

Chapter 125

2024 Regular Session

Subject Department of Human Services Supplemental Budget Bill

Bill S.F. 5335

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Overview

This act contains the human services supplemental budget, including provisions relating to disability services, aging services, substance use disorder services, priority admissions and civil commitment, establishing Direct Care and Treatment as an agency, the human services response contingency account, miscellaneous provisions, and appropriations.

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Article 1: Disability Services

This article includes provisions to: eliminate parental fees for certain mental health and disability residential facilities, provide a temporary exception to the moratorium on licensing new community residential settings, provide MnCHOICES flexibility, increase the transitional supports allowance, modify the consumer-directed community supports (CDCS) option, prohibit providers from coercing waiver service recipients to change waivers, develop a medical assistance (MA) hospital transition benefit, develop Tribal targeted case management, modify early intensive developmental and behavioral intervention (EIDBI) provider qualifications, require a disability services person-centered engagement and navigation study, establish the Legislative Task Force on Guardianship, provide for assistive technology lead agency partnerships, reimburse parents and spouses for providing personal care assistant (PCA) services, establish a pediatric hospital-to-home transition pilot program, and establish own home services provider capacity-building.

Section Description - Article 1: Disability Services

- 1 **General.**
Amends § 13.46, subd. 2, as amended by Laws 2024, ch. 80, art. 8, § 2. Makes a conforming change by removing a cross-reference that is being repealed.
- 2 **Notice required.**
Amends § 245.821, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed.
- 3 **Rules governing aversive and deprivation procedures.**
Amends § 245.825, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed.
- 4 **Licensing moratorium.**
Amends § 245A.03, subd. 7, as amended by Laws 2024, ch. 80, art. 2, § 37, and Laws 2024, ch. 85, § 53. Adds an exception to the corporate foster care moratorium to allow new community residential setting licenses determined necessary by the commissioner for people affected by the closure of homes with a capacity of five or six beds currently licensed as supervised living facilities, but not designated as intermediate care facilities. Makes this exception available until June 30, 2025.

Provides an August 1, 2024, effective date.
- 5 **Adult foster care and community residential setting license capacity.**
Amends § 245A.11, subd. 2a. Allows the commissioner to issue an adult foster care or community residential setting license with a capacity of five or six adults to facilities meeting the criteria in the licensing moratorium section of statutes, and to grant variances to allow the facility to admit an individual under the age of 55 if the variance complies with Department of Human Services (DHS) licensing variance

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statutes and approval of the variance is recommended by the county in which the licensed facility is located.

Provides an August 1, 2024, effective date.

6 Relative responsibility.

Amends § 246.511, as amended by Laws 2024, ch. 79, art. 2, § 39. Makes a conforming change by removing a cross-reference that is being repealed.

7 Parental or guardian reimbursement to counties.

Amends § 252.27, subd. 2b. Makes clarifying changes.

8 Host county responsibility.

Amends § 252.282, subd. 1. Removes a definition for “local system needs planning” that is being moved to a new definitions subdivision.

9 Definitions.

Amends § 252.282, by adding subd. 1a. Moves the existing definition of “local system needs planning” to this subdivision. Includes the definition of “related condition” in this subdivision since the existing definition is being repealed.

10 Allowable uses of grant money.

Amends § 256.4764, subd. 3. Modifies long-term services and supports workforce incentive grants by specifying payments to an eligible worker are limited to \$1,000 per calendar year and workers are not eligible for a payment under this grant program if they received payments under the nursing facility workforce incentive grant program.

Makes this section effective retroactively from July 1, 2023.

11 Related condition.

Amends § 256B.02, subd. 11. Moves the definition of “related condition” to this subdivision. The existing definition is in a section being repealed, but the definition still applies to other statutes.

12 Case management provided under contract.

Amends § 256B.076, by adding subd. 4. For mental health case management services, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to

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meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.

Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.

13 Exception to use of MnCHOICES assessment; contracted assessors.

Amends § 256B.0911, subd. 12. Removes the expiration of the exception to the use of the MnCHOICES assessment.

14 MnCHOICES assessor qualifications, training, and certification.

Amends § 256B.0911, subd. 13. Modifies MnCHOICES certified assessor requirements by removing a requirement that an assessor have at least two years of home and community-based experience.

Provides a July 1, 2024, effective date.

15 MnCHOICES assessments.

Amends § 256B.0911, subd. 17. Extends the timeframe by which a person requesting long-term care consultation services must be visited by a long-term care consultation team.

16 MnCHOICES assessments; duration of validity.

Amends § 256B.0911, subd. 20. Extends the validity of certain MnCHOICES assessments to establish service eligibility to 365 days after the date of the assessment. Currently, these assessments are valid for 60 days after the date of assessment.

Provides a July 1, 2025, effective date.

17 Case management services.

Amends § 256B.092, subd. 1a. For case management services provided under the MA developmental disability waiver, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.

Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.

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- 18 **Eligibility.**
Amends § 256B.0924, subd. 3. Makes a conforming change related to the cross-reference to the definition of “related condition.”
- 19 **EIDBI provider qualifications.**
Amends § 256B.0949, subd. 15. Modifies EIDBI provider qualifications by including certification by the Qualified Applied Behavior Analysis Credentialing Board for certain providers.
- 20 **Case management.**
Amends § 256B.49, subd. 13. For case management services provided under the community alternative care, community access for disability inclusion, and brain injury waivers, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.

Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.
- 21 **Services and supports.**
Amends § 256B.49, subd. 16. Makes technical corrections and removes language related to transitional support allowances.

Provides a January 1, 2025, effective date.
- 22 **Budget procedures.**
Amends § 256B.4911, by adding subd. 7. Requires lead agencies to provide to CDCS waiver participants and to the waiver participant’s legal representative specified information related to the CDCS service budget and appeal rights at the time services are authorized or reauthorized.
- 23 **CDCS policy.**
Amends § 256B.4911, by adding subd. 8. Prohibits lead agencies from creating or implementing any policies that are in addition to or inconsistent with policies governing CDCS created by the commissioner or federal or state laws.

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24 Provider qualifications.

Amends § 256B.4912, subd. 1. Prohibits a provider from requiring or coercing any service recipient to change waiver programs or move to a different location, consistent with statutory informed choice and independent living policies.

25 Reimbursement for basic care services.

Amends § 256B.766. Extends the sunset date of the current enteral nutrition and supplies payment methodology from June 30, 2024, to June 30, 2025, and also extends the start date of the new payment methodology to July 1, 2025.

26 Eligible individuals.

Amends § 256B.77, subd. 7a. Makes a conforming change related to the cross-reference to the definition of “related condition.”

27 Elderly waiver case management provided by counties and Tribes.

Amends § 256S.07, subd. 1. For case management services provided under the MA elderly waiver, if the county agency provides case management under contract with other individuals or agencies and the county agency uses a competitive proposal process for the procurement of contracted case management services, requires the competitive proposal process to include evaluation criteria to ensure that the county maintains a culturally responsive program for case management services adequate to meet the needs of the county population. Defines “culturally responsive program” for purposes of this section.

Provides an August 1, 2024, effective date, and applies this change to procurement processes that commence on or after that date.

28 Disclosure to commissioner of human services.

Amends § 270B.14, subd. 1. Makes a conforming change by removing a cross-reference that is being repealed.

29 Establishment.

Amends § 447.42, subd. 1. Makes a conforming change related to the cross-reference to the definition of “related condition.”

30 Direction to the commissioner of human services; direct care services during short-term acute hospital visits.

Amends Laws 2021, First Special Session ch. 7, art. 13, § 68. Clarifies the requirements of requested recommendations and extends the due date for a report to the legislature related to the provision of home care services and community first services and supports (CFSS) while a patient is in an acute care hospital.

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- Provides an immediate effective date.
- 31 **Definition.**
Amends Laws 2023, ch. 61, art. 1, § 60, subd. 1. Modifies the definition of “new American” in the section governing the new American legal, social services, and long-term care workforce grant program.
- 32 **Grant program established.**
Amends Laws 2023, ch. 61, art. 1, § 60, subd. 2. Clarifies the purpose of the new American legal, social services, and long-term care workforce grant program.
- 33 **Assistive technology lead agency partnerships.**
Allows lead agencies to: (1) establish partnerships with enrolled MA providers of alternative care and the MA home and community-based services waivers to evaluate the benefits of informed choice in accessing specified assistive technology services; (2) identify eligible individuals who desire to participate in the partnership; and (3) identify efficiencies for service authorizations, provide evidence-based cost data and quality analysis, and collect feedback on the use of technology systems from recipients, family caregivers, and any other interested community partners. Requires lead agencies to ensure individuals who choose to participate have informed choice in accessing services.
- 34 **Direction to commissioner; consumer-directed community supports.**
Requires the commissioner of human services to seek any necessary changes to home and community-based services (HCBS) waiver plans regarding CDCS to clarify requirements around the use and benefit of goods and services, personal assistance rates, and rates paid to a participant’s spouse or a parent of a minor participant.
- 35 **Reimbursement for CFSS workers report.**
Requires the commissioner of human services to explore options to permit reimbursement of CFSS workers to provide specified services or number of hours worked and to report recommendations to the legislature by February 1, 2025.
- 36 **Disability HCBS reimbursement in acute care hospital stays.**
Requires the commissioner of human services to seek approval to amend the MA disability waiver plans to reimburse for delivery of unit-based services under the disability waiver rate system in acute care hospital settings. Lists requirements reimbursed services must meet.

