

1.1 A bill for an act
1.2 relating to human services; establishing the Department of Human Services
1.3 continuity of care team; clarifying the permissible use of integrated community
1.4 supports settings for the provision of other home and community based services;
1.5 establishing home and community-based service standards for rental payments in
1.6 integrated community supports settings; amending Minnesota Statutes 2024,
1.7 sections 245D.10, subdivision 3; 256B.064, subdivision 2; 256B.492, subdivisions
1.8 1, 3; Minnesota Statutes 2025 Supplement, section 245D.10, subdivision 3a;
1.9 proposing coding for new law in Minnesota Statutes, chapters 245D; 256B.

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

1.11 Section 1. Minnesota Statutes 2024, section 245D.10, subdivision 3, is amended to read:

1.12 Subd. 3. **Service suspension.** (a) The license holder must establish policies and
1.13 procedures for temporary service suspension that promote continuity of care and service
1.14 coordination with the person and the case manager and with other licensed caregivers, if
1.15 any, who also provide support to the person. The policy must include the requirements
1.16 specified in paragraphs (b) to (f).

1.17 (b) The license holder must limit temporary service suspension to situations in which:

1.18 (1) the person's conduct poses an imminent risk of physical harm to self or others and
1.19 either positive support strategies have been implemented to resolve the issues leading to
1.20 the temporary service suspension but have not been effective and additional positive support
1.21 strategies would not achieve and maintain safety, or less restrictive measures would not
1.22 resolve the issues leading to the suspension;

1.23 (2) the person has emergent medical issues that exceed the license holder's ability to
1.24 meet the person's needs; or

2.1 (3) the program has not been paid for services, except an interruption to the person's
2.2 public benefits that lasts for no more than 60 days does not constitute nonpayment.

2.3 (c) Prior to giving notice of temporary service suspension, the license holder must
2.4 document actions taken to minimize or eliminate the need for service suspension. Action
2.5 taken by the license holder must include, at a minimum:

2.6 (1) consultation with the person's support team or expanded support team to identify
2.7 and resolve issues leading to issuance of the notice; and

2.8 (2) a request to the case manager for intervention services identified in section 245D.03,
2.9 subdivision 1, paragraph (c), clause (1), or other professional consultation or intervention
2.10 services to support the person in the program. This requirement does not apply to temporary
2.11 suspensions issued under paragraph (b), clause (3).

2.12 If, based on the best interests of the person, the circumstances at the time of the notice were
2.13 such that the license holder was unable to take the action specified in clauses (1) and (2),
2.14 the license holder must document the specific circumstances and the reason for being unable
2.15 to do so.

2.16 (d) The notice of temporary service suspension must meet the following requirements:

2.17 (1) the license holder must notify the person or the person's legal representative and case
2.18 manager in writing of the intended temporary service suspension. If the temporary service
2.19 suspension is from residential supports and services as defined in section 245D.03,
2.20 subdivision 1, paragraph (c), clause (3), or integrated community supports as defined in
2.21 section 245D.03, subdivision 1, paragraph (c), clause (8), the license holder must also notify
2.22 the commissioner in writing;

2.23 (2) notice of temporary service suspension must be given on the first day of the service
2.24 suspension; and

2.25 (3) the notice must include the reason for the action, a summary of actions taken to
2.26 minimize or eliminate the need for temporary service suspension as required under this
2.27 paragraph, and why these measures failed to prevent the suspension.

2.28 (e) During the temporary suspension period, the license holder must:

2.29 (1) provide information requested by the person or case manager;

2.30 (2) work with the support team or expanded support team to develop reasonable
2.31 alternatives to protect the person and others and to support continuity of care; and

3.1 (3) maintain information about the service suspension, including the written notice of
3.2 temporary service suspension, in the service recipient record.

