

1.1 Senator moves to amend S.F. No. 4476 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 CONTINUITY OF CARE

1.5 Section 1. [256B.045] CONTINUITY OF CARE.

1.6 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
1.7 the meanings given.

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

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

1.12 (1) 24-hour customized living services;

1.13 (2) community residential services;

1.14 (3) customized living services;

1.15 (4) family residential services; and

1.16 (5) integrated community support.

1.17 Subd. 2. Department of Human Services continuity of care team; establishment. To
1.18 ensure the continuity of care of older adults and people with disabilities receiving residential
1.19 services and supports following the imposition of a payment withhold under section
1.20 256B.064, subdivision 2, the commissioner must establish and maintain a continuity of care
1.21 team. The commissioner must ensure the continuity of care team always has sufficient staff
1.22 capacity and resources for timely compliance with the requirements of this section.

1.23 Subd. 3. Department of Human Services continuity of care team; duties. (a) Upon
1.24 notice from the commissioner under section 256B.064, subdivision 2, paragraph (i), that
1.25 the commissioner intends to impose a payment withhold on a provider of residential services
1.26 and supports, the continuity of care team must:

1.27 (1) identify all the provider's clients whose services might be affected by the payment
1.28 withhold the commissioner intends to impose, including all clients paying for services from
1.29 a source other than medical assistance;

2.1 (2) for each identified client, identify the lead agency responsible for providing case
2.2 management or care coordination to the client;

2.3 (3) for each identified client, identify the client's case manager or care coordinator; and

2.4 (4) for each identified client, develop an initial profile of the client containing the team's
2.5 expectations regarding the services and supports the client is likely to require if the
2.6 commissioner's imposition of a payment withhold upon the provider puts the continuity of
2.7 care of the provider's client at risk or poses a risk that the provider's client will need to
2.8 transition to a new service provider or setting.

2.9 After the team has completed the tasks identified in clauses (1) to (4), the team must inform
2.10 the commissioner that the team is prepared to intervene on behalf of each identified client
2.11 immediately upon imposition of the payment withhold.

2.12 (b) Upon imposition of the payment withhold, for each identified client, the continuity
2.13 of care team must:

2.14 (1) inform the office of the ombudsman for long-term care, the office of the ombudsman
2.15 for mental health and developmental disabilities, the office of the ombudsperson for public
2.16 managed care health care programs, and the lead agency that the client's services may be
2.17 disrupted by actions taken by the commissioner under section 256B.064, subdivision 2, and
2.18 that the lead agency must comply with the requirements of subdivision 4;

2.19 (2) directly inform each identified client's case manager or care coordinator that the
2.20 client's services may be disrupted by actions taken by the commissioner under section
2.21 256B.064, subdivision 2, that the continuity of care team is prepared to offer assistance to
2.22 ensure the client's continuity of care, and that the case manager must comply with the
2.23 requirements of subdivision 4; and

2.24 (3) directly inform each identified client that the client's services may be disrupted by
2.25 actions taken by the commissioner under section 256B.064, subdivision 2, and that the lead
2.26 agency, the client's case manager, and the continuity of care team are already taking steps
2.27 to develop contingency plans in the event the client's services are disrupted.

2.28 **Subd. 4. Continuity of care team and lead agency shared duties.** (a) This subdivision
2.29 applies to all lead agencies regardless of whether a lead agency provides case management
2.30 directly or under contract.

2.31 (b) The continuity of care team and the lead agency must cooperate and coordinate with
2.32 the client's case manager to:

3.1 (1) closely monitor services delivered to a client of a provider subject to a payment
3.2 withhold; and

3.3 (2) develop a person-centered contingency plan for alternative services or an alternative
3.4 service provider or setting in the event a client's services are disrupted.

3.5 (c) If a lead agency fails to develop or implement a person-centered contingency plan
3.6 that ensures timely transition to alternative services or to an alternative service provider or
3.7 setting, the continuity of care team must directly intervene and provide case management
3.8 directly to the client. The lead agency and the client's case manager must fully cooperate
3.9 and assist the continuity of care team in the provision of case management services. The
3.10 lead agency is responsible for the state share of case management services provided by the
3.11 continuity of care team.

3.12 (d) If the lead agency or the continuity of care team does not identify alternative services
3.13 or an alternative service provider or setting, the continuity of care team must notify the
3.14 commissioner and the commissioner of health, if applicable, and recommend:

3.15 (1) the commissioner of human services either determine there is a good cause under
3.16 Code of Federal Regulations, title 42, section 455.23(e) or (f) to not suspend payments
3.17 under section 256B.064, subdivision 2, or petition the district court of Ramsey County under
3.18 section 245A.13 to be appointed receiver to operate the residential program; or

3.19 (2) the commissioner of health bring an action under section 144G.20, subdivision 21,
3.20 against the provider subject to the withhold for violations of section 144G.52 or 144G.53.

3.21 (e) If the commissioner does not follow the recommendations of the continuity of care
3.22 team identified in paragraph (d), within 30 days of receipt of the recommendations, the
3.23 commissioner must notify the chairs and ranking minority members of the legislative
3.24 committees with jurisdiction over human services of the commissioner's decision and include
3.25 in the notice an explanation of the commissioner's rejection of the recommendations, the
3.26 number of clients who will lose services as a result of the commissioner's decision, and the
3.27 likely outcomes for the clients who will lose services.

3.28 Subd. 5. **Provider duties.** (a) The provider must fully cooperate with the lead agency
3.29 and the continuity of care team to effectuate a coordinated transfer or coordinated move for
3.30 each client who requires a new provider.

3.31 (b) Nothing in this section absolves a provider of its obligations under chapters 144G,
3.32 245A, and 245D with respect to service suspensions, service terminations, contract
3.33 terminations, and coordinated moves. The commissioner of health and the commissioner

4.1 of human services may impose any sanctions available under law for violations of a licensing
4.2 requirement even if the provider complies with paragraph (a).

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

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

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

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

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

4.25 (i) fraud hotline complaints;

4.26 (ii) claims data mining; and

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

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

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

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

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

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

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

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

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

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

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

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

5.31 (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is
5.32 to be imposed, an individual or entity may request a contested case, as defined in section
5.33 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal

6.1 request must be received by the commissioner no later than 30 days after the date the
6.2 notification of monetary recovery or sanction was mailed to the individual or entity. The
6.3 appeal request must specify:

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

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

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

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

6.11 (5) other information required by the commissioner.

6.12 (g) The commissioner may order an individual or entity to forfeit a fine for failure to
6.13 fully document services according to standards in this chapter and Minnesota Rules, chapter
6.14 9505. The commissioner may assess fines if specific required components of documentation
6.15 are missing. The fine for incomplete documentation shall equal 20 percent of the amount
6.16 paid on the claims for reimbursement submitted by the individual or entity, or up to \$5,000,
6.17 whichever is less. If the commissioner determines that an individual or entity repeatedly
6.18 violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to
6.19 the provision of services to program recipients and the submission of claims for payment,
6.20 the commissioner may order an individual or entity to forfeit a fine based on the nature,
6.21 severity, and chronicity of the violations, in an amount of up to \$5,000 or 20 percent of the
6.22 value of the claims, whichever is greater.