Makes the list of requirements services must meet effective January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

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- 37 **Electronic visit verification implementation grant.**
Establishes a onetime grant program to assist home care services providers with a portion of the costs of implementing electronic visit verification, and lays out requirements for eligible grant recipients, allowable uses of grant money, and application for and distribution of grant money. Provides a June 30, 2026, expiration date.
- 38 **Emergency relief grants for rural early intensive developmental and behavioral intervention providers.**
Subd. 1. Establishment and purpose. Requires the commissioner of human services to award grants to financially distressed organizations that provide EIDBI services to rural communities. Defines “rural communities” for purposes of this section. Specifies the activities the commissioner must conduct. Requires the commissioner to limit expenditures under this section to the amount appropriated for this purpose.
Subd. 2. Eligibility. Requires EIDBI providers to submit to the commissioner a grant application in the form and according to the timelines established by the commissioner. Specifies information that must be included in the grant application.
Subd. 3. Approving grants. Requires the commissioner to evaluate all grant applications on a competitive basis and award grants to successful applicants within available appropriations. Specifies the commissioner’s decisions are final and not subject to appeal.
- 39 **Legislative Task Force on Guardianship.**
Establishes a Legislative Task Force on Guardianship.
Subd. 1. Membership. Lists the members of the task force. Requires appointing authorities to name appointees by June 30, 2025. Requires the member from the Minnesota Council on Disability to serve as chair of the task force and to designate a member to serve as secretary.
Subd. 2. Meetings; administrative support. Requires the first meeting of the task force to be convened no later than September 1, 2025. Requires the task force to meet at least quarterly and subjects task force meetings to the Open Meeting Law. Requires the Minnesota Council on Disability to provide meeting space and administrative and research support to the task force.
Subd. 3. Duties. Requires the task force to make recommendations to address concerns and gaps related to guardianships and less restrictive alternatives to guardianships. Requires the task force to seek input from the public, the

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judiciary, people subject to guardianship, guardians, advocacy groups, and attorneys.

Subd. 4. Compensation; expenses. Allows members of the task force to receive compensation and expense reimbursement as provided in the statute governing advisory councils and committees.

Subd. 5. Report; expiration. Requires the task force to submit a report to the legislative committees with jurisdiction over guardianship issues no later than January 15, 2027. Requires the report to include draft legislation to implement recommended policy.

Subd. 6. Expiration. Makes the task force expire upon submission of its report, or January 16, 2027, whichever is earlier.

Provides an immediate effective date.

40 Transitional supports allowance increase.

Upon federal approval, requires the commissioner of human services to increase the transitional supports allowance under the MA disability waivers to \$5,000.

Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

41 Tribal vulnerable adult and developmental disability targeted case management MA benefit.

Requires the commissioner of human services to engage with Minnesota's federally recognized Tribal Nations and urban American Indian providers and leaders to design and recommend a Tribal-specific vulnerable adult and developmental disability MA targeted case management benefit to meet community needs and reduce disparities experienced by Tribal members and urban American Indian populations. Requires the commissioner to honor and uphold Tribal sovereignty as part of this engagement. By January 1, 2025, requires the commissioner to report recommendations to the legislative committees with jurisdiction over health and human services finance and policy. Requires recommendations to include a description of engagement with Tribal Nations, Tribal perspectives, service design, and reimbursement methodology.

Provides a July 1, 2024, effective date.

42 Electronic visit verification simplification for live-in caregivers.

Requires the commissioner of human services to: explore options to simplify documentation requirements for direct support professionals who live in the same house as the person they support and are reimbursed for services subject to

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electronic visit verification requirements; and report recommendations to the legislature by February 1, 2025, with short- and long-term policy changes.

Provides a July 1, 2024, effective date.

43 License transition support for small disability waiver providers.

Requires the commissioner of human services to distribute onetime payments to MA disability waiver customized living and community residential providers to assist with the transition from small, customized living settings to licensed community residential services. Defines “eligible provider” for purposes of this section. Lays out requirements related to allowable uses of payments, the application process, attestation, agreement to certain terms, and recoupment.

Provides an immediate effective date.

44 Disability services person-centered engagement and navigation study.

Requires the commissioner of human services to: (1) issue a request for proposals for the design and administration of a study of a person’s experience in accessing and navigating MA state plan and HCBS services and state funded disability services to improve people’s experience in accessing and navigating the system; and (2) report the results of the study and any recommendations to improve system accessibility, efficiency, and person-centered systemic design to the legislative committees with jurisdiction over health and human services by January 15, 2026. Requires the study to assess: (1) access to the range of disability services for people located in different communities across the state and for various populations; (2) how people and families experience and navigate the system; and (3) opportunities to improve state, lead agency, and provider capacity to improve the experience of people. Specifies requirements an entity must meet to be eligible to respond to the request for proposals.

45 Personal care assistance compensation for services provided by a parent or spouse.

Allows a parent, stepparent, or legal guardian of a minor who is a PCA recipient or the spouse of a PCA recipient to provide and be paid for providing PCA services under MA. Makes this section expire upon full implementation of CFSS. Requires the commissioner of human services to notify the revisor of statutes when this section expires.

Makes this section effective for services rendered on or after October 1, 2024.

46 Own home services provider capacity-building grants.

This section establishes a onetime grant program to incentivize providers to support individuals to move out of congregate living settings.

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Subd. 1. Establishment. Establishes a onetime grant program to incentivize providers to support individuals to move out of congregate living settings and into an individual's own home.

Subd. 2. Eligible grant recipients. Specifies eligible grant recipients are HCBS providers who are subject to the HCBS standards chapter of statutes.

Subd. 3. Grant application. Requires providers to apply on the forms and according to the timelines established by the commissioner in order to receive an own home services provider capacity-building grant.

Subd. 4. Allowable uses of grant money. Lists the allowable uses of grant money including: (1) enhancing resources and staffing to support people and families in understanding housing options; and (2) housing expenses related to moving an individual into their own home.

Subd. 5. Expiration. Provides a June 30, 2026, expiration date for this section.

47 Pediatric hospital-to-home transition pilot program.

Requires the commissioner of human services to award a single competitive grant to a home care nursing provider to develop and implement, in coordination with other specified entities, a pilot program to expedite and facilitate pediatric hospital-to-home discharges for patients receiving services under MA, including under certain MA disability waivers. Specifies allowable uses of grant money. Prohibits grant money from being used to supplant payment rates for MA covered services. Requires the commissioner to prepare a report summarizing the impact of the pilot program and submit the report to the legislative committees with jurisdiction over health and human services by December 15, 2026.

48 Repealer.

Repeals Minn. Stat. § 252.27, subds. 1a (definitions), 2 (parental responsibility), 2a (contribution amount), 3 (civil actions), 4a (order of payment), 5 (determination; redetermination; notice), and 6 (appeals); and 256B.0916, subd. 10 (transitional supports allowance). Repeals Laws 2024, ch. 79, art. 4, § 1, subd. 3 (definition). The repeal of the transitional supports allowance is effective January 1, 2025.

Article 2: Aging Services

This article includes provisions to allow for certain assisted living facilities to relocate, provide for transfer of customized living setting enrollment dates, modify requirements for assisted living required services, require training in mental illness and de-escalation in assisted living facilities, modify the caregiver support services program and caregiver respite services, modify

the alternative care program, expand the financially distressed nursing facility loan program to other long-term services and supports providers, temporarily modify nursing facility property rates for certain nursing facilities, provide for elderly waiver budget and rate exceptions for high-needs participants, and sunset the elderly waiver disproportionate share payments.

Section Description - Article 2: Aging Services

1 Facility relocation.

Creates § 144G.195.