3.3 (f) If, based on a review by the person's support team or expanded support team, that
3.4 team determines the person no longer poses an imminent risk of physical harm to self or
3.5 others, the person has a right to return to receiving services. If, at the time of the service
3.6 suspension or at any time during the suspension, the person is receiving treatment related
3.7 to the conduct that resulted in the service suspension, the support team or expanded support
3.8 team must consider the recommendation of the licensed health professional, mental health
3.9 professional, or other licensed professional involved in the person's care or treatment when
3.10 determining whether the person no longer poses an imminent risk of physical harm to self
3.11 or others and can return to the program. If the support team or expanded support team makes
3.12 a determination that is contrary to the recommendation of a licensed professional treating
3.13 the person, the license holder must document the specific reasons why a contrary decision
3.14 was made.

3.15 Sec. 2. Minnesota Statutes 2025 Supplement, section 245D.10, subdivision 3a, is amended
3.16 to read:

3.17 Subd. 3a. **Service termination.** (a) The license holder must establish policies and
3.18 procedures for service termination that promote continuity of care and service coordination
3.19 with the person and the case manager and with other licensed caregivers, if any, who also
3.20 provide support to the person. The policy must include the requirements specified in
3.21 paragraphs (b) to (f).

3.22 (b) The license holder must permit each person to remain in the program or to continue
3.23 receiving services and must not terminate services unless:

3.24 (1) the termination is necessary for the person's welfare and the license holder cannot
3.25 meet the person's needs;

3.26 (2) the safety of the person, others in the program, or staff is endangered and positive
3.27 support strategies were attempted and have not achieved and effectively maintained safety
3.28 for the person or others;

3.29 (3) the health of the person, others in the program, or staff would otherwise be
3.30 endangered;

3.31 (4) the license holder has not been paid for services, except an interruption to a person's
3.32 public benefits that lasts for no more than 60 days does not constitute nonpayment;

3.33 (5) the program or license holder ceases to operate;

4.1 (6) the person has been terminated by the lead agency from waiver eligibility; or

4.2 (7) for state-operated community-based services, the person no longer demonstrates
4.3 complex behavioral needs that cannot be met by private community-based providers
4.4 identified in section 246C.11, subdivision 4a, paragraph (a), clause (1).

4.5 (c) Prior to giving notice of service termination, the license holder must document actions
4.6 taken to minimize or eliminate the need for termination. Action taken by the license holder
4.7 must include, at a minimum:

4.8 (1) consultation with the person's support team or expanded support team to identify
4.9 and resolve issues leading to issuance of the termination notice;

4.10 (2) a request to the case manager for intervention services identified in section 245D.03,
4.11 subdivision 1, paragraph (c), clause (1), or other professional consultation or intervention
4.12 services to support the person in the program. This requirement does not apply to notices
4.13 of service termination issued under paragraph (b), clauses (4) and (7); and

4.14 (3) for state-operated community-based services terminating services under paragraph
4.15 (b), clause (7), the state-operated community-based services must engage in consultation
4.16 with the person's support team or expanded support team to:

4.17 (i) identify that the person no longer demonstrates complex behavioral needs that cannot
4.18 be met by private community-based providers identified in section 246C.11, subdivision
4.19 4a, paragraph (a), clause (1);

4.20 (ii) provide notice of intent to issue a termination of services to the lead agency when a
4.21 finding has been made that a person no longer demonstrates complex behavioral needs that
4.22 cannot be met by private community-based providers identified in section 246C.11,
4.23 subdivision 4a, paragraph (a), clause (1);

4.24 (iii) assist the lead agency and case manager in developing a person-centered transition
4.25 plan to a private community-based provider to ensure continuity of care; and

4.26 (iv) coordinate with the lead agency to ensure the private community-based service
4.27 provider is able to meet the person's needs and criteria established in a person's
4.28 person-centered transition plan.

4.29 If, based on the best interests of the person, the circumstances at the time of the notice were
4.30 such that the license holder was unable to take the action specified in clauses (1) and (2),
4.31 the license holder must document the specific circumstances and the reason for being unable
4.32 to do so.