6.23 (h) The individual or entity shall pay the fine assessed on or before the payment date
6.24 specified. If the individual or entity fails to pay the fine, the commissioner may withhold
6.25 or reduce payments and recover the amount of the fine. A timely appeal shall stay payment
6.26 of the fine until the commissioner issues a final order.

6.27 (i) Prior to suspending or withholding payments to an entity providing residential services
6.28 and supports to an older adult or person with a disability, or suspending or terminating the
6.29 entity's participation in medical assistance, the commissioner must notify the Department
6.30 of Human Services continuity of care team established under section 256B.045. The
6.31 commissioner must not suspend or withhold payments to an entity providing residential
6.32 services and supports to an older adult or person with a disability, or suspend or terminate
6.33 the entity's participation in the program, until the continuity of care team notifies the

7.1 commissioner that the team is prepared to immediately intervene and comply with its duties
7.2 under section 256B.045 upon imposition of the commissioner's sanction. For the purposes
7.3 of this paragraph, "residential services and supports" has the meaning given under section
7.4 256B.045, subdivision 1.

7.5 ARTICLE 2

7.6 AGING AND DISABILITY SERVICES

7.7 Section 1. Minnesota Statutes 2024, section 62S.23, subdivision 1, is amended to read:

7.8 Subdivision 1. **Inflation protection feature.** (a) No insurer may offer a long-term care
7.9 insurance policy unless the insurer also offers to the policyholder, in addition to any other
7.10 inflation protection, the option to purchase a policy that provides for benefit levels to increase
7.11 with benefit maximums or reasonable durations which are meaningful to account for
7.12 reasonably anticipated increases in the costs of long-term care services covered by the
7.13 policy. In addition to other options that may be offered, insurers must offer to each
7.14 policyholder, at the time of purchase, the option to purchase a policy with an inflation
7.15 protection feature no less favorable than one of the following:

7.16 (1) increases benefit levels annually in a manner so that the increases are compounded
7.17 annually at a rate not less than five percent;

7.18 (2) guarantees the insured individual the right to periodically increase benefit levels
7.19 without providing evidence of insurability or health status so long as the option for the
7.20 previous period has not been declined. The amount of the additional benefit shall be no less
7.21 than the difference between the existing policy benefit and that benefit compounded annually
7.22 at a rate of at least five percent for the period beginning with the purchase of the existing
7.23 benefit and extending until the year in which the offer is made; or

7.24 (3) covers a specified percentage of actual or reasonable charges and does not include
7.25 a maximum specified indemnity amount or limit.

7.26 (b) A long-term care partnership policy must provide the inflation protection described
7.27 in this subdivision. If the policy is sold to an individual who:

7.28 (1) has not attained age 61 as of the date of purchase, the policy must provide compound
7.29 annual inflation protection;

7.30 (2) has attained age 61, but has not attained age 76 as of such date, the policy must
7.31 provide some level of inflation protection; and

8.1 (3) has attained the age of 76 as of such date, the policy may, but is not required to,
8.2 provide some level of inflation protection.

8.3 (c) Inflation protection for a long-term care partnership policy may not be:

8.4 (1) for coverage sold on or after July 1, 2015, less than:

8.5 (i) one percent per year; or

8.6 (ii) a rate based on changes in the Consumer Price Index; or

8.7 (2) for coverage sold before July 1, 2015, less than:

8.8 (i) three percent per year;

8.9 (ii) a rate based on changes in the Consumer Price Index; or

8.10 (iii) one percent per year if the policyholder requests a reduction to the inflation protection
8.11 rate.

8.12 The commissioner, however, may approve other types of inflation protection that comply
8.13 with this section and further the goals of the partnership program.

8.14 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
8.15 whichever is later. The commissioner of human services shall notify the revisor of statutes
8.16 when federal approval is obtained.

8.17 Sec. 2. Minnesota Statutes 2025 Supplement, section 144.0724, subdivision 2, is amended
8.18 to read:

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

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

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

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

8.28 (d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment,
8.29 and functional status elements, that include common definitions and coding categories

9.1 specified by the Centers for Medicare and Medicaid Services and designated by the
9.2 Department of Health.

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

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

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

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

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

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

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

9.17 This paragraph expires upon the effective date of paragraph (h).

9.18 (h) Effective January 1, 2027, or upon federal approval, whichever is later, "nursing
9.19 facility level of care determination" means the assessment process that results in a
9.20 determination of a resident's or prospective resident's need for nursing facility level of care:

9.21 (1) as established in subdivision 11 for purposes of medical assistance payment of
9.22 long-term care services for:

9.23 (i) nursing facility services under chapter 256R;

9.24 (ii) elderly waiver services under chapter 256S; and

9.25 (iii) state payment of alternative care services under section 256B.0913; and

9.26 (2) as established in subdivision 11a for purposes of medical assistance payment of
9.27 long-term care services for brain injury and community access for disability and inclusion
9.28 waivers under section 256B.49.

9.29 ~~(h)~~ (i) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement
9.30 classification system for residents in nursing facilities based on the resident's condition,

10.1 diagnosis, and the care the resident received at the time of the MDS assessment with an
10.2 ARD on or after October 1, 2025.

10.3 ~~(i)~~ (j) "Resource utilization group" or "RUG" means the case mix reimbursement
10.4 classification system for residents in nursing facilities according to the resident's clinical
10.5 and functional status as reflected in data supplied by the facility's MDS with an ARD on or
10.6 before September 30, 2025.

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

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

10.10 **Subd. 11a. Nursing facility level of care; BI and CADI waivers.** (a) Effective January
10.11 1, 2027, or upon federal approval, whichever is later, a determination of need for nursing
10.12 facility level of care for brain injury and community access for disability and inclusion
10.13 waivers under section 256B.49 must meet one of the following criteria:

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

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

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

10.22 (b) Nursing facility level of care determinations for purposes of initial and ongoing
10.23 access to brain injury and community access for disability inclusion waiver programs must
10.24 be conducted by a MnCHOICES certified assessor in a manner determined by the
10.25 commissioner.

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

10.27 Sec. 4. Minnesota Statutes 2024, section 144.292, subdivision 6, is amended to read:

10.28 Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of
10.29 reviewing current medical care, the provider must not charge a fee.

10.30 (b) When a provider or its representative makes copies of patient records upon a patient's
10.31 request under this section, the provider or its representative may charge the patient or the

11.1 patient's representative no more than the following amount, unless other law or a rule or
11.2 contract provide for a lower maximum charge:

11.3 (1) for paper copies, \$1 per page, plus \$10 for time spent retrieving and copying the
11.4 records;

11.5 (2) for x-rays, a total of \$30 for retrieving and reproducing x-rays; and

11.6 (3) for electronic copies, a total of \$20 for retrieving the records.

11.7 (c) For any copies of paper records provided under paragraph (b), clause (1), a provider
11.8 or the provider's representative may not charge more than a total of:

11.9 (1) \$10 if there are no records available;

11.10 (2) \$30 for copies of records of up to 25 pages;

11.11 (3) \$50 for copies of records of up to 100 pages;

11.12 (4) \$50, plus an additional 20 cents per page for pages 101 and above; or

11.13 (5) \$500 for any request.