Subd. 1. New license not required. Beginning March 15, 2025, allows an assisted living facility with a licensed capacity of five residents or fewer to operate under the facility's current license if the facility is relocated with the approval of the commissioner during the period the current license is valid. Specifies a licensee is not required to apply for a new license solely because the licensee receives approval to relocate a facility. Requires the commissioner to apply the licensing and survey cycle previously established for the facility's prior location to the facility's new location. Specifies the process for the licensee to notify the commissioner of the intent to relocate, including submission of a nonrefundable relocation fee of \$3,905, and for the commissioner to approve or deny the relocation. Specifies licensee requirements once a relocation has been approved or denied.

Subd. 2. Limited exemption from the customized living setting moratorium and age limitations. Requires a licensee that receives approval from the commissioner of health to relocate to inform the commissioner of human services of the licensee's intent to relocate if the licensee is enrolled with DHS as a customized living setting to deliver 24-hour customized living services or customized living services under the brain injury and community access for disability inclusion waivers, and to inform the commissioner of human services if the licensee is providing customized living or 24-hour customized living services to at least one individual at the time of the intended relocation and intends to continue to serve that individual in the new location.

Provides a January 1, 2025, effective date, except subdivision 2 is effective January 1, 2025, or 90 days after federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

2 Minimum requirements.

Amends § 144G.41, subd. 1. Removes language related to food services and other required services in a section of statutes governing minimum requirements for assisted living facilities. This language is moved to new subdivisions.

Section Description - Article 2: Aging Services

- 3 Minimum requirements; required food services.**
Amends § 144G.41, by adding subd. 1a. Moves existing minimum requirements for food services in assisted living facilities to this subdivision and adds exceptions to certain food code rules for assisted living facilities with a licensed capacity of ten or fewer residents.
- 4 Minimum requirements; other required services.**
Amends § 144G.41, by adding subd. 1b. Moves existing requirements for other required services in assisted living facilities to this subdivision.
- 5 Orientation of staff and supervisors.**
Amends § 144G.63, subd. 1. Modifies assisted living facility staff orientation requirements when a staff person transfers from one licensed assisted living facility to another operated by the same licensee or by a licensee affiliated with the same corporate organization as the licensee of the first facility, or to another facility managed by the same entity managing the first facility.
- 6 Training required related to dementia, mental illness, and de-escalation.**
Amends § 144G.63, subd. 4. Makes a conforming change to the subdivision headnote.

Provides a July 1, 2025, effective date.
- 7 Training in dementia, mental illness, and de-escalation required.**
Amends § 144G.64. Requires assisted living facilities to meet mental illness and de-escalation training requirements. Specifies training requirements for mental illness and de-escalation training.

Provides a July 1, 2025, effective date.
- 8 Authority.**
Amends § 256.9755, subd. 2. Removes language requiring caregiver support program funds to be allocated to area agencies on aging and in a manner consistent with federal requirements.
- 9 Caregiver support services.**
Amends § 256.9755, subd. 3. Makes conforming changes to the caregiver support program.

Section Description - Article 2: Aging Services

- 10 **Caregiver respite services grant program established.**
Amends § 256.9756, subd. 1. Removes language limiting caregiver respite services to family or caregivers of older adults.
- 11 **Eligible uses.**
Amends § 256.9756, subd. 2. Makes conforming changes to caregiver respite services.
- 12 **Services covered under alternative care.**
Amends 256B.0913, subd. 5, as amended by Laws 2024, ch. 85, § 68. Adds transitional services to the list of covered services under the alternative care program.

Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 13 **Services; service definitions; service standards.**
Amends § 256B.0913, subd. 5a. Makes a conforming change related to the addition of transitional services under the alternative care program.

Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 14 **Property rate increase for certain nursing facilities.**
Amends § 256B.434, by adding subd. 4k. Provides time-limited property rate increases for certain nursing facilities located in St. Paul, Duluth, Chatfield, and Fergus Falls. Specifies the rate increases end upon the effective date of the transition of the facility's property rate to a property payment rate under the fair rental value property rate or May 31, 2026, whichever is earlier.

Provides a January 1, 2025, effective date.
- 15 **Transfer of customized living enrollment dates.**
Amends § 256B.49, by adding subd. 28a. Defines "operational" for purposes of this subdivision. Applies this paragraph only to customized living settings enrolled and operational on or before June 30, 2021, and customized living settings that have previously transferred their customized living enrollment date. Exempts certain settings for which a provider receives approval from the commissioner of health to relocate from the customized living moratorium if specified requirements are met. Specifies notification requirements and information that must be submitted by the provider to the commissioner of human services. Requires the commissioner to

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approve or deny requests to transfer the original setting's customized living enrollment date to the new setting within 30 days. Lists circumstances under which the commissioner must deny a transfer request. Lists requirements that a setting to which the original customized living enrollment date is transferred must meet.

Provides a January 1, 2025, effective date, or 90 days after federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

16 Long-term services and supports loan program.

Amends § 256R.55.

Subd. 1. Long-term services and supports loan program. Expands the financially distressed nursing facility loan program to other long-term services and supports providers and renames the program accordingly.

Subd. 2. Eligibility. Makes conforming changes and establishes eligibility criteria for other long-term services and supports providers.

Subd. 2a. Allowable uses of loan money. Lists allowable uses of loan money.

Subd. 3. Approving loans. No changes.

Subd. 4. Disbursement schedule. Removes language allowing for loans to be disbursed as a time-limited line of credit.

Subd. 5. Loan administration. No changes.

Subd. 6. Loan payments. Makes conforming changes.

Subd. 7. Loan repayment. Makes conforming changes.

Subd. 8. Audit. No changes.

Subd. 8a. Special revenue account. Creates a long-term services and supports loan account in the special revenue fund in the state treasury. Transfers money appropriated for the loan program to the long-term services and supports loan account.

Subd. 9. Carryforward. Removes language referencing the expiration of the loan program and makes other conforming changes.

Subd. 10. Expiration. Removes the expiration of the loan program.

Section Description - Article 2: Aging Services

Provides a July 1, 2024, effective date, except the special revenue account is effective retroactively from July 1, 2023.

17 Elderly waiver budget and rate exceptions; high-need participants.

Creates § 256S.191.

Subd. 1. Eligibility for budget and rate exceptions. Lists circumstances under which a participant is eligible to request an elderly waiver budget and rate exception.

Subd. 2. Requests for budget and rate exceptions. Allows a participant to be eligible to request an elderly waiver budget and rate exception when requesting an eligibility determination for elderly waiver services. Allows a participant to request an exception to the elderly waiver case mix caps, the customized living service rate limits, service rates, or any combination of the three. Lists other requirements a participant must meet when requesting a budget or rate exception. Requires the commissioner to respond to all exception requests and to include in the response the basis for the action and notification of the right to appeal. Requires participants who are granted exceptions to apply annually to continue or modify the exception. Disqualifies participants for exceptions when the participant's needs can be met within standard elderly waiver budgets and rates.

Effective date: January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

18 Rate adjustment application.

Amends § 256S.205, subd. 2. Modifies the statute governing disproportionate share facilities under the elderly waiver by retroactively sunsetting submission of new applications effective September 30, 2023. Retroactively prohibits the commissioner from processing any further applications for disproportionate share facilities effective October 1, 2023. Allows a facility that receives rate floor payments in rate year 2024 to submit an application to maintain its designation as a disproportionate share facility for rate year 2025.

19 Rate adjustment eligibility criteria.

Amends § 256S.205, subd. 3. Retroactively sunsets eligibility for a disproportionate share facility rate adjustment effective September 30, 2023. Makes a facility determined eligible for the disproportionate share rate adjustment in application year 2023 and receiving payments in rate year 2024 eligible to receive payments in

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rate year 2025 only if the commissioner determines that the facility continues to meet the eligibility requirements.

20 Rate adjustment; rate floor.

Amends § 256S.205, subd. 5. Sunsets the rate floor established for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility effective December 31, 2025. Sets the rate floor at \$141 per resident day for 24-hour customized living services for rate year 2025.

Provides a January 1, 2025, effective date.

21 Expiration.

Amends § 256S.205, by adding subd. 7. Makes the elderly waiver disproportionate share rate adjustment statute expire January 1, 2026.

22 Direction to commissioner; home and community-based services system reform analysis.

Requires the commissioner of human services to study Minnesota's existing HCBS system for older adults and evaluate options to meet the needs of older adults with high support needs that cannot be addressed by services or individual participant budgets available under the elderly waiver. Requires the commissioner to propose reforms to the HCBS system that meet specified goals. Requires the commissioner to submit a report with recommendations to meet the specified goals to the legislative committees with jurisdiction over human services finance and policy by December 31, 2025.

23 Revisor instruction.

Requires the revisor of statutes to renumber the long-term services and supports loan program statute and correct all cross-references.

Article 3: Substance Use Disorder Services

This article includes provisions to remove the sunset on opioid manufacturer and distributor fees, expand the uses of opiate epidemic response fund appropriations, modify peer recovery support services, provide a three percent rate increase for residential substance use disorder services, and establish a reentry demonstration waiver.

