sec. 6. <u>SEX OFFENDER PROGRAM</u>	\$ <u>128,050,000</u>	\$ <u>131,351,000</u>

- 209.1 **Sec. 7. ADMINISTRATION** **\$ 97,951,000 \$ 110,066,000**
- 209.2 **Locked psychiatric residential treatment**
- 209.3 **facility report. \$100,000 in fiscal year 2026**
- 209.4 **is for planning a build out of a locked**
- 209.5 **psychiatric residential treatment facility**
- 209.6 **(PRTF) operated by Direct Care and**
- 209.7 **Treatment. This is a onetime appropriation**
- 209.8 **and is available until June 30, 2027. By March**
- 209.9 **1, 2026, the Direct Care and Treatment**
- 209.10 **executive board must report to the chairs and**
- 209.11 **ranking minority members of the legislative**
- 209.12 **committees with jurisdiction over human**
- 209.13 **services finance and policy on the plan**
- 209.14 **developed under this section. The report must**
- 209.15 **include but not be limited to:**
- 209.16 **(1) the risks and benefits of locating the locked**
- 209.17 **PRTF in a metropolitan or rural location;**
- 209.18 **(2) the estimated cost for the build out of the**
- 209.19 **locked PRTF;**
- 209.20 **(3) the estimated ongoing cost of maintaining**
- 209.21 **the locked PRTF; and**
- 209.22 **(4) the estimated amount of costs that can be**
- 209.23 **recouped from medical assistance,**
- 209.24 **MinnesotaCare, and private insurance**
- 209.25 **payments.**
- 209.26 **Sec. 8. TRANSFER AUTHORITY.**
- 209.27 **(a) Money appropriated for budget programs in sections 3 to 7 may be transferred between**
- 209.28 **budget programs and between years of the biennium with the approval of the commissioner**
- 209.29 **of management and budget.**
- 209.30 **(b) The executive board of Direct Care and Treatment, with the approval of the**
- 209.31 **commissioner of management and budget, may transfer money appropriated for Direct Care**
- 209.32 **and Treatment into the special revenue account for facilities management, security systems,**
- 209.33 **and information technology projects, services, and support.**

210.1 (c) Positions, salary money, and nonsalary administrative money may be transferred
 210.2 within and between Direct Care and Treatment and the Department of Human Services as
 210.3 the executive board and commissioner consider necessary, with the advance approval of
 210.4 the commissioner of management and budget.

210.5 Sec. 9. APPROPRIATIONS GIVEN EFFECT ONCE.

210.6 If an appropriation, transfer, or cancellation in this article is enacted more than once
 210.7 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
 210.8 effect once.

210.9 Sec. 10. Laws 2024, chapter 127, article 53, section 2, subdivision 19, is amended to read:

210.10	Subd. 19. Direct Care and Treatment - Forensic		
210.11	Services	-0-	7,752,000

210.12 (a) **Employee incentives.** \$1,000,000 in fiscal
 210.13 year 2025 is for incentives related to the
 210.14 transition of CARE St. Peter to the forensic
 210.15 mental health program. Employee incentive
 210.16 payments under this paragraph must be made
 210.17 to all employees who transitioned from CARE
 210.18 St. Peter to another direct care and treatment
 210.19 program, including employees who
 210.20 transitioned prior to the closure of CARE St.
 210.21 Peter. Employee incentive payments must total
 210.22 \$30,000 per transitioned employee, subject to
 210.23 the payment schedule and service requirements
 210.24 in this paragraph. The first incentive payment
 210.25 of \$4,000 must be made after the employee
 210.26 has completed six months of service as an
 210.27 employee of another direct care and treatment
 210.28 program, followed by \$6,000 at 12 months of
 210.29 completed service, \$8,000 at 18 months of
 210.30 completed service, and \$12,000 at 24 months
 210.31 of completed service. This is a onetime
 210.32 appropriation and is available until June 30,
 210.33 2026.

211.1 (b) **Base Level Adjustment.** The general fund
 211.2 base is increased by \$6,612,000 in fiscal year
 211.3 2026 and increased by \$6,612,000 in fiscal
 211.4 year 2027.

211.5 Sec. 11. **EXPIRATION OF UNCODIFIED LANGUAGE.**

211.6 All uncodified language contained in this article expires on June 30, 2027, unless a
 211.7 different expiration date is explicit.

211.8 Sec. 12. **EFFECTIVE DATE.**

211.9 This article is effective July 1, 2025, unless a different effective date is specified.

211.10 **ARTICLE 13**

211.11 **OTHER AGENCY APPROPRIATIONS**

211.12 Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

211.13 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 211.14 and for the purposes specified in this article. The appropriations are from the general fund,
 211.15 or another named fund, and are available for the fiscal years indicated for each purpose.
 211.16 The figures "2026" and "2027" used in this article mean that the appropriations listed under
 211.17 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.
 211.18 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
 211.19 is fiscal years 2026 and 2027.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
211.20			
211.21			
211.22			
211.23			
211.24	Sec. 2. <u>COMMISSIONER OF HEALTH</u>	<u>\$ 1,625,000</u>	<u>\$ 1,625,000</u>
211.25	Sec. 3. <u>COUNCIL ON DISABILITY</u>	<u>\$ 2,432,000</u>	<u>\$ 2,457,000</u>
211.26	Sec. 4. <u>OFFICE OF THE OMBUDSMAN FOR</u>		
211.27	<u>MENTAL HEALTH AND DEVELOPMENTAL</u>		
211.28	<u>DISABILITIES</u>	<u>\$ 3,706,000</u>	<u>\$ 3,765,000</u>

211.29 Sec. 5. **APPROPRIATIONS GIVEN EFFECT ONCE.**

211.30 If an appropriation, transfer, or cancellation in this article is enacted more than once
 211.31 during the 2025 regular session, the appropriation, transfer, or cancellation must be given
 211.32 effect once.

212.1 Sec. 6. **EXPIRATION OF UNCODIFIED LANGUAGE.**

212.2 All uncodified language contained in this article expires on June 30, 2027, unless a
212.3 different expiration date is explicit.

212.4 Sec. 7. **EFFECTIVE DATE.**

212.5 This article is effective July 1, 2025, unless a different effective date is specified."

212.6 Amend the title accordingly