11.14 (d) A provider or its representative may charge a \$10 retrieval fee, but must not charge
11.15 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's
11.16 authorized representative if the request for copies of records is for purposes of appealing a
11.17 denial of Social Security disability income or Social Security disability benefits under title
11.18 II or title XVI of the Social Security Act. Notwithstanding the foregoing, a provider or its
11.19 representative must not charge a fee, including a retrieval fee, to provide copies of records
11.20 requested by a patient or the patient's authorized representative if the request for copies of
11.21 records is for purposes of appealing a denial of Social Security disability income or Social
11.22 Security disability benefits under title II or title XVI of the Social Security Act when the
11.23 patient is receiving public assistance, represented by an attorney on behalf of a civil legal
11.24 services program, or represented by a volunteer attorney program based on indigency. The
11.25 patient or the patient's representative must submit one of the following to show that they
11.26 are entitled to receive records without charge under this paragraph:

11.27 (1) a public assistance statement from the county or state administering assistance;

11.28 (2) a request for records on the letterhead of the civil legal services program or volunteer
11.29 attorney program based on indigency; or

11.30 (3) a benefits statement from the Social Security Administration.

12.1 For the purpose of further appeals, a patient may receive no more than two medical record
12.2 updates without charge, but only for medical record information previously not provided.
12.3 For purposes of this paragraph, a patient's authorized representative does not include units
12.4 of state government engaged in the adjudication of Social Security disability claims.

12.5 (e) A provider or its representative may charge a \$10 retrieval fee, but must not charge
12.6 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's
12.7 authorized representative if the request for copies of records is for purposes of a disability
12.8 determination by the department's state medical review team. Notwithstanding the foregoing,
12.9 a provider or its representative must not charge a fee, including a retrieval fee, to provide
12.10 copies of records requested by a patient or the patient's authorized representative if the
12.11 request for copies of records is for purposes of a disability determination by the department's
12.12 state medical review team when the patient is receiving public assistance. To show that the
12.13 patient or the patient's representative is entitled to receive records without charge under this
12.14 paragraph, the patient or the patient's representative must submit either the patient's public
12.15 assistance statement from the county or state administering assistance or the patient's benefits
12.16 statement from the Social Security Administration.

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

12.18 Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 2, is amended to read:

12.19 Subd. 2. **Notification of affected municipality.** The commissioner must not issue a
12.20 license under this chapter without giving 30 calendar days' written notice to the affected
12.21 municipality or other political subdivision unless the program is considered a permitted
12.22 single-family residential use under sections 245A.11 and 245A.14. If the program is
12.23 considered a permitted single-family residence, the commissioner must give the affected
12.24 municipality or other political subdivision written notice of the issuance no later than five
12.25 days after issuing the license, excluding weekends and holidays. The written notice must
12.26 include the prospective license holder's name and contact information, the license type and
12.27 capacity, and the proposed address of the licensed facility or program. The commissioner
12.28 may provide notice through electronic communication. The notification must be given
12.29 before the first issuance of a license under this chapter and annually after that time if annual
12.30 notification is requested in writing by the affected municipality or other political subdivision.
12.31 State funds must not be made available to or be spent by an agency or department of state,
12.32 county, or municipal government for payment to a residential or nonresidential program
12.33 licensed under this chapter until the provisions of this subdivision have been complied with
12.34 in full. The provisions of this subdivision shall not apply to programs located in hospitals.

13.1 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to licenses
13.2 issued on or after that date.

13.3 Sec. 6. Minnesota Statutes 2024, section 245A.04, subdivision 2a, is amended to read:

13.4 Subd. 2a. **Meeting fire and safety codes.** (a) An applicant or license holder under
13.5 sections 245A.01 to 245A.16 must document compliance with applicable building codes,
13.6 fire and safety codes, health rules, and zoning ordinances, or document that an appropriate
13.7 waiver has been granted.

13.8 (b) At the request of a county or local unit of government, the commissioner may delegate
13.9 to a county agency or local unit of government the commissioner's or local agency's authority
13.10 to inspect an existing residential program serving six or fewer persons for compliance with
13.11 zoning ordinances and applicable physical plant licensing requirements. If the commissioner
13.12 delegates the commissioner's or local agency's authority to a county agency or local unit of
13.13 government under this subdivision, the commissioner must execute a formal delegation of
13.14 authority that clearly specifies what authority is being delegated to the county agency or
13.15 local unit of government, that the commissioner is responsible for any costs incurred by the
13.16 county agency or local unit of government for conducting inspections under delegated
13.17 authority, and that the county agency or local unit of government must not assess any
13.18 additional fees for conducting an inspection under delegated authority. When conducting
13.19 an inspection under delegated authority, the county agency or local unit of government must
13.20 provide the subject of the inspection with a copy of the delegation of authority.

13.21 (c) When a county agency or local unit of government is conducting an inspection under
13.22 delegated authority as provided in paragraph (b), the county agency or local unit of
13.23 government and the agency responsible for licensing inspections must coordinate their
13.24 inspections to minimize visits to and disruptions of the residential program. A county agency
13.25 or local unit of government conducting an inspection must notify the commissioner of any
13.26 violations or concerns within ten days of the inspection, excluding weekends and holidays.
13.27 A county agency or local unit of government that conducts inspections under this subdivision
13.28 must not inspect a residential program more frequently than annually, except a follow-up
13.29 inspection is permitted before the next annual inspection to verify correction of a violation
13.30 discovered during the most recent inspection.

13.31 (d) The commissioner must ensure that laws, rules, and codes are uniformly enforced
13.32 throughout the state by reviewing at least every four years each county agency and local
13.33 unit of government conducting inspections under this subdivision for compliance with this
13.34 subdivision and other applicable laws and rules.

14.1 **EFFECTIVE DATE.** This section is effective January 1, 2027.

14.2 Sec. 7. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
14.3 to read:

14.4 Subd. 7. **Colocation of certain home and community-based residential settings.** (a)
14.5 Effective July 1, 2026, the commissioner must not authorize services in or grant an initial
14.6 license under this chapter or under chapter 245D for any of the following residential settings
14.7 or programs unless the proposed setting meets the heightened home and community-based
14.8 setting standards described in this subdivision:

14.9 (1) a community residential setting, as defined under section 245D.02, subdivision 4a;

14.10 (2) an adult foster care home;

14.11 (3) a setting providing customized living service with a resident capacity of six or fewer;

14.12 (4) a setting providing 24-hour customized living services with a resident capacity of
14.13 six or fewer; and

14.14 (5) an assisted living facility licensed under chapter 144G with a resident capacity of
14.15 six or fewer.

14.16 (b) Newly licensed settings enumerated in paragraph (a) must not be located on the same
14.17 property or on an adjoining property of any existing community residential setting, any
14.18 existing adult foster care setting, any existing setting providing family residential services
14.19 to an adult, any existing setting providing customized living service with a resident capacity
14.20 of six or fewer, any existing setting providing 24-hour customized living services with a
14.21 resident capacity of six or fewer, or any existing assisted living facility licensed under
14.22 chapter 144G with a resident capacity of six or fewer. The requirements of this paragraph
14.23 apply regardless of who owns or controls the existing setting. The commissioner must
14.24 comply with section 245A.11, subdivision 4, when authorizing services or granting an initial
14.25 license under this subdivision.

14.26 (c) For the purposes of this subdivision, "adjoining property" means a property that
14.27 shares a common boundary line with another property. Adjoining property also includes
14.28 properties that meet at a common corner point. The presence of a right-of-way or public
14.29 easement, including but not limited to a bicycle path, alley, or residential street, between
14.30 adjoining properties, including between properties that but for the right-of-way or public
14.31 easement would share a common corner point, are adjoining properties.