Section Description - Article 3: Substance Use Disorder Services

- 1 Deposit of fees.**
Amends § 151.065, subd. 7. Removes language requiring reduced fees to be deposited into the opiate epidemic response fund.
- 2 Facility or program.**
Amends § 245.91, subd. 4. Expands the definition of “facility” or “program” under the statutes governing the ombudsman for mental health and developmental disabilities to include peer recovery support services provided by a recovery community organization.
- 3 Additional treatment service.**
Amends § 245G.07, subd. 2. Modifies the list of services a licensed substance use disorder treatment facility may provide. Modifies the requirements of and services provided under peer recovery support services by adding cross-references to relevant statutes; makes technical changes.

Makes section effective January 1, 2025.
- 4 Recovery peer scope of practice.**
Amends § 245I.04, subd. 19. Expands the list of who may supervise a recovery peer to include mental health professionals. Requires a recovery peer to provide individual recovery planning to each client. Lists activities licensed alcohol and drug counselors and mental health professionals supervising a recovery peer must complete when providing supervision.
- 5 Individual recovery plan.**
Amends § 254B.01, by adding subd. 4e. Defines “individual recovery plan” in the chapter of statutes governing substance use disorder treatment.
- 6 Recovery peer.**
Amends § 254B.01, by adding subd. 8a. Defines “recovery peer” in the chapter of statutes governing substance use disorder treatment.
- 7 Licensure or certification required.**
Amends § 254B.05, subd. 1. Requires recovery community organizations to meet certification rather than membership requirements in specified organizations; modifies certification or accreditation organizations. Modifies the list of qualifications peer recovery support services vendors must meet to be eligible vendors. Requires recovery community organizations approved by the commissioner before June 30, 2023, to meet the peer recovery support services vendor qualifications by September 1, 2024, in order to be eligible vendors of peer recovery support services. Clarifies appeals language. Allows complaints about a recovery community

Section Description - Article 3: Substance Use Disorder Services

organization or peer recovery support services to be made to and reviewed or investigated by the ombudsperson for mental health and developmental disabilities.

Provides an immediate effective date, except the amendments related to recovery community organization complaints and the Office of Ombudsman for Mental Health and Developmental Disabilities are effective July 1, 2025.

8 Rate requirements.

Amends § 254B.05, subd. 5, as amended by Laws 2024, ch. 85, § 59. Removes obsolete language. Requires eligible vendors of peer recovery support services to submit to a review of up to ten percent of all medical assistance (MA) and behavioral health fund claims for entities billing for peer recovery support services individually and not receiving a daily rate. Limits an individual client to 14 hours per week of peer recovery support services from an individual provider. Subjects peer recovery support services not provided in accordance with specified requirements to monetary recovery.

Provides a January 1, 2025, effective date.

9 Peer recovery support services requirements.

Creates § 254B.052.

Subd. 1. Peer recovery support services; service requirements. Describes requirements that must be met when providing peer recovery support services. Requires written notice for clients receiving peer recovery support service, and requires services to be voluntary. Prohibits peer recovery support services from being provided to a client residing with or employed by a recovery peer from whom they receive services.

Subd. 2. Individual recovery plan. Requires the individual recovery plan to be developed with the client and completed within the first three sessions with a recovery peer. Lists the information that must be included in the individual recovery plan.

Subd. 3. Eligible vendor documentation requirements. Requires an eligible vendor of peer recovery support services to keep a secure file for each individual receiving MA peer recovery support services. Lists the information that must be included in the file.

Provides a January 1, 2025, effective date.

Section Description - Article 3: Substance Use Disorder Services

10 Level of care requirements.

Amends § 254B.19, subd. 1. Specifies the minimum number of treatment services hours per week that ASAM level 3.3 and 3.5 vendors must provide each client for the period between January 1, 2024, through June 30, 2024.

Provides an immediate effective date.

11 Appropriations from registration and license fee account.

Amends § 256.043, subd. 3. Expands uses of opiate epidemic response fund appropriations related to child protection services to include prevention. Modifies the distribution of funds to county social services agencies and Tribal social service agency initiative projects that are used for child protection services.

12 Reentry Demonstration Waiver.

Creates § 256B.0761.

Subd. 1. Establishment. Requires the commissioner to submit a waiver application to CMS to implement an MA demonstration project to provide health care and coordination services that bridge to community-based services for individuals confined in state, local, or Tribal correctional facilities prior to community reentry. Specifies requirements the demonstration must be designed to meet.

Subd. 2. Eligible individuals. Lists eligibility criteria to receive services under this demonstration.

Subd. 3. Eligible correctional facilities. Limits the waiver application to certain correctional facilities. Allows additional facilities to be added contingent on legislative authorization and appropriations.

Subd. 4. Services and duration. Requires services to be provided 90 days prior to an individual's release date or, if an individual's confinement is less than 90 days, during the time period between the MA eligibility determination and release to the community. Lists the services that facilities must offer using either community-based or corrections-based providers. Limits service authorization to demonstrated medical necessity or other eligibility as required under the chapter of statutes governing MA or applicable state and federal laws.

Subd. 5. Provider requirements and standards. Requires service providers to: (1) adhere to applicable licensing and provider requirements as required by federal guidance; and (2) be enrolled to provide services under Minnesota health care programs. Allows services to be provided by eligible providers employed by the correctional facility or by eligible community providers under contract with the correctional facility. Requires the commissioner to determine whether each

Section Description - Article 3: Substance Use Disorder Services

facility is ready to participate in this demonstration based on a facility-submitted assessment of the facility's readiness to implement specified activities. Requires participating facilities to detail reinvestment plans for all new federal Medicaid funds expended for reentry services that were previously the responsibility of each facility and provide detailed financial reports to the commissioner.

Subd. 6. Payment rates. Makes payment rates for services approved under the demonstration equal to current and applicable state law and federal requirements. Makes case management payment rates equal to MA relocation targeted case management payment rates. Specifies payment rates for covered drugs and billing and submission requirements for drugs. Allows providers to establish written protocols for establishing or calculating the facility's actual acquisition drug cost based on a monthly, quarterly, or other average of the facility's actual acquisition drug cost through the discount purchasing program. Prohibits a written protocol from including an inflation, markup, spread, or margin to be added to the provider's actual purchase price after subtracting all discounts.

Subd. 7. Reentry services working group. Requires the commissioner of human services to convene a reentry services working group to consider ways to improve the demonstration under this section and related policies for justice-involved individuals. Specifies the individuals and organizations that must be represented in the working group. Lists the duties of the working group.

Effective date: January 1, 2026, or upon federal approval, whichever is later, except subdivision 7 is effective July 1, 2024. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

13 Limitation of choice.

Amends § 256B.69, subd. 4. Exempts persons enrolled in the reentry demonstration waiver from participating in managed care.

Effective date: January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

14 Health care professionals; release from liability.

Amends § 604A.04, subd. 3. Exempts a local unit of government, if acting in good faith, from being subject to civil liability or criminal prosecution for distributing or administering an opiate antagonist pursuant to certain requirements.

Section Description - Article 3: Substance Use Disorder Services

- 15 **Direction to ombudsman for mental health and developmental disabilities.**
By September 30, 2025, requires the ombudsman for mental health and developmental disabilities to provide a report to the governor and the legislature containing summary information on complaints received regarding peer recovery support services provided by a recovery community organization and any recommendations to the legislature to improve the quality of peer recovery support services, recovery peer worker misclassifications, and peer recovery support services billing codes and procedures.
- 16 **Peer recovery support services and recovery community organization working group.**
Establishes a peer recovery support services and recovery community organization working group.
- Subd. 1. Establishment; duties.** Requires the commissioner of human services to convene a working group to develop recommendations on various topics related to peer recovery support services and recovery community organizations, including billing rates and practices, acceptable activities to bill for peer recovery support services, improving recovery peer supervision, and certification or other regulation of recovery community organizations and recovery peers.
- Subd. 2. Membership; meetings.** Lists the members of the working group. Requires the commissioner to: (1) make appointments to the working group by October 1, 2024, and convene the first meeting of the working group by December 1, 2024; and (2) provide administrative support and meeting space for the working group. Allows the working group to conduct meetings remotely.
- Subd. 3. Report.** Requires the commissioner to complete and submit a report on the recommendations of the working group to the legislative committees with jurisdiction over health and human services policy and finance on or before August 1, 2025.
- Subd. 4. Expiration.** Makes the working group expire upon submission of the report to the legislature.
- 17 **Capacity-building and implementation grants for the MA reentry demonstration.**
Requires the commissioner of human services to establish capacity-building grants for eligible correctional facilities as they prepare to implement reentry demonstration services. Lists allowable expenditures under the grant.
- 18 **1115 waiver for MA reentry demonstration.**
Requires the commissioner of human services to submit an application to the federal government to implement an MA reentry demonstration that covers services for

Section Description - Article 3: Substance Use Disorder Services

incarcerated individuals. Makes coverage of prerelease services contingent on federal approval of the demonstration and the required implementation and reinvestment plans.