5.1 (d) The notice of service termination must meet the following requirements:

5.2 (1) the license holder must notify the person or the person's legal representative and the
5.3 case manager in writing of the intended service termination. If the service termination is
5.4 from residential supports and services as defined in section 245D.03, subdivision 1, paragraph
5.5 (c), clause (3), or integrated community supports as defined in section 245D.03, subdivision
5.6 1, paragraph (c), clause (8), the license holder must also notify the commissioner in writing;
5.7 and

5.8 (2) the notice must include:

5.9 (i) the reason for the action;

5.10 (ii) except for a service termination under paragraph (b), clause (5), a summary of actions
5.11 taken to minimize or eliminate the need for service termination or temporary service
5.12 suspension as required under paragraph (c), and why these measures failed to prevent the
5.13 termination or suspension;

5.14 (iii) the person's right to appeal the termination of services under section 256.045,
5.15 subdivision 3, paragraph (a); and

5.16 (iv) the person's right to seek a temporary order staying the termination of services
5.17 according to the procedures in section 256.045, subdivision 4a or 6, paragraph (c).

5.18 (e) Notice of the proposed termination of service, including those situations that began
5.19 with a temporary service suspension, must be given at least 90 days prior to termination of
5.20 services under paragraph (b), clause (7), 60 days prior to termination when a license holder
5.21 is providing intensive supports and services identified in section 245D.03, subdivision 1,
5.22 paragraph (c), and 30 days prior to termination for all other services licensed under this
5.23 chapter. This notice may be given in conjunction with a notice of temporary service
5.24 suspension under subdivision 3.

5.25 (f) During the service termination notice period, the license holder must:

5.26 (1) work with the support team or expanded support team to develop reasonable
5.27 alternatives to protect the person and others and to support continuity of care;

5.28 (2) provide information requested by the person or case manager; and

5.29 (3) maintain information about the service termination, including the written notice of
5.30 intended service termination, in the service recipient record.

5.31 (g) For notices issued under paragraph (b), clause (7), the lead agency shall provide
5.32 notice to the commissioner and the Direct Care and Treatment executive board at least 30

6.1 days before the conclusion of the 90-day termination period, if an appropriate alternative
6.2 provider cannot be secured. Upon receipt of this notice, the commissioner and the executive
6.3 board shall reassess whether a private community-based service can meet the person's needs.
6.4 If the commissioner determines that a private provider can meet the person's needs, the
6.5 executive board shall, if necessary, extend notice of service termination until placement can
6.6 be made. If the commissioner determines that a private provider cannot meet the person's
6.7 needs, the executive board shall rescind the notice of service termination and re-engage
6.8 with the lead agency in service planning for the person.

6.9 (h) For state-operated community-based services, the license holder shall prioritize the
6.10 capacity created within the existing service site by the termination of services under paragraph
6.11 (b), clause (7), to serve persons described in section 246C.11, subdivision 4a, paragraph
6.12 (a), clause (1).

6.13 **Sec. 3. [245D.121] INTEGRATED COMMUNITY SUPPORTS; HOUSING**
6.14 **ACCOUNTS REQUIRED.**

6.15 (a) If payment passes between the license holder or any controlling individual of a
6.16 licensed program and a service recipient or an entity acting on the service recipient's behalf
6.17 for the purpose of obtaining or maintaining a living unit in a multifamily housing building
6.18 where the license holder delivers integrated community supports and owns, leases, or has
6.19 a direct or indirect financial relationship with the property owner, the license holder must
6.20 for each service recipient:

6.21 (1) keep accurate accounts of all money the license holder receives from the service
6.22 recipient or an entity acting on the service recipient's behalf;

6.23 (2) deposit all money received in a service recipient specific account or subaccount
6.24 dedicated to receiving and paying each service recipient's housing costs directly to the
6.25 property owner, even if the property owner is the license holder; and

6.26 (3) provide to the service recipient, an entity acting on the service recipient's behalf, the
6.27 service recipient's case manager, or the commissioner, upon demand a statement of the
6.28 amount of all money received, all money deposited in the service recipient specific account,
6.29 and all withdrawals made from the service recipient's account, and the names of the patients
6.30 or residents from whom received.

6.31 (b) The money in the service recipient's account must be used exclusively for expenses
6.32 associated with the service recipient obtaining or maintaining a living unit in a multifamily
6.33 housing building.