15.1 Sec. 8. Minnesota Statutes 2024, section 256.01, subdivision 21, is amended to read:

15.2 Subd. 21. **Interagency ~~agreement~~ agreements with Department of Health.** (a) The
15.3 commissioner of human services shall amend the interagency agreement with the
15.4 commissioner of health to certify nursing facilities for participation in the medical assistance
15.5 program, to require the commissioner of health, as a condition of the agreement, to comply
15.6 beginning July 1, 2005, with action plans included in the annual survey and certification
15.7 quality improvement report required under section 144A.10, subdivision 17.

15.8 (b) The commissioners of health and human services must execute an interagency
15.9 agreement to determine on behalf of the commissioner of health whether an assisted living
15.10 facility for which either an applicant is seeking a provisional license under chapter 144G
15.11 or a licensee is seeking to relocate under section 144G.195 meets the standards described
15.12 under section 245A.042, subdivision 7.

15.13 Sec. 9. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 1, is amended
15.14 to read:

15.15 Subdivision 1. **Long-term services and supports loan program.** The commissioner
15.16 of human services shall establish a loan program to provide operating loans to eligible
15.17 long-term services and supports providers. ~~The commissioner shall initiate the application~~
15.18 ~~process for the loan described in this section on an ongoing basis.~~ The commissioner must
15.19 not issue any new loans under this program after June 30, 2026.

15.20 Sec. 10. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 7, is amended
15.21 to read:

15.22 Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent
15.23 in the timely payment of a contractual payment under this section, the provisions in
15.24 paragraphs (b) to (e) apply.

15.25 (b) The commissioner may withhold some or all of the amount of the delinquent loan
15.26 payment, together with any penalties due and owing on those amounts, from any money
15.27 the department owes to the borrower. The commissioner may, at the commissioner's
15.28 discretion, also withhold future contractual payments from any money the commissioner
15.29 owes the provider as those contractual payments become due and owing. The commissioner
15.30 may continue this withholding until the commissioner determines there is no longer any
15.31 need to do so.

16.1 (c) The commissioner shall give prior notice of the commissioner's intention to withhold
16.2 by mail, facsimile, or email at least ten business days before the date of the first payment
16.3 period for which the withholding begins. The notice must be deemed received as of the date
16.4 of mailing or receipt of the facsimile or electronic notice. The notice must state:

16.5 (1) the amount of the delinquent contractual payment;

16.6 (2) the amount of the withholding per payment period;

16.7 (3) the date on which the withholding is to begin;

16.8 (4) whether the commissioner intends to withhold future installments of the provider's
16.9 contractual payments; and

16.10 (5) other contents as the commissioner deems appropriate.

16.11 (d) The commissioner, or the commissioner's designee, may enter into written settlement
16.12 agreements with a provider to resolve disputes and other matters involving unpaid loan
16.13 contractual payments or future loan contractual payments.

16.14 (e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties,
16.15 are overpayments for the purposes of section 256B.0641, subdivision 1. The current long-term
16.16 services and supports provider is liable for the overpayment amount owed by a former owner
16.17 for any provider sold, transferred, or reorganized.

16.18 (f) By January 15 each year, the commissioner must provide to the chairs and ranking
16.19 minority members of the legislative committees with jurisdiction over nursing facilities a
16.20 report of all facilities that are delinquent in their repayments. The reporting required under
16.21 this paragraph expires upon notification by the commissioner to the committees that there
16.22 are no outstanding balances from loan awards issued under this subdivision.

16.23 Sec. 11. Minnesota Statutes 2025 Supplement, section 256.4792, is amended by adding
16.24 a subdivision to read:

16.25 Subd. 11. **Loan program expiration.** After the commissioner collects all loan repayments
16.26 incurred on or before June 30, 2026, this section expires. The commissioner must notify
16.27 the revisor of statutes once all loan repayments under this section are collected.

16.28 Sec. 12. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision
16.29 to read:

16.30 Subd. 28. **Interpretive guidelines for disability waiver regulation.** (a) The
16.31 commissioner of human services must develop and publish interpretive guidelines within

17.1 120 calendar days of the effective date of any statutory changes, waiver plan amendments,
17.2 state or federal administrative ruling, or state or federal court decisions that affect policies
17.3 or reimbursement for services licensed under chapter 245D, authorized under section
17.4 256B.092 or 256B.49, or reimbursed under section 256B.4914.

17.5 (b) Interpretive guidelines issued by the commissioner under this subdivision do not
17.6 have the force and effect of law and have no precedential effect but may be relied on by
17.7 consumers, providers of service, county agencies, the Department of Human Services, and
17.8 others concerned until revoked or modified. An interpretive guideline may be expressly
17.9 revoked or modified by the commissioner or by the issuance of another interpretive guideline
17.10 but may not be revoked or modified retroactively to the detriment of consumers, providers
17.11 of service, county agencies, the Department of Human Services, or others concerned. A
17.12 change in the law or an interpretation of the law occurring after the interpretive guidelines
17.13 are issued, whether in the form of a statute, court decision, administrative ruling, or
17.14 subsequent interpretive guideline, results in the revocation or modification of the previously
17.15 adopted guidelines to the extent that the change affects the guidelines.

17.16 **EFFECTIVE DATE.** This section is effective the day following final enactment and
17.17 applies to statutory changes, waiver plan amendments, state or federal administrative rulings,
17.18 or state or federal court decisions effective or issued on or after that date.

17.19 Sec. 13. Minnesota Statutes 2024, section 256B.0571, subdivision 6, is amended to read:

17.20 Subd. 6. **Partnership policy.** "Partnership policy" means a long-term care insurance
17.21 policy that meets the criteria in sections 62S.23, subdivision 1, ~~paragraph~~ paragraphs (b)
17.22 and (c), and 62S.312 and was issued on or after July 1, 2006, or exchanged on or after July
17.23 1, 2006, under the provisions of section 62S.24, subdivision 8.

17.24 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
17.25 whichever is later. The commissioner of human services shall notify the revisor of statutes
17.26 when federal approval is obtained.

17.27 Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.0911, subdivision 14, is
17.28 amended to read:

17.29 Subd. 14. **Use of MnCHOICES certified assessors required.** (a) Each lead agency
17.30 shall use MnCHOICES certified assessors who have completed MnCHOICES training and
17.31 the certification process determined by the commissioner in subdivision 13.

18.1 (b) Each lead agency must ensure that the lead agency has sufficient numbers of certified
18.2 assessors to provide long-term consultation assessment and support planning within the
18.3 timelines and parameters of the service.

18.4 (c) A lead agency may choose, according to departmental policies, to contract with a
18.5 qualified, certified assessor to conduct assessments and reassessments on behalf of the lead
18.6 agency.

18.7 (d) Tribes and health plans under contract with the commissioner must provide long-term
18.8 care consultation services as specified in the contract.

18.9 (e) A lead agency must provide the commissioner with an administrative contact for
18.10 communication purposes.