19 Residential SUD rate increase.

Requires the commissioner of human services to increase rates for residential substance use disorder (SUD) services by three percent for the 1115 demonstration base rates in effect as of January 1, 2024.

Effective date: January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

20 Repealer.

Repeals Minn. Stat. § 256.043, subd. 4 (settlement; sunset), effective July 1, 2024.

Article 4: Priority Admissions and Civil Commitment

This article includes provisions to implement some of the recommendations from the Task Force on Priority Admissions to State-Operated Treatment Programs, reimburses Beltrami and Todd Counties for certain cost of care payments, and establishes a Task Force on Mentally Ill and Dangerous Civil Commitment Reform.

Section Description - Article 4: Priority Admissions and Civil Commitment

1 Additional requirements for locked program facility.

Amends § 245I.23, subd. 19a. Removes a requirement that a license holder's policies and procedures clearly describe the types of court orders that authorize the license holder to prohibit clients from leaving the facility. Makes technical changes.

2 Legislative approval required.

Amends § 246.129, as amended by Laws 2024, ch. 79, art. 1, § 9. Removes language exempting closures of Direct Care and Treatment (DCT) state-operated enterprise services from needing legislative approval.

3 Anoka-Metro Regional Treatment Center.

Amends § 246.54, subd. 1a. Modifies county cost of care requirements for Anoka-Metro Regional Treatment Center for the period from April 1, 2025, to June 30, 2025.

Section Description - Article 4: Priority Admissions and Civil Commitment

4 Community behavioral health hospitals.

Amends § 246.54, subd. 1b. Modifies county cost of care requirements for community behavioral health hospitals for the period from April 1, 2025, to June 30, 2025.

5 Administrative requirements.

Amends § 253B.10, subd. 1, as amended by Laws 2024, ch. 79, art. 5, § 8. Makes various changes to priority admissions to state-operated treatment programs, including:

- Prioritizing civilly committed persons being admitted from jail or a correctional institution to a medically appropriate DCT program based on the decisions of physicians in the executive medical director's office, using a new priority admissions framework.
- Listing the factors for which the framework must account for priority admission.
- Requiring the executive medical director to notify certain individuals and entities within four business days of determining which state-operated DCT program or programs are appropriate for an individual.

Makes this section effective July 1, 2024.

6 MA payment for assertive community treatment and intensive residential treatment services.

Amends § 256B.0622, subd. 8. Prohibits medical assistance (MA) payment from being made based solely on a court order to participate in intensive residential treatment services. Limits MA payment to clients who are eligible for the service and for whom the service is determined to be medically necessary.

7 Priority admissions review panel.

Establishes a priority admissions review panel, appointed by the commissioner, consisting of task force members and a union representative, to: (1) evaluate the 48-hour timeline for priority admissions and submit a written report to the legislature; (2) advise the commissioner on the effectiveness of the framework and priority admissions generally; and (3) review de-identified data quarterly for one year following the implementation of the framework to ensure that the framework is implemented and applied equitably.

After the panel completes its year of review, requires a quality committee established by the Direct Care and Treatment executive board to continue to review data and provide a routine report to the executive board on the effectiveness of the framework and priority admissions.

Section Description - Article 4: Priority Admissions and Civil Commitment

Provides a July 1, 2024, effective date.

8 Direction to commissioner of human services; reimbursement to Beltrami County and Todd County for certain cost of care payments.

Prohibits the commissioner of human services from sanctioning or otherwise seeking payment from Beltrami County for the cost of care provided at Anoka-Metro Regional Treatment Center or a community-based behavioral health hospital between July 1, 2022, and June 30, 2023, for clients awaiting transfer to another state-operated facility or program when determined to be clinically appropriate.

Prohibits the commissioner of human services from sanctioning or otherwise seeking payment from Todd County for the cost of care provided at Anoka-Metro Regional Treatment Center between August 22, 2023, and February 3, 2024, for clients awaiting transfer to another state-operated facility or program when determined to be clinically appropriate.

Requires the state to reimburse Beltrami County and Todd County with state money any amount previously paid to the state or otherwise recovered by the commissioner for the cost of care.

States nothing in this section prohibits the commissioner from seeking reimbursement from Beltrami County for the cost of care provided in Anoka-Metro Regional Treatment Center or a state-operated community-based behavioral health hospital for care not described in this section.

States nothing in this section prohibits the commissioner from seeking reimbursement from Todd County for the cost of care provided in Anoka-Metro Regional Treatment Center or by any state-operated facility or program in excess of the amount specified in this section.

Specifies the client is not responsible for payment of the cost of care.

Provides an immediate effective date.

9 Mentally Ill and Dangerous Civil Commitment Reform Task Force.

Establishes the Mentally Ill and Dangerous Civil Commitment Reform Task Force.

Subd. 1. Establishment; purpose. Establishes the Mentally Ill and Dangerous Civil Commitment Reform Task Force to evaluate current statutes related to mentally ill and dangerous civil commitments and develop recommendations to optimize the use of state-operated mental health resources and increase equitable access and outcomes for patients.

Section Description - Article 4: Priority Admissions and Civil Commitment

Subd. 2. Membership. Lists the membership of the Mentally Ill and Dangerous Civil Commitment Reform Task Force. Prohibits members of the legislature from serving on the task force. Requires appointments to the task force to be made by July 30, 2024.

Subd. 3. Compensation; removal; vacancy. Allows members of the task force to be compensated according to the statute governing advisory councils and committees. Allows members to be removed by the appointing authority at any time at the pleasure of the appointing authority. In the case of a vacancy on the task force, requires the appointing authority to appoint an individual to fill a vacancy for the remainder of the unexpired term.

Subd. 4. Officers; meetings. Requires the commissioner of human services to convene the first meeting of the task force no later than September 1, 2024. Requires the task force to elect a chair and vice-chair from among its members and makes the task force subject to the Minnesota Open Meeting Law.

Subd. 5. Staff. Requires the commissioner of human services to provide staff assistance to support the work of the task force.

Subd. 6. Data usage and privacy. Specifies any data provided by executive agencies as part of the work of the task force is subject to the chapter of statutes governing government data practices and all other applicable data privacy laws.

Subd. 7. Duties. Lists the duties of the task force.

Subd. 8. Report required. By August 1, 2025, requires the task force to submit to the legislative committees with jurisdiction over mentally ill and dangerous civil commitments a written report that includes the outcome of the duties of the task force, including but not limited to recommended statutory changes.

Subd. 9. Expiration. Makes the task force expire January 1, 2026.

Provides an immediate effective date.

10 **Engagement services pilot grants.**

Subd. 1. Creation. Establishes the engagement services pilot grant program to provide grants to counties or certified community behavioral health clinics to provide engagement services under the services for engagement in treatment program. Requires the commissioner to award one grant to Otter Tail County. Specifies that engagement services provide early interventions to prevent an individual from meeting the criteria for civil commitment and promote positive outcomes.

Section Description - Article 4: Priority Admissions and Civil Commitment

Subd. 2. Allowable grant activities. Lists the activities for which grantees may use grant funding. Requires engagement services staff to have completed training on person-centered care. Allows engagement services staff to include mobile crisis providers, certified peer specialists, community-based treatment programs staff, and homeless outreach workers.

11 Direction to commissioner of human services; limited exception for admission from hospital settings.

Requires the commissioner to immediately approve an exception to add up to ten civilly committed patients who are awaiting admission in hospital settings to the priority admissions waiting list for admission to medically appropriate DCT programs. Makes this exception expire upon the commissioner's approval of the exception for ten patients.

Makes this section effective the day following final enactment.

12 County correctional facility long-acting injectable antipsychotic medication pilot program.

Subd. 1. Authorization. Requires the commissioner of human services to establish a pilot program that provides payments to counties, to support county correctional facilities in delivering long-acting injectable antipsychotic medications to prisoners for mental health treatment.

Subd. 2. Application. Outlines application requirements.

Subd. 3. Pilot program payments; allowable uses. Outlines allowable uses of pilot program reimbursement payments.

Subd. 4. Pilot program payment allocation. Outlines how payments will be allocated.

Subd. 5. Report. Requires the commissioner to provide a summary report to the legislature on the pilot program by December 15, 2025.