7.1 (c) This section continues to apply when a service recipient chooses to not receive
7.2 services from the license holder but instead chooses to receive services other than integrated
7.3 community supports from a provider who does not control the setting and who is not the
7.4 license holder who owns, leases, or has a direct or indirect financial relationship with the
7.5 property owner.

7.6 Sec. 4. **[256B.045] CONTINUITY OF CARE.**

7.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
7.8 the meanings given.

7.9 (b) "Lead agency" means a county, Tribe, or managed care organization.

7.10 (c) "Residential services and supports" means any of the following services as defined
7.11 in the brain injury, community alternative care, community access for disability inclusion,
7.12 developmental disabilities, or elderly waiver plans:

7.13 (1) 24-hour customized living services;

7.14 (2) community residential services;

7.15 (3) customized living services;

7.16 (4) family residential services; and

7.17 (5) integrated community support.

7.18 Subd. 2. **Department of Human Services continuity of care team; establishment.** To
7.19 ensure the continuity of care of older adults and people with disabilities receiving residential
7.20 services and supports following the imposition of a sanction under section 256B.064, the
7.21 commissioner must establish and maintain a continuity of care team. The commissioner
7.22 must ensure the continuity of care team always has sufficient staff capacity and resources
7.23 for timely compliance with the requirements of this subdivision.

7.24 Subd. 3. **Department of Human Services continuity of care team; duties.** (a) Upon
7.25 notice from the commissioner under section 256B.064, subdivision 1, that the commissioner
7.26 intends to impose a sanction on a provider of residential services and support, the continuity
7.27 of care team must:

7.28 (1) identify all the provider's clients whose services might be affected by the sanctions
7.29 the commissioner intends to impose;

7.30 (2) for each identified client, identify the lead agency responsible for providing case
7.31 management to the client;

8.1 (3) for each identified client, identify the client's case manager or care coordinator; and
8.2 (4) for each identified client, develop an initial profile of the client containing the team's
8.3 expectations regarding the services and supports the client is likely to require if the
8.4 commissioner's imposition of sanctions upon the provider puts the continuity of care of the
8.5 provider's clients at risk or poses a risk that the provider's clients will need to transition to
8.6 a new service provider or service setting.

8.7 After the team has completed the tasks identified in clauses (1) to (4), the team must inform
8.8 the commissioner that the team is prepared to intervene on behalf of each identified client
8.9 immediately upon imposition of the commissioner's sanction.

8.10 (b) Upon imposition of the commissioner's sanction, the continuity of care team must
8.11 for each identified client:

8.12 (1) inform the appropriate ombudsman's office, if applicable, and the lead agency that
8.13 the client's services may be disrupted by actions taken by the commissioner under section
8.14 256B.064 and that the lead agency must comply with the requirements of subdivision 3;

8.15 (2) directly inform each identified client's case manager or care coordinator that the
8.16 client's services may be disrupted by actions taken by the commissioner under section
8.17 256B.064, that the continuity of care team is prepared to offer assistance to ensure the client's
8.18 continuity of care, and that the case manager must comply with the requirements of
8.19 subdivision 3; and

8.20 (3) directly inform each identified client that the client's services may be disrupted by
8.21 actions taken by the commissioner under section 256B.064 and that the lead agency, the
8.22 client's case manager, and the continuity of care team are already taking steps to develop
8.23 contingency plans in the event the client's services are disrupted.

8.24 Subd. 4. **Continuity of care team and lead agency shared duties.** (a) The continuity
8.25 of care team and the lead agencies must cooperate and coordinate with the clients' case
8.26 managers to:

8.27 (1) closely monitor services delivered to identified clients of sanctioned providers; and

8.28 (2) develop contingency plans for alternative services, service providers, and service
8.29 settings in the event a client's services are disrupted.

8.30 (b) If a lead agency fails to develop or implement a contingency plan that ensures timely
8.31 transition to alternative services, service provider, or service setting, the continuity of care
8.32 team must directly intervene and provide case management directly to the client at the lead
8.33 agency's expense. The lead agency and the client's case manager must fully cooperate and

9.1 assist the continuity of care team in the provision of case management services at the lead
9.2 agency's expense.