18.11 (f) A lead agency may contract under this subdivision with any hospital licensed under
18.12 sections 144.50 to 144.56 to conduct assessments of patients in the hospital on behalf of
18.13 the lead agency when the lead agency has failed to meet its obligations under subdivision
18.14 17. The contracted assessment must be conducted by a hospital employee who is a qualified,
18.15 certified assessor. The hospital employees who perform assessments under the contract
18.16 between the hospital and the lead agency may perform assessments in addition to other
18.17 duties assigned to the employee by the hospital, except the hospital employees who perform
18.18 the assessments under contract with the lead agency must not perform any waiver-related
18.19 tasks other than assessments. Hospitals are not eligible for reimbursement under subdivision
18.20 33. The lead agency that enters into a contract with a hospital under this paragraph is
18.21 responsible for oversight, compliance, and quality assurance for all assessments performed
18.22 under the contract.

18.23 (g) The commissioner must employ certified assessors within the department to conduct
18.24 assessments on behalf of lead agencies under conditions and circumstances determined by
18.25 the commissioner. Certified assessors employed by the department may conduct assessments
18.26 in addition to other duties as assigned, except the certified assessors employed by the
18.27 department must not perform any responsibilities of a lead agency described in this section
18.28 other than assessments. Nothing in this paragraph creates an obligation for the department
18.29 to provide the department's certified assessors to conduct assessments on behalf of a lead
18.30 agency.

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

18.32 Subd. 26. **Determination of institutional level of care.** (a) The determination of need
18.33 for hospital and intermediate care facility levels of care must be made according to criteria

19.1 developed by the commissioner, and in section 256B.092, using forms developed by the
19.2 commissioner.

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

19.6 (c) Effective January 1, 2027, or upon federal approval, whichever is later, the
19.7 determination of need for nursing facility level of care must be made based on criteria in
19.8 section 144.0724, subdivision 11, or for brain injury and community access for disability
19.9 inclusion waiver services provided under section 256B.49 based on criteria in section
19.10 144.0724, subdivision 11a.

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

19.12 Sec. 16. Minnesota Statutes 2025 Supplement, section 256B.092, subdivision 3b, is
19.13 amended to read:

19.14 Subd. 3b. **Service authorizations and service agreements.** (a) Recipients must be
19.15 screened and authorized for services according to the federally approved waiver application
19.16 and its subsequent amendments.

19.17 (b) The commissioner must require lead agency supervisors to review and accept all
19.18 service agreements entered by lead agency staff into the Medicaid management information
19.19 system (MMIS) prior to the commissioner's approval of the service agreement.

19.20 (c) For a service agreement with a proposed total authorized amount that exceeds the
19.21 total authorized amount in the recipient's prior service agreement by more than the value
19.22 of legislatively enacted rate increases, the commissioner must manually review and manually
19.23 approve the service agreement in the MMIS. For purposes of this paragraph, "prior service
19.24 agreement" means the service agreement that was in effect 12 months prior to the start date
19.25 of the new proposed service agreement.

19.26 (d) In a format prescribed by the commissioner, lead agencies must submit the following
19.27 information for all service agreements subject to the commissioner's approval in paragraph
19.28 (c):

19.29 (1) changes in the number of units authorized;

19.30 (2) new services authorized;

19.31 (3) changes in the values used to calculate service rates under section 256B.4914, except
19.32 for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;

20.1 (4) changes in the person's level of need that require an increase in the amount of services
20.2 authorized;

20.3 (5) documentation detailing why the previous amount of services is not sufficient to
20.4 meet the person's needs; and

20.5 (6) anticipated impact if the total service amount is not increased to the proposed amount.

20.6 (e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b,
20.7 and rate changes authorized by the 2025 legislature, the commissioner must not approve
20.8 service agreements under paragraph (c) that are not the result of either a documented change
20.9 in a person's assessed needs or documented evidence that the previous level of service was
20.10 insufficient to meet the person's assessed needs.

20.11 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~
20.12 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~
20.13 ~~implemented.~~

20.14 Sec. 17. Minnesota Statutes 2024, section 256B.092, subdivision 5, is amended to read:

20.15 Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers
20.16 necessary to secure, to the extent allowed by law, federal financial participation under United
20.17 States Code, title 42, sections 1396 et seq., as amended, for the provision of services to
20.18 persons who, in the absence of the services, would need the level of care provided in a
20.19 regional treatment center or a community intermediate care facility for persons with
20.20 developmental disabilities. The commissioner may seek amendments to the waivers or apply
20.21 for additional waivers under United States Code, title 42, sections 1396 et seq., as amended,
20.22 to contain costs. The commissioner shall ensure that payment for the cost of providing home
20.23 and community-based alternative services under the federal waiver plan shall not exceed
20.24 the cost of intermediate care services including day training and habilitation services that
20.25 would have been provided without the waived services.

20.26 The commissioner shall seek an amendment to the 1915(c) home and community-based
20.27 waiver to allow properly licensed adult foster care homes to provide residential services to
20.28 up to five individuals with developmental disabilities. If the amendment to the waiver is
20.29 approved, adult foster care providers that can accommodate five individuals shall increase
20.30 their capacity to five beds, provided the providers continue to meet all applicable licensing
20.31 requirements.

20.32 (b) The commissioner, in administering home and community-based waivers for persons
20.33 with developmental disabilities, shall ensure that day services for eligible persons are not

21.1 provided by the person's residential service provider, unless the person or the person's legal
21.2 representative is offered a choice of providers and agrees in writing to provision of day
21.3 services by the residential service provider. The support plan for individuals who choose
21.4 to have their residential service provider provide their day services must describe how health,
21.5 safety, protection, and habilitation needs will be met, including how frequent and regular
21.6 contact with persons other than the residential service provider will occur. The support plan
21.7 must address the provision of services during the day outside the residence on weekdays.

21.8 (c) When a lead agency is evaluating denials, reductions, or terminations of home and
21.9 community-based services under section 256B.0916 for an individual, the lead agency shall
21.10 offer to meet with the individual or the individual's guardian in order to discuss the
21.11 prioritization of service needs within the support plan. The reduction in the authorized
21.12 services for an individual due to changes in funding for waived services may not exceed
21.13 the amount needed to ensure medically necessary services to meet the individual's health,
21.14 safety, and welfare.

21.15 ~~(d) The commissioner shall seek federal approval to allow for the reconfiguration of the~~
21.16 ~~1915(c) home and community-based waivers in this section, as authorized under section~~
21.17 ~~1915(c) of the federal Social Security Act, to implement a two-waiver program structure.~~

21.18 ~~(e) The transition to two disability home and community-based services waiver programs~~
21.19 ~~must align with the independent living first policy under section 256B.4905. Unless~~
21.20 ~~superseded by any other state or federal law, waiver eligibility criteria shall be the same for~~
21.21 ~~each waiver. The waiver program that a person uses shall be determined by the support~~
21.22 ~~planning process and whether the person chooses to live in a provider-controlled setting or~~
21.23 ~~in the person's own home.~~

21.24 ~~(f) Prior to July 1, 2024, the commissioner shall seek federal approval for the 1915(c)~~
21.25 ~~home and community-based waivers in this section, as authorized under section 1915(c) of~~
21.26 ~~the federal Social Security Act, to implement an individual resource allocation methodology.~~

21.27 Sec. 18. Minnesota Statutes 2024, section 256B.49, subdivision 11, is amended to read:

21.28 Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and
21.29 community-based service waivers, as authorized under section 1915(c) of the federal Social
21.30 Security Act to serve persons under the age of 65 who are determined to require the level
21.31 of care provided in a nursing home and persons who require the level of care provided in a
21.32 hospital. The commissioner shall apply for the home and community-based waivers in order
21.33 to:

22.1 (1) promote the support of persons with disabilities in the most integrated settings;

22.2 (2) expand the availability of services for persons who are eligible for medical assistance;

22.3 (3) promote cost-effective options to institutional care; and

22.4 (4) obtain federal financial participation.