13 Report on inpatient SUD beds.

By January 15, 2025, requires the DCT executive board to submit a report to the legislative committees with jurisdiction over human services finance and policy with options for increasing inpatient substance use disorder (SUD) beds operated by the executive board. Requires one option to include the development of an inpatient SUD program operated by the executive board within 35 miles of the existing CARE-St. Peter facility.

Article 5: Direct Care and Treatment

This article establishes the Direct Care and Treatment (DCT) agency and the powers and duties of the DCT executive board and chief executive officer.

Section Description - Article 5: Direct Care and Treatment

- 1 Definitions.**

Amends § 10.65, subd. 2. Adds Direct Care and Treatment to the definition of “agency” in the section of statutes governing government-to-government relationships with Tribal governments.

Provides a July 1, 2024, effective date.
- 2 Definitions.**

Amends § 13.46, subd. 1, as amended by Laws 2024, ch. 79, art. 9, § 1, and Laws 2024, ch. 80, art. 8, § 1. Makes a conforming change to the name of the new DCT agency in the section of statutes governing welfare data.

Provides a July 1, 2024, effective date.
- 3 General.**

Amends § 13.46, subd. 2, as amended by Laws 2024, ch. 80, art. 8, § 2. Allows Direct Care and Treatment to share private data on individuals with the Departments of Human Services, Employment and Economic Development, Children, Youth, and Families, and Education for specified purposes.

Provides a July 1, 2024, effective date.
- 4 Responsible authority.**

Amends § 13.46, subd. 10, as amended by Laws 2024, ch. 79, art. 9, § 2. Makes a conforming change to the name of the new DCT agency and makes the chief executive officer rather than the executive board the responsible authority for DCT in the section of statutes governing welfare data.

Provides a July 1, 2024, effective date.
- 5 Departments of the state.**

Amends § 15.01. Removes the Department of Direct Care and Treatment from the list of departments of the state government.

Provides a July 1, 2024, effective date.

Section Description - Article 5: Direct Care and Treatment

- 6 **Applicability.**
Amends § 15.06, subd. 1, as amended by Laws 2024, ch. 85, § 6. Makes conforming changes.

Provides a July 1, 2024, effective date.
- 7 **Agency head salaries.**
Amends § 15A.0815, subd. 2. Adds the DCT chief executive officer to the list of positions for which the salary must be determined by the Compensation Council.
- 8 **Creation.**
Amends § 15A.082, subd. 1. Requires the Compensation Council to determine the daily compensation for voting members of the DCT executive board.
- 9 **Submission of recommendations and determination.**
Amends § 15A.082, subd. 3. Requires the Compensation Council to prescribe daily compensation for voting members of the DCT executive board by April 1 in each odd-numbered year. Specifies when the recommended daily compensation takes effect.
- 10 **No ex parte communications.**
Amends § 15A.082, subd. 7. Makes conforming changes related to the determination of daily compensation for DCT executive board voting members.
- 11 **Unclassified positions.**
Amends § 43A.08, subd. 1. Makes conforming changes related to the creation of the chief executive officer of DCT.

Provides a July 1, 2024, effective date.
- 12 **Additional unclassified positions.**
Amends § 43A.08, subd. 1a. Makes a conforming change.

Provides a July 1, 2024, effective date.
- 13 **Review organization.**
Amends § 145.61, subd. 5. Adds DCT to the definition of “review organization” in the chapter of statutes governing public health organizations.

Provides a July 1, 2024, effective date.

Section Description - Article 5: Direct Care and Treatment

14 Duties.

Amends § 246.018, subd. 3, as amended by Laws 2024, ch. 79, art. 1, § 6. Makes conforming changes related to the establishment of the DCT executive board and chief executive officer.

Provides a July 1, 2024, effective date.

15 Definitions; risk assessment and management.

Amends § 246.13, subd. 2, as amended by Laws 2024, ch. 79, art. 2, § 4. Makes conforming changes related to the transfer of authority for state-operated services from DHS to DCT.

Provides a July 1, 2024, effective date.

16 Reciprocal exchange of certain persons.

Amends § 246.234, as amended by Laws 2024, ch. 79, art. 1, § 11. Makes technical changes.

Provides a July 1, 2024, effective date.

17 Acceptance of voluntary, uncompensated services.

Amends § 246.36, as amended by Laws 2024, ch. 79, art. 1, § 14. Makes technical changes and removes language allowing for volunteer agencies, organizations, or persons to purchase supplies, services, and equipment to be used in providing services to residents of state facilities through the Department of Administration.

Provides a July 1, 2024, effective date.

18 Title.

Amends § 246C.01. Makes a conforming change to the name of the new DCT agency.

Provides a July 1, 2024, effective date.

19 Direct Care and Treatment; Establishment.

Amends § 246C.02, as amended by Laws 2024, ch. 79, art. 1, § 19.

Subd. 1. Establishment. Makes technical changes.

Subd. 2. Mission. Repeals this subdivision.

Subd. 3. DCT services. Makes technical changes and moves language from subdivision 2 to this subdivision.

Section Description - Article 5: Direct Care and Treatment

Subd. 4. Statewide services. No changes.

Subd. 5. Department of Human Services as state agency. No changes.

Provides a July 1, 2024, effective date.

20 Transfer of duties.

Amends § 246C.04, as amended by Laws 2024, ch. 79, art. 1, § 21.

Subd. 1. Transfer of duties. Makes technical and conforming changes. Removes language related to the initial salary for the DCT chief executive officer.

Subd. 2. Transfer of custody of civilly committed persons. Requires the commissioner of human services to continue to exercise all authorities and responsibilities for state-operated services, programs, and facilities subject to transfer to DCT until July 1, 2025. Effective July 1, 2025, the powers and duties vested in or imposed upon the commissioner of human services related to any state-operated service, program, or facility are transferred to the DCT executive board.

Subd. 3. Control of DCT. Requires the commissioner of human services to continue to exercise all authorities and responsibilities related to state-operated services, programs, and facilities subject to transfer until July 1, 2025.

Subd. 4. Appropriations. No changes.

Provides a July 1, 2024, effective date.

21 Employee protections for establishing DCT.

Amends § 246C.05, as amended by Laws 2024, ch. 79, art. 1, § 22. Makes technical and conforming changes.

Provides a July 1, 2024, effective date.

22 Powers and duties of the executive board.

Creates § 246C.07.

Subd. 1. Generally. Lays out the general powers and duties of the DCT executive board.

Subd. 2. Principles. Lists the principles under which the executive board shall act in undertaking its duties and responsibilities.

Section Description - Article 5: Direct Care and Treatment

Subd. 3. Powers and duties. Lists the specific powers and duties of the DCT executive board.

Subd. 4. Creation of bylaws. Allows the board to establish bylaws governing its operations and the operations of DCT in accordance with the chapter governing DCT.

Subd. 5. Performance of chief executive officer. Allows the governor to request that the executive board review the performance of the chief executive officer at any time. Specifies the timeline and process for the performance review.

Provides a July 1, 2024, effective date.

23 Chief executive officer; service; duties.

Creates § 246C.08.

Subd. 1. Service. States that the DCT chief executive officer: (1) is appointed by the executive board, in consultation with the governor, and serves at the pleasure of the board, with the advice and consent of the Senate; and (2) serves in the unclassified service and has a salary established by the Compensation Council.

Subd. 2. Powers and duties. Lays out the powers and duties of the DCT chief executive officer, including the administrative and operational management of the agency. In the event of a vacancy within the chief executive officer position, requires the executive medical director to immediately become the temporary chief executive officer until the board appoints a new chief executive officer.

Provides a July 1, 2024, effective date.

24 DCT accounts.

Creates § 246C.091.

Subd. 1. Gifts, grants, and contributions account. Creates a gifts, grants, and contributions account in the special revenue fund of the state treasury. Beginning July 1, 2025, annually appropriates money in the account to the DCT executive board to accomplish the purposes of the chapter of statutes governing DCT. Requires gifts, grants, and contributions received by the board exceeding current agency needs to be invested by the State Board of Investment. Requires disbursements from the account to be made in the manner provided for the issuance of other state payments. Specifies how contributions designated for a certain person, institution, or purpose are treated.

Section Description - Article 5: Direct Care and Treatment

Subd. 2. Facilities management account. Creates a facilities management account in the special revenue fund of the state treasury. Beginning July 1, 2025, appropriates money in the account to the DCT executive board and allows funds to be used to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the design and construction of buildings for DCT use. Allows money received for maintaining state property under control of the executive board to be deposited into this account.

Subd. 3. DCT systems account. Creates a DCT systems account in the special revenue fund of the state treasury. Beginning July 1, 2025, appropriates money in the account to the DCT executive board to be used for security systems and information technology projects, services, and support under control of the board. Requires the commissioner of human services to transfer all money allocated to DCT systems projects to the DCT systems account by June 30, 2026.