9.3 (c) If the lead agency or the continuity of care team does not identify alternative services,
9.4 service provider, or service setting, the continuity of care team must notify the commissioner
9.5 and the commissioner of health, if applicable, and recommend:

9.6 (1) the commissioner of human services either determine there is a good cause under
9.7 Code of Federal Regulations, title 42, section 455.23(e) or (f) to not suspend payments
9.8 under section 256B.064 or petition the district court of Ramsey County under section
9.9 245A.13; or

9.10 (2) the commissioner of health bring an action under section 144G.20, subdivision 21.

9.11 Sec. 5. Minnesota Statutes 2024, section 256B.064, subdivision 2, is amended to read:

9.12 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall
9.13 determine any monetary amounts to be recovered and sanctions to be imposed upon an
9.14 individual or entity under this section. Except as provided in paragraphs (b) and (d), neither
9.15 a monetary recovery nor a sanction will be imposed by the commissioner without prior
9.16 notice and an opportunity for a hearing, according to chapter 14, on the commissioner's
9.17 proposed action, provided that the commissioner may suspend or reduce payment to an
9.18 individual or entity, except a nursing home or convalescent care facility, after notice and
9.19 prior to the hearing if in the commissioner's opinion that action is necessary to protect the
9.20 public welfare and the interests of the program.

9.21 (b) Except when the commissioner finds good cause not to suspend payments under
9.22 Code of Federal Regulations, title 42, section 455.23(e) or (f), the commissioner shall
9.23 withhold or reduce payments to an individual or entity without providing advance notice
9.24 of such withholding or reduction if either of the following occurs:

9.25 (1) the individual or entity is convicted of a crime involving the conduct described in
9.26 subdivision 1a; or

9.27 (2) the commissioner determines there is a credible allegation of fraud for which an
9.28 investigation is pending under the program. Allegations are considered credible when they
9.29 have an indicium of reliability and the state agency has reviewed all allegations, facts, and
9.30 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of
9.31 fraud is an allegation which has been verified by the state, from any source, including but
9.32 not limited to:

9.33 (i) fraud hotline complaints;

10.1 (ii) claims data mining; and

10.2 (iii) patterns identified through provider audits, civil false claims cases, and law
10.3 enforcement investigations.

10.4 (c) The commissioner must send notice of the withholding or reduction of payments
10.5 under paragraph (b) within five days of taking such action unless requested in writing by a
10.6 law enforcement agency to temporarily withhold the notice. The notice must:

10.7 (1) state that payments are being withheld according to paragraph (b);

10.8 (2) set forth the general allegations as to the nature of the withholding action, but need
10.9 not disclose any specific information concerning an ongoing investigation;

10.10 (3) except in the case of a conviction for conduct described in subdivision 1a, state that
10.11 the withholding is for a temporary period and cite the circumstances under which withholding
10.12 will be terminated;

10.13 (4) identify the types of claims to which the withholding applies; and

10.14 (5) inform the individual or entity of the right to submit written evidence for consideration
10.15 by the commissioner.

10.16 (d) ~~The withholding or reduction of payments will not continue after~~ The commissioner
10.17 ~~determines~~ must cease the withholding or reduction of payments after determining there is
10.18 insufficient evidence of fraud by the individual or entity, after finding good cause not to
10.19 continue withholding or reducing payments under Code of Federal Regulations, title 42,
10.20 section 455.23(e) or (f), or after legal proceedings relating to the alleged fraud are completed,
10.21 unless the commissioner has sent notice of intention to impose monetary recovery or
10.22 sanctions under paragraph (a). Upon conviction for a crime related to the provision,
10.23 management, or administration of a health service under medical assistance, a payment held
10.24 pursuant to this section by the commissioner or a managed care organization that contracts
10.25 with the commissioner under section 256B.035 is forfeited to the commissioner or managed
10.26 care organization, regardless of the amount charged in the criminal complaint or the amount
10.27 of criminal restitution ordered.