22.5 (b) The provision of waiver services to medical assistance recipients with disabilities
22.6 shall comply with the requirements outlined in the federally approved applications for home
22.7 and community-based services and subsequent amendments, including provision of services
22.8 according to a service plan designed to meet the needs of the individual. For purposes of
22.9 this section, the approved home and community-based application is considered the necessary
22.10 federal requirement.

22.11 (c) The commissioner shall provide interested persons serving on agency advisory
22.12 committees, task forces, the Centers for Independent Living, and others who request to be
22.13 on a list to receive, notice of, and an opportunity to comment on, at least 30 days before
22.14 any effective dates, (1) any substantive changes to the state's disability services program
22.15 manual, or (2) changes or amendments to the federally approved applications for home and
22.16 community-based waivers, prior to their submission to the federal Centers for Medicare
22.17 and Medicaid Services.

22.18 (d) The commissioner shall seek approval, as authorized under section 1915(c) of the
22.19 federal Social Security Act, to allow medical assistance eligibility under this section for
22.20 children under age 21 without deeming of parental income or assets.

22.21 (e) The commissioner shall seek approval, as authorized under section 1915(c) of the
22.22 Social Act, to allow medical assistance eligibility under this section for individuals under
22.23 age 65 without deeming the spouse's income or assets.

22.24 (f) The commissioner shall comply with the requirements in the federally approved
22.25 transition plan for the home and community-based services waivers authorized under this
22.26 section.

22.27 ~~(g) The commissioner shall seek federal approval to allow for the reconfiguration of the~~
22.28 ~~1915(c) home and community-based waivers in this section, as authorized under section~~
22.29 ~~1915(c) of the federal Social Security Act, to implement a two-waiver program structure.~~

22.30 ~~(h) The commissioner shall seek federal approval for the 1915(c) home and~~
22.31 ~~community-based waivers in this section, as authorized under section 1915(c) of the federal~~
22.32 ~~Social Security Act, to implement an individual resource allocation methodology.~~

23.1 Sec. 19. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 17a, is
23.2 amended to read:

23.3 Subd. 17a. **Service authorizations and service agreements.** (a) Recipients must be
23.4 screened and authorized for services according to the federally approved waiver application
23.5 and its subsequent amendments.

23.6 (b) The commissioner must require lead agency supervisors to review and accept all
23.7 service agreements entered by lead agency staff into the Medicaid management information
23.8 system (MMIS) prior to the commissioner's approval of the service agreement.

23.9 (c) For a service agreement with a proposed total authorized amount that exceeds the
23.10 total authorized amount in the recipient's prior service agreement by more than the value
23.11 of legislatively enacted rate increases, the commissioner must manually review and manually
23.12 approve the service agreement in the MMIS. For purposes of this paragraph, "prior service
23.13 agreement" means the service agreement that was in effect 12 months prior to the start date
23.14 of the new proposed service agreement.

23.15 (d) In a format prescribed by the commissioner, lead agencies must submit the following
23.16 information for all service agreements subject to the commissioner's approval in paragraph
23.17 (c):

23.18 (1) changes in the number of units authorized;

23.19 (2) new services authorized;

23.20 (3) changes in the values used to calculate service rates under section 256B.4914, except
23.21 for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;

23.22 (4) changes in the person's level of need that require an increase in the amount of services
23.23 authorized;

23.24 (5) documentation detailing why the previous amount of services is not sufficient to
23.25 meet the person's needs; and

23.26 (6) anticipated impact if the total service amount is not increased to the proposed amount.

23.27 (e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b,
23.28 and rate changes authorized by the 2025 legislature, the commissioner must not approve
23.29 service agreements under paragraph (c) that are not the result of either a documented change
23.30 in a person's assessed needs or documented evidence that the previous level of service was
23.31 insufficient to meet the person's assessed needs.

24.1 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~
 24.2 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~
 24.3 ~~implemented.~~

24.4 Sec. 20. Laws 2025, First Special Session chapter 9, article 2, section 58, subdivision 9,
 24.5 is amended to read:

24.6 **Subd. 9. Savings determinations.** (a) When preparing the forecast for state revenue and
 24.7 expenditures under Minnesota Statutes, section 16A.103, the commissioner of management
 24.8 and budget must assume ~~the following reductions of \$65,414,000 in human services general~~
 24.9 ~~fund spending for the biennium beginning July 1, 2027, until the end of the legislative~~
 24.10 ~~session that enacts a budget for the commissioner of human services for the biennium~~
 24.11 ~~beginning July 1, 2027:~~

24.12 ~~(1) if a bond appropriation for the replacement of the Miller Building on the Anoka~~
 24.13 ~~Metro Regional Treatment Center Campus is enacted during a 2025 special session,~~
 24.14 ~~\$177,542,000; or~~

24.15 ~~(2) if a bond appropriation for the replacement of the Miller Building on the Anoka~~
 24.16 ~~Metro Regional Treatment Center Campus is not enacted during a 2025 special session,~~
 24.17 ~~\$143,542,000.~~

24.18 (b) Upon enactment of a budget for the commissioner of human services for the biennium
 24.19 beginning July 1, 2027, the legislature must identify enacted provisions that were
 24.20 recommended by the advisory council under subdivision 7.

24.21 (c) To the extent the net savings attributable to the provisions identified by the legislature
 24.22 under paragraph (b) for the biennium beginning July 1, 2027, are less than the assumed
 24.23 savings in paragraph (a), the commissioner of human services must implement the contingent
 24.24 spending reductions described in subdivision 10, beginning July 1, 2027, or upon federal
 24.25 approval, whichever is later.

24.26 Sec. 21. WAIVER CASE MANAGEMENT QUALITY WORKING GROUP.

24.27 Subdivision 1. Establishment. The commissioner of human services must convene a
 24.28 waiver case management quality working group to develop recommendations related to
 24.29 county provision of home and community-based waiver case management services without
 24.30 the use of contractors.

24.31 Subd. 2. Membership. At a minimum, the working group must include the following
 24.32 members:

25.1 (1) two individuals receiving waiver services or family members of or advocates for
25.2 individuals receiving waiver services, appointed by the commissioner, in consultation with
25.3 organizations representing individuals with lived experience of disability and waiver services;

25.4 (2) three county representatives, appointed by the Minnesota Association of County
25.5 Social Service Administrators;

25.6 (3) at least three representatives of contracted case management agencies, appointed by
25.7 the Minnesota Social Service Association, including:

25.8 (i) at least one representative of a contracted case management agency located in a
25.9 metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4; and

25.10 (ii) at least two representatives of contracted case management agencies located outside
25.11 of a metropolitan county;

25.12 (4) one staff member from the Minnesota Social Service Association, appointed by the
25.13 Minnesota Social Service Association;

25.14 (5) one member of a Tribal Nation, appointed by the commissioner;

25.15 (6) two representatives of disability advocacy organizations, appointed by the
25.16 commissioner; and

25.17 (7) additional nonvoting participants as determined by the commissioner, which may
25.18 include staff from the Department of Human Services and other interested parties.