Subd. 4. Cemetery maintenance account. Creates the cemetery maintenance account in the special revenue fund of the state treasury. Appropriates money in the account to the executive board for the maintenance of cemeteries under control of the board. Allows money allocated to DCT cemeteries to be transferred to this account.

Provides a July 1, 2024, effective date.

25 **Social welfare fund established.**

Amends § 256.88. Makes a conforming change related to the establishment of DCT as an agency.

Provides a July 1, 2024, effective date.

26 **Fund deposited in state treasury.**

Amends § 256.89. Makes conforming changes to the social welfare fund related to the establishment of DCT.

Provides a July 1, 2024, effective date.

27 **Social welfare fund; use; disposition; depositories.**

Amends § 256.90. Makes conforming changes to the social welfare fund related to the establishment of DCT.

Provides a July 1, 2024, effective date.

Section Description - Article 5: Direct Care and Treatment

- 28 **Purposes.**
Amends § 256.91. Allows the DCT executive board to make payments from the social welfare fund.

Provides a July 1, 2024, effective date.
- 29 **Commissioner of human services and DCT, accounts.**
Amends § 256.92. Makes conforming changes related to the establishment of DCT.

Provides a July 1, 2024, effective date.
- 30 **Effective date.**
Amends Laws 2023, ch. 61, art. 8, § 1, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 31 **Effective date.**
Amends Laws 2023, ch. 61, art. 8, § 2, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 32 **Effective date.**
Amends Laws 2023, ch. 61, art. 8, § 3, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 33 **Effective date.**
Amends Laws 2023, ch. 61, art. 8, § 8, the effective date. Modifies an effective date related to the establishment of DCT by making the effective date July 1, 2024, rather than January 1, 2025.
- 34 **Definitions.**
Amends Laws 2024, ch. 79, art. 1, § 18. Makes conforming changes to definitions in the chapter of statutes governing DCT and adds a definition of “Direct Care and Treatment.”

Provides a July 1, 2024, effective date.
- 35 **Executive board; membership; governance.**
Amends Laws 2024, ch. 79, art. 1, § 23.

Section Description - Article 5: Direct Care and Treatment

Subd. 1. Establishment. Makes technical changes to reflect the correct title of the DCT agency.

Subd. 2. Membership. Specifies the DCT executive board consists of nine members with seven voting members and two nonvoting members. Specifies the seven voting members must include six members appointed by the governor, with the advice and consent of the senate, and the commissioner of human services. Specifies the two nonvoting members must include one member appointed by the Association of Minnesota Counties and one member who has an active role as a union representative representing staff at DCT. Lists the qualifications the voting members appointed by the governor must meet. Requires membership on the board to include representation from outside the seven-county metro area. Prohibits voting members of the executive board from being an employee of DCT; an employee of a county, including a county commissioner; an active employee or representative of a labor union that represents employees of DCT; or a member of the state legislature.

Subd. 3. Procedures. Removes language related to qualifications of board members and, except as otherwise provided, makes the membership terms and removal and filling of vacancies for the executive board governed by the section of statutes governing administrative boards and agencies.

Subd. 4. Compensation. Removes language related to the executive board's authority to accept gifts and prohibits the nonvoting members of the executive board from receiving daily compensation for executive board activities. Allows voting and nonvoting members of the executive board to receive expenses in the same manner and amount as authorized by the commissioner's adopted plan under the section of statutes governing total compensation and collective bargaining agreements. Allows voting and nonvoting members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred to be reimbursed for those expenses upon board authorization. Requires the Compensation Council to determine the compensation for voting members of the executive board per day spent on executive board activities authorized by the board. Requires the commissioner of management and budget to publish the daily compensation rate for voting members of the executive board on the Department of Management and Budget website. Requires voting members of the board to adopt internal standards prescribing what constitutes a day spent on board activities for the purposes of receiving payment.

Subd. 5. Acting chair; officers. Removes language related to receipt of federal aid or block grants and requires the governor to designate one member from the voting membership appointed by the governor as acting chair of the executive board. Requires the executive board to elect a chair from among the voting

Section Description - Article 5: Direct Care and Treatment

membership appointed by the governor at the first meeting of the board. Requires the board to annually elect a chair from among the voting membership appointed by the governor. Requires the board to elect officers from among the voting membership appointed by the governor and requires elected officers to serve for one year.

Subd. 6. Terms. Removes language related to the operation of a communications systems account and specifies terms and term limits for executive board members. Requires the commissioner of human services to serve until replaced by the governor. Allows an executive board member to resign at any time by giving written notice to the executive board.

Subd. 7. Conflicts of interest. Requires board members to recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. Describes conflict of interest.

Subd. 8. Meetings. Requires the executive board to meet at least four times per fiscal year at a place and time determined by the executive board.

Subd. 9. Quorum. Specifies a majority of the voting members of the executive board constitutes a quorum. Specifies the affirmative vote of a majority of the voting members of the executive board is necessary and sufficient for action taken by the executive board.

Subd. 10. Immunity; indemnification. Makes members of the board immune from civil liability for any act or omission occurring within the scope of performance of their duties. Makes members of the board employees of the state for purposes of indemnification when performing executive board duties or actions.

Subd. 11. Rulemaking. Authorizes the executive board to adopt, amend, and repeal rules as necessary to implement any responsibilities of DCT specified in state law. Allows the executive board to adopt rules using the expedited rulemaking process until July 1, 2027. Continues in effect all orders, rules, delegations, permits, and other privileges issued or granted by DHS with respect to any function of DCT and in effect at the time of the establishment of DCT. Prohibits the board from adopting rules that go into effect or enforcing rules prior to July 1, 2025.

Provides a July 1, 2024, effective date.

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36 Forensic services.

Amends Laws 2024, ch. 79, art. 1, § 24. Makes technical changes and makes rulemaking permissive instead of required.

Provides a July 1, 2024, effective date.

37 Comprehensive system of services.

Amends Laws 2024, ch. 79, art. 1, § 25, subd. 3. Makes a grammatical correction.

Provides a July 1, 2024, effective date.

38 Revisor instruction.

Amends Laws 2024, ch. 79, art. 10, § 1. Renumbers certain statutes that are moving due to the establishment of the DCT agency.

39 Effective date.

Amends Laws 2024, ch. 79, art. 10, § 6. Makes the DCT recodification act effective July 1, 2024.

40 DCT Advisory Committee.

Requires the executive board to establish an advisory committee to provide state legislators, counties, union representatives, NAMI Minnesota, people being served by DCT programs, and other stakeholders the opportunity to advise the board regarding the operation of DCT. Specifies advisory committee membership and appointing authorities. Requires appointing authorities to make appointments by January 1, 2026, and for the first meeting of the advisory committee to be held no later than January 15, 2026. Requires the board to regularly consult with the advisory committee. Makes the advisory committee expire December 31, 2027.

41 Initial appointments and compensation of the Direct Care and Treatment executive board and chief executive officer.

This section specifies requirements related to the initial appointments and compensation of the executive board and chief executive officer.

Subd. 1. Executive board. Requires the initial appointments of the members of the DCT executive board to be made by January 1, 2025. Specifies the daily compensation rate for voting members of the board prior to the first Compensation Council determination of the daily compensation rate. Exempts the board from the Open Meeting Law until the authority and responsibilities for DCT are transferred to the board.

Subd. 2. Chief executive officer. Specifies the initial appointment of the chief executive officer of DCT. Prohibits the salary of the initial chief executive officer

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from being less than the amount paid to the chief executive officer of the Direct Care and Treatment Division of DHS as of the date of the initial appointment. Requires the Compensation Council to establish the salary of the chief executive officer in its report issued April 1, 2025. Makes the initial appointment of the chief executive officer subject to confirmation by the senate.

Subd. 3. Commissioner of human services to consult. Requires the commissioner of human services to consult with the DCT executive board before submitting budget estimates or legislative proposals for the Direct Care and Treatment Division for the 2026-2027 biennial budget and any legislative proposals for the 2025 legislative session that involve direct care and treatment operations. Specifies the process for submission if the executive board is not appointed by the date the budget estimates must be provided to the commissioner of management and budget.

Provides a July 1, 2024, effective date.

42 Revisor instruction.

Requires the revisor of statutes to: (1) change the term “Department of Human Services” to “Direct Care and Treatment” wherever the term appears in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities; and (2) make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Provides an immediate effective date.

43 Revisor instruction.

Requires the revisor of statutes to: (1) change the term “Department of Direct Care and Treatment” to “Direct Care and Treatment” wherever the term appears in respect to the governmental entity with programmatic direction and fiscal control over state-operated services, programs, or facilities; and (2) make technical and other necessary changes to sentence structure to preserve the meaning of the text.