10.28 (e) The commissioner shall suspend or terminate an individual's or entity's participation
10.29 in the program without providing advance notice and an opportunity for a hearing when the
10.30 suspension or termination is required because of the individual's or entity's exclusion from
10.31 participation in Medicare. Within five days of taking such action, the commissioner must
10.32 send notice of the suspension or termination. The notice must:

11.1 (1) state that suspension or termination is the result of the individual's or entity's exclusion
11.2 from Medicare;

11.3 (2) identify the effective date of the suspension or termination; and

11.4 (3) inform the individual or entity of the need to be reinstated to Medicare before
11.5 reapplying for participation in the program.

11.6 (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is
11.7 to be imposed, an individual or entity may request a contested case, as defined in section
11.8 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal
11.9 request must be received by the commissioner no later than 30 days after the date the
11.10 notification of monetary recovery or sanction was mailed to the individual or entity. The
11.11 appeal request must specify:

11.12 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount
11.13 involved for each disputed item;

11.14 (2) the computation that the individual or entity believes is correct;

11.15 (3) the authority in statute or rule upon which the individual or entity relies for each
11.16 disputed item;

11.17 (4) the name and address of the person or entity with whom contacts may be made
11.18 regarding the appeal; and

11.19 (5) other information required by the commissioner.

11.20 (g) The commissioner may order an individual or entity to forfeit a fine for failure to
11.21 fully document services according to standards in this chapter and Minnesota Rules, chapter
11.22 9505. The commissioner may assess fines if specific required components of documentation
11.23 are missing. The fine for incomplete documentation shall equal 20 percent of the amount
11.24 paid on the claims for reimbursement submitted by the individual or entity, or up to \$5,000,
11.25 whichever is less. If the commissioner determines that an individual or entity repeatedly
11.26 violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to
11.27 the provision of services to program recipients and the submission of claims for payment,
11.28 the commissioner may order an individual or entity to forfeit a fine based on the nature,
11.29 severity, and chronicity of the violations, in an amount of up to \$5,000 or 20 percent of the
11.30 value of the claims, whichever is greater.

11.31 (h) The individual or entity shall pay the fine assessed on or before the payment date
11.32 specified. If the individual or entity fails to pay the fine, the commissioner may withhold

12.1 or reduce payments and recover the amount of the fine. A timely appeal shall stay payment
12.2 of the fine until the commissioner issues a final order.

12.3 (i) Prior to suspending or withholding payments to an entity providing residential services
12.4 and supports to an older adult or person with a disability, or suspending or terminating the
12.5 entity's participation in medical assistance, the commissioner must notify the Department
12.6 of Human Services continuity of care team established under section 256B.045. The
12.7 commissioner must not suspend or withhold payments to an entity providing residential
12.8 services and supports to an older adult or person with a disability, or suspend or terminate
12.9 the entity's participation in the program, until the continuity of care team notifies the
12.10 commissioner that the team is prepared to immediately intervene and comply with its duties
12.11 under section 256B.045 upon imposition of the commissioner's sanction. For the purposes
12.12 of this paragraph, "residential services and supports" has the meaning given under section
12.13 256B.045, subdivision 1.

12.14 Sec. 6. Minnesota Statutes 2024, section 256B.492, subdivision 1, is amended to read:

12.15 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
12.16 the meanings given.

12.17 (b) "Community-living setting" means a single-family home or multifamily dwelling
12.18 unit where a service recipient or a service recipient's family owns or rents and maintains
12.19 control over the individual unit as demonstrated by a lease agreement. Community-living
12.20 setting does not include a home or dwelling unit that the service provider of the service
12.21 recipient's services owns, operates, or leases or in which the service provider of the service
12.22 recipient's services has a direct or indirect financial interest.

12.23 (c) "Controlling individual" has the meaning given in section 245A.02, subdivision 5a.

12.24 (d) "License holder" has the meaning given in section 245A.02, subdivision 9.