25.19 Subd. 3. **Duties.** (a) The working group must make recommendations to ensure that
25.20 clients are receiving high-quality case management services. The working group must
25.21 consider the following proposals:

25.22 (1) requiring written documentation of visits with clients in order to receive payment;

25.23 (2) requiring initial and annual case management training conducted by the Department
25.24 of Human Services, with input from the counties related to core competencies and the
25.25 training curriculum;

25.26 (3) requiring a county to accept a client transfer and continue services at the level provided
25.27 by the previous county without the client reapplying for services;

25.28 (4) prohibiting a county from arbitrarily reducing the level and type of services a client
25.29 receives;

25.30 (5) requiring case management service providers to submit to a yearly financial audit
25.31 and random inspections of files and documentation;

26.1 (6) requiring counties that contract for case management services to utilize a competitive
26.2 process for the procurement of contracted case management services at least once every
26.3 three years;

26.4 (7) requiring case management service providers to implement a grievance process for
26.5 clients that must document all complaints and responses to and resolutions of complaints;
26.6 and

26.7 (8) requiring contracted case management service providers to annually report to the
26.8 county the provider's case load numbers and staff turnover rate.

26.9 (b) The working group must make recommendations to transition from a contract-based
26.10 case management services system to a system in which counties provide case management
26.11 services without contracting for those services. The recommendations must include but are
26.12 not limited to:

26.13 (1) ways to reduce complaints and improve quality of waiver case management services;

26.14 (2) an evaluation of the impact of current funding levels, administrative structures, and
26.15 workforce capacity on case management service delivery;

26.16 (3) an examination of alternative accountability and oversight models that protect access,
26.17 provider flexibility, and case management service quality;

26.18 (4) creation of a variance process, including county oversight and contractor site visits,
26.19 to allow a county to continue to use contracted case management services; and

26.20 (5) legislative or administrative changes to strengthen the waiver case management
26.21 services system.

26.22 Subd. 4. **Compensation; expenses.** Members of the working group may receive
26.23 compensation and expense reimbursement as provided in Minnesota Statutes, section 15.059,
26.24 subdivision 3.

26.25 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group
26.26 must be convened no later than August 1, 2026. The working group must meet at least
26.27 monthly. Meetings are subject to Minnesota Statutes, chapter 13D. The working group may
26.28 meet by telephone or interactive technology consistent with Minnesota Statutes, section
26.29 13D.015.

26.30 (b) The Department of Human Services shall provide staff and administrative support
26.31 to convene the working group, facilitate working group meetings, and prepare the final
26.32 report.

27.1 Subd. 6. **Report.** By September 1, 2027, the commissioner shall submit a report of the
27.2 working group's findings and recommendations, including any legislative language necessary
27.3 to implement the recommendations, to the chairs and ranking minority members of the
27.4 legislative committees with jurisdiction over human services policy and finance.

27.5 Subd. 7. **Expiration.** The working group expires upon submission of the report required
27.6 under subdivision 6.

27.7 Sec. 22. **DIRECTION TO COMMISSIONER; CASE MANAGEMENT AND HOME**
27.8 **AND COMMUNITY-BASED SERVICES RATES STUDY.**

27.9 (a) The commissioner of human services shall analyze the current rate-setting
27.10 methodology for all case management and medical assistance home and community-based
27.11 services waivers and make recommendations to improve rate-setting methodologies to more
27.12 accurately reflect service costs. By January 1, 2027, the commissioner shall issue a request
27.13 for proposals to analyze the rate frameworks and current rate-setting practices. The
27.14 commissioner must consult with lead agencies and providers across the spectrum of services
27.15 and regions of the state and with culturally responsive providers when developing the request
27.16 for proposals and for the duration of the contract.

27.17 (b) By January 15, 2028, the commissioner must submit to the chairs and ranking minority
27.18 members of the legislative committees with jurisdiction over human services policy and
27.19 finance a report on the initial results of the analysis required under this section. By January
27.20 15, 2029, the commissioner must submit to the chairs and ranking minority members of the
27.21 legislative committees with jurisdiction over human services policy and finance a final
27.22 report that includes legislative language necessary to modify existing or implement new
27.23 rate methodologies and a detailed fiscal analysis.

27.24 Sec. 23. **DIRECTION TO COMMISSIONER; ASSESSMENT OF**
27.25 **ADMINISTRATIVE ROLES.**

27.26 (a) The commissioner of human services, in consultation with Tribal Nations and counties,
27.27 must conduct a study to assess and recommend improvements to the roles and responsibilities
27.28 of the state agency, counties, and Tribal Nations in administering human services programs.

27.29 (b) The study must include a comprehensive review of programs administered by the
27.30 department, including but not limited to medical assistance, MinnesotaCare, behavioral
27.31 health services, long-term services and supports, housing and homelessness programs,
27.32 Minnesota supplemental aid, general assistance, and licensing and oversight functions.

28.1 (c) The study must evaluate the:

28.2 (1) current roles and responsibilities held by the state agency, counties, and Tribal Nations
28.3 in administering human services programs, including but not limited to the challenges and
28.4 benefits of the current delegation of roles and responsibilities;

28.5 (2) lived experience of people accessing human services programs related to the
28.6 delegation of administrative duties;

28.7 (3) financing of human services program administration across the state agency, counties,
28.8 and Tribal Nations; and

28.9 (4) administration of human services programs in other states, focusing on the roles and
28.10 responsibilities of the local governments versus the state Medicaid or human services agency,
28.11 and identifying the benefits, challenges, and financing of the delegation of duties.

28.12 (d) The study must focus on the goals of transforming the human services system to
28.13 ensure a transparent, accessible, accountable, equitable, and effective human services system.

28.14 (e) The study must provide recommendations for the optimal delegation of duties between
28.15 the state agency, counties, and Tribal Nations in the delivery of human services.

28.16 Recommendations must include:

28.17 (1) how the delegation of duties will improve the experience of people accessing human
28.18 services;

28.19 (2) implementation and timing considerations to ensure continuity of services;

28.20 (3) systems technology adaptations required;

28.21 (4) workforce considerations; and

28.22 (5) financing strategies and the estimated fiscal impact to the state budget.

28.23 (f) By October 1, 2028, the commissioner must submit a report on the study and
28.24 recommendations to the chairs and ranking minority members of the legislative committees
28.25 with jurisdiction over health and human services policy and finance.

28.26 **Sec. 24. MNCHOICES REDESIGN WORKING GROUP.**

28.27 Subdivision 1. **Establishment.** The commissioner of human services shall convene a
28.28 MnCHOICES Redesign Working Group to develop recommendations related to state
28.29 provision of MnCHOICES assessments under Minnesota Statutes, section 256B.0911,
28.30 subdivision 14, paragraph (g).

29.1 Subd. 2. **Membership.** At a minimum, the working group must include the following
29.2 members:

29.3 (1) two individuals receiving waiver services or the individuals' family members or
29.4 advocates, appointed by the commissioner in consultation with organizations representing
29.5 individuals with lived experience of disability and waiver services;

29.6 (2) three county representatives, appointed by the Minnesota Association of County
29.7 Social Service Administrators, including;

29.8 (i) at least one representative of a lead agency located in a metropolitan county, as defined
29.9 in Minnesota Statutes, section 473.121, subdivision 4; and

29.10 (ii) at least two representatives of lead agencies located outside of a metropolitan county,
29.11 as defined in Minnesota Statutes, section 473.121, subdivision 4;

29.12 (3) one staff member from the Minnesota Social Service Association, appointed by the
29.13 Minnesota Social Service Association;

29.14 (4) at least three representatives from Tribal Nations, appointed by the commissioner;

29.15 (5) two representatives of disability advocacy organizations, appointed by the
29.16 commissioner; and

29.17 (6) additional nonvoting participants as determined by the commissioner, which may
29.18 include staff from the Department of Human Services and other interested parties.