Provides an immediate effective date.

44 Revisor instruction.

Requires the revisor of statutes, in consultation with nonpartisan legislative staff, the Department of Human Services, and DCT, to make necessary cross-reference changes to conform with this act. Allows the revisor to: (1) make technical and other necessary changes to sentence structure to preserve the meaning of the text; and (2) alter the coding in this act to incorporate statutory changes made by other law in the 2024 regular legislative session.

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Provides an immediate effective date.

45 Repealer.

Repeals Minn. Stat. § 246.41 (benefit for persons with developmental disabilities), 246C.03 (transition of authority; development of a board), and 253C.01 (reporting by residential treatment programs required), effective July 1, 2024.

Article 6: Miscellaneous

This article includes provisions to: provide for free communication services for patients and clients in any Direct Care and Treatment (DCT) program or facility, establish a community care hub planning grant, require the commissioner to consult with others on targeted case management redesign, require the commissioner to develop a health-related social needs waiver, require the commissioner to study navigator reimbursement, and establish a working group on simplifying supportive housing resources.

Section Description - Article 6: Miscellaneous

1 Free communication services.

Subd. 1. Free communication services. Requires DCT facilities to provide patients and clients with voice communication services and to continue to offer the services offered as of January 1, 2024. Allows a facility to supplement voice communication services with other services. Prohibits the individual initiating the communication and the individual receiving the communication from being charged for the service.

Subd. 2. Communication services restrictions. Specifies patients or clients are not allowed to violate an active protection order, harassment restraining order, or other no-contact order or directive.

Subd. 3. Revenue prohibited. Prohibits DCT from receiving revenue from the provision of voice communication services or any other communication services under this section.

Subd. 4. Visitation programs. Requires facilities to maintain in-person visits for patients or clients. Prohibits communication services from replacing a facility's in-person visitation program or from being counted toward a patient's or client's in-person visitation limit. Specifies when the DCT executive board may waive the in-person visitation program requirement.

Section Description - Article 6: Miscellaneous

Subd. 5. Reporting. Lists information the DCT executive board must report to the legislative committees with jurisdiction over human services policy and finance by January 15, 2026.

Subd. 6. Definitions. Defines “voice communications,” “other communication services,” and “facility” for purposes of this section.

Subd. 7. Expiration. Provides a June 30, 2026, expiration date for subdivisions 1 to 4. Makes subdivisions 5 and 6 expire upon submission of the legislative report required in subdivision 5.

2 Community care hub planning grant.

Subd. 1. Establishment. Requires the commissioner of health to establish a single grant to develop and design programs to expand and strengthen the community care hub model.

Subd. 2. Definitions. Defines “community-based organization,” “community care hub,” “health-related social needs,” and “social care services.”

Subd. 3. Eligible applicants. Lays out requirements in order to be an eligible applicant for the grant under this section.

Subd. 4. Eligible uses. Requires the grantee to use awarded funding to develop and design programs that support the development of a social care network that provides services to address health-related social needs. Lists activities eligible for funding.

Provides a July 1, 2024, effective date.

3 Direction to commissioner; federal waivers for health-related social needs.

Requires the commissioner of human services to: (1) develop a strategy to implement interventions to address unmet health-related social needs; (2) consider whether services could be reimbursed under section 1115 of the Social Security Act, other federal waivers, or existing state authority; (3) collaborate with specified partners on specific interventions to include in the proposed strategy; and (4) by March 1, 2025, provide the strategy developed to the legislature. Allows the commissioner to perform the steps necessary to develop a federal waiver or other strategies in preparation for enactment of the strategies. Exempts the commissioner from state procurement requirements when entering into a new contract or amending an existing contract to complete the work under this section.

Provides an immediate effective date.

Section Description - Article 6: Miscellaneous

4 Working group on simplifying supportive housing resources.

Establishes a working group on simplifying supportive housing resources.

Subd. 1. Establishment. Establishes a working group on simplifying supportive housing resources to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness.

Subd. 2. Membership. Lists the members of the working group on simplifying supportive housing resources. Requires all appointing authorities to make appointments to the working group by August 1, 2024.

Subd. 3. Duties. Requires the working group to study supportive housing resources to streamline access, eligibility, and administration of state-funded housing resources for people experiencing homelessness. Lists programs that must be included in the study. Requires the working group to identify the processes, procedures, and technological or personnel resources that would be necessary to enable the state, county or Tribal agencies, and providers responsible for administering public supportive housing funds to meet specified goals.

Subd. 4. Compensation. Prohibits members of the working group from being compensated, except for the members with lived experience of homelessness.

Subd. 5. Meetings; facilitation. Requires the commissioner of human services to facilitate the working group and convene the first meeting by January 15, 2025. Requires the working group to meet at regular intervals to fulfill the duties of the working group. Subjects the working group to the Open Meeting Law.

Subd. 6. Consultation. Requires the working group to consult with other individuals and organizations that have expertise and experience in providing supportive services that may assist the working group in fulfilling its responsibilities.

Subd. 7. Report required. Requires the working group to submit a final report by January 15, 2026, to the legislative committees with jurisdiction over housing and homelessness finance and policy detailing the recommendations to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness and any necessary draft legislation to implement the recommendations.

Subd. 8. Expiration. Makes the working group expire January 15, 2026.

Provides an immediate effective date.

Section Description - Article 6: Miscellaneous

- 5 **Homelessness priority; homelessness report.**
No later than January 15, 2025, requires the commissioner of human services, in cooperation with the commissioner of the Minnesota Housing Finance Agency and other relevant departments, to report to the legislative committees with jurisdiction over human services policy and finance on the departments' activities to reduce homelessness.
- 6 **Direction to commissioner; targeted case management redesign.**
Requires the commissioner of human services, in consultation with others, to improve case management information systems and identify the necessary changes needed to comply with regulations related to federal certified public expenditures. Requires the changes to facilitate transition to use of a 15-minute unit rate or improved financial reporting for fee-for-service targeted case management services provided by counties. Requires technology systems to be modified to support any increase in the intensity of time reporting requirements prior to any implementation of proposed changes to targeted case management rate setting, reimbursement, and reconciliation processes.
- 7 **Revisor instruction.**
Requires the revisor of statutes to renumber sections of statute related to emergency services grants and transitional housing and to make necessary cross-reference changes related to the renumbering.

Article 7: Human Services Response Contingency Account

This article establishes the human services response contingency account.

Section Description - Article 7: Human Services Response Contingency Account

- 1 **Human Services Response Contingency Account.**
Creates § 256.044.
- Subd. 1. Human services response contingency account.** Creates a human services response contingency account in the special revenue fund of the state treasury. States that money in the account does not cancel and is appropriated to the commissioner of human services for the purposes specified in this section.
- Subd. 2. Definition.** Defines "human services response" for purposes of this section.

Section Description - Article 7: Human Services Response Contingency Account

Subd. 3. Use of money. Allows the commissioner to make expenditures from the human services response contingency account to respond to needs related to supporting the health, welfare, or safety of people and for which no other funding or insufficient funding is available. Lists the items and activities for which the commissioner may make expenditures from the human services response contingency account. Allows the commissioner to transfer money within DHS and to the Department of Children, Youth, and Families as necessary to implement a human services response. Allows the commissioner to allocate funds from the contingency account to programs, providers, and organizations for eligible uses through one or more fiscal agents chosen by the commissioner. Requires programs, providers, and organizations receiving funds from the contingency account to describe how the funds will be used. Specifies how nonstate sources of funding are treated.

Subd. 4. Assistance from other sources. Requires the commissioner to seek any appropriate assistance from other available sources, including the federal government, when making expenditures from the contingency account. Requires the commissioner to reimburse the contingency account if the commissioner recovers eligible costs from a nonstate source after making expenditures from the contingency account.

Subd. 5. Reporting. Requires the commissioner to develop required reporting for entities receiving contingency account money and lists the information that entities receiving money from the contingency account must submit to the commissioner.

Subd. 6. Report. Requires the commissioner to submit a report to the legislature by March 1 of each year detailing expenditures made in the previous calendar year from the contingency account. Exempts this reporting requirement from the automatic sunset of mandated reports.

Article 8: Appropriations

This article: (1) appropriates money for various human services programs related to disability services, aging services, substance use disorder services, priority admissions and civil commitment, Direct Care and Treatment, the human services response contingency account, and miscellaneous services and programs; (2) appropriates money to the commissioner of health; (3) appropriates money to the Council on Disability; (4) appropriates money to the Department of Corrections; (5) appropriates money to the Department of Employment and Economic Development; and (6) makes technical corrections to 2023 appropriations.



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