12.25 Sec. 7. Minnesota Statutes 2024, section 256B.492, subdivision 3, is amended to read:

12.26 Subd. 3. **Community-living settings.** (a) Individuals receiving services under a home
12.27 and community-based waiver under section 256B.092 or 256B.49 may receive services in
12.28 community-living settings. Community-living settings must meet the requirements of
12.29 subdivision 2, paragraph (a), clause (1).

12.30 (b) For the purposes of this section, direct financial interest exists if payment passes
12.31 between the license holder or any controlling individual of a licensed program and the
12.32 service recipient or an entity acting on the service recipient's behalf for the purpose of

13.1 obtaining or maintaining a dwelling. For the purposes of this section, indirect financial
13.2 interest exists if the license holder or any controlling individual of a licensed program has
13.3 an ownership or investment interest in the entity that owns, operates, leases, or otherwise
13.4 receives payment from the service recipient or an entity acting on the service recipient's
13.5 behalf for the purpose of obtaining or maintaining a dwelling. Neither a direct nor an indirect
13.6 financial interest exists if the service recipient is receiving services from a license holder
13.7 or a licensed program that is not the license holder or a licensed program that owns, operates,
13.8 leases, or has a direct or indirect financial interest in the setting in which the service
13.9 recipient's services are being delivered.

13.10 (c) To ensure a service recipient or the service recipient's family maintains control over
13.11 the home or dwelling unit, community-living settings are subject to the following
13.12 requirements:

13.13 (1) service recipients must not be required to receive services or share services;

13.14 (2) service recipients must not be required to have a disability or specific diagnosis to
13.15 live in the community-living setting;

13.16 (3) service recipients may hire service providers of their choice;

13.17 (4) service recipients may choose whether to share their household and with whom;

13.18 (5) the home or multifamily dwelling unit must include living, sleeping, bathing, and
13.19 cooking areas;

13.20 (6) service recipients must have lockable access and egress;

13.21 (7) service recipients must be free to receive visitors and leave the settings at times and
13.22 for durations of their own choosing;

13.23 (8) leases must comply with chapter 504B;

13.24 (9) landlords must not charge different rents to tenants who are receiving home and
13.25 community-based services; and

13.26 (10) access to the greater community must be easily facilitated based on the service
13.27 recipient's needs and preferences.

13.28 (d) Nothing in this section prohibits a service recipient from having another person or
13.29 entity not affiliated with the service provider cosign a lease. Nothing in this section prohibits
13.30 a service recipient, during any period in which a service provider has cosigned the service
13.31 recipient's lease, from modifying services with an existing cosigning service provider and,
13.32 subject to the approval of the landlord, maintaining a lease cosigned by the service provider.

14.1 Nothing in this section prohibits a service recipient, during any period in which a service
14.2 provider has cosigned the service recipient's lease, from terminating services with the
14.3 cosigning service provider, receiving services from a new service provider, or, subject to
14.4 the approval of the landlord, maintaining a lease cosigned by the new service provider.

14.5 (e) A lease cosigned by a service provider meets the requirements of paragraph (b) if
14.6 the service recipient and service provider develop and implement a transition plan which
14.7 must provide that, within two years of cosigning the initial lease, the service provider shall
14.8 transfer the lease to the service recipient and other cosigners, if any.

14.9 (f) In the event the landlord has not approved the transfer of the lease within two years
14.10 of the service provider cosigning the initial lease, the service provider must submit a
14.11 time-limited extension request to the commissioner of human services to continue the
14.12 cosigned lease arrangement. The extension request must include:

14.13 (1) the reason the landlord denied the transfer;

14.14 (2) the plan to overcome the denial to transfer the lease;

14.15 (3) the length of time needed to successfully transfer the lease, not to exceed an additional
14.16 two years;

14.17 (4) a description of how the transition plan was followed, what occurred that led to the
14.18 landlord denying the transfer, and what changes in circumstances or condition, if any, the
14.19 service recipient experienced; and

14.20 (5) a revised transition plan to transfer the cosigned lease between the service provider
14.21 and the service recipient to the service recipient.

14.22 (g) The commissioner must approve an extension under paragraph (f) within sufficient
14.23 time to ensure the continued occupancy by the service recipient.