29.19 Subd. 3. **Duties.** The working group shall make recommendations to shift the
29.20 responsibility and administration of conducting MnCHOICES assessments to the state.
29.21 Recommendations must include:

29.22 (1) defined roles and responsibilities between county, Tribal Nation, and state functions;

29.23 (2) revised payment methodologies and financing of duties;

29.24 (3) efficient workflows between local and state functions;

29.25 (4) service continuity for people seeking and receiving long-term services and supports;
29.26 and

29.27 (5) methods for gathering public feedback and providing public awareness.

29.28 Subd. 4. **Terms, compensation, and removal.** The terms, compensation, and removal
29.29 of the working group members are governed by Minnesota Statutes, section 15.059,
29.30 subdivision 3.

30.1 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group
30.2 must be convened no later than August 1, 2026. The working group must meet at least
30.3 monthly. The working group may meet by telephone or interactive technology consistent
30.4 with Minnesota Statutes, section 13D.015.

30.5 (b) The Department of Human Services shall provide staff and administrative support
30.6 to convene the working group, facilitate working group meetings, and prepare the final
30.7 report.

30.8 Subd. 6. **Report.** By September 1, 2027, the commissioner must submit a report of the
30.9 working group's findings and recommendations, including but not limited to any legislative
30.10 changes necessary to implement the recommendations, to the chairs and ranking minority
30.11 members of the legislative committees with jurisdiction over human services policy and
30.12 finance.

30.13 Subd. 7. **Expiration.** The working group expires upon submission of the report required
30.14 under subdivision 6.

30.15 Sec. 25. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
30.16 **IMPLEMENTATION OF NEW NURSING FACILITY LEVEL OF CARE CRITERIA.**

30.17 For existing brain injury and community access for disability inclusion waiver
30.18 participants, the effective date of the termination of waiver services based on Minnesota
30.19 Statutes, section 144.0724, subdivision 11a, must be at least 90 days after the date of the
30.20 reassessment that results in a determination that the individual no longer meets the level of
30.21 care criteria.

30.22 Sec. 26. **REPEALER.**

30.23 (a) Minnesota Statutes 2024, section 256B.0921, is repealed

30.24 (b) Minnesota Statutes 2025 Supplement, section 256B.4907, subdivisions 1, 2, 3, 4, 5,
30.25 and 6, are repealed.

30.26 (c) Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by
30.27 Laws 2020, First Special Session chapter 2, article 3, section 2; and Laws 2021, First Special
30.28 Session chapter 7, article 13, sections 73, as amended by Laws 2025, First Special Session
30.29 chapter 9, article 2, section 56; and 75, subdivision 1, as amended by Laws 2024, chapter
30.30 108, article 1, section 28, are repealed.

ARTICLE 3**BEHAVIORAL HEALTH**

31.1
31.2
31.3 Section 1. Minnesota Statutes 2024, section 254A.03, subdivision 2, is amended to read:

31.4 Subd. 2. **American Indian programs.** There is hereby created a section of American
31.5 Indian programs, within the Alcohol and Drug Abuse Section of the Department of Human
31.6 Services, to be headed by a special assistant for American Indian programs on substance
31.7 misuse and substance use disorder and two assistants to that position. The section shall be
31.8 staffed with all personnel necessary to fully administer programming for substance misuse
31.9 and substance use disorder services for American Indians in the state. The special assistant
31.10 position shall be filled by a person with considerable practical experience in and
31.11 understanding of substance misuse and substance use disorder in the American Indian
31.12 community, who shall be responsible to the director of the Alcohol and Drug Abuse Section
31.13 created in subdivision 1 and shall be in the unclassified service. The special assistant shall
31.14 meet and consult with the American Indian Advisory Council as described in section
31.15 254A.035 and serve as a liaison to the Minnesota Indian Affairs Council and tribes to report
31.16 on the status of substance misuse and substance use disorder among American Indians in
31.17 the state of Minnesota. The special assistant with the approval of the director shall:

31.18 (1) administer direct payments using funds appropriated for American Indian groups,
31.19 organizations and reservations within the state for American Indian substance misuse and
31.20 substance use disorder programs;

31.21 (2) establish policies and procedures for such American Indian programs with the
31.22 assistance of the American Indian Advisory Board; and

31.23 (3) hire and supervise staff to assist in the administration of the American Indian program
31.24 section within the Alcohol and Drug Abuse Section of the Department of Human Services.

31.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

31.26 Sec. 2. Minnesota Statutes 2025 Supplement, section 254B.02, subdivision 5, is amended
31.27 to read:

31.28 Subd. 5. **Tribal allocation.** The commissioner may make direct payments to Tribal
31.29 Nation servicing agencies from money allocated under this section to support individuals
31.30 with substance use disorders and determine eligibility for behavioral health fund payments.
31.31 The payment must not be less than 133 percent of the Tribal Nations payment for the fiscal
31.32 year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation
31.33 for this chapter.

32.1 **EFFECTIVE DATE.** This section is effective January 1, 2027.

32.2 Sec. 3. Minnesota Statutes 2025 Supplement, section 254B.0503, subdivision 1, is amended
32.3 to read:

32.4 Subdivision 1. **Eligible vendor requirements.** (a) Vendors of room and board are
32.5 eligible for behavioral health fund payment if the vendor:

32.6 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals
32.7 while residing in the facility and provide consequences for infractions of those rules;

32.8 (2) is determined to meet applicable health and safety requirements;

32.9 (3) is not a jail or prison;

32.10 (4) is not concurrently receiving funds under chapter 256I for the recipient;

32.11 (5) admits individuals who are 18 years of age or older;

32.12 (6) is registered as a board and lodging or lodging establishment according to section
32.13 157.17;

32.14 (7) has awake staff on site whenever a client is present;

32.15 (8) has staff who are at least 18 years of age and meet the requirements of section
32.16 245G.11, subdivision 1, paragraph (b);

32.17 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

32.18 (10) meets the requirements of section 245G.08, subdivision 5, if administering
32.19 medications to clients;

32.20 (11) meets the abuse prevention requirements of section 245A.65, including a policy on
32.21 fraternization and the mandatory reporting requirements of section 626.557;

32.22 (12) documents coordination with the treatment provider to ensure compliance with
32.23 section 254B.03, subdivision 2;

32.24 (13) protects client funds and ensures freedom from exploitation by meeting the
32.25 provisions of section 245A.04, subdivision 13;

32.26 (14) has a grievance procedure that meets the requirements of section 245G.15,
32.27 subdivision 2; and

32.28 (15) has sleeping and bathroom facilities for men and women separated by a door that
32.29 is locked, has an alarm, or is supervised by awake staff.

33.1 (b) Programs providing children's mental health crisis admissions and stabilization under
33.2 section 245.4882, subdivision 6, are eligible vendors of room and board.

33.3 (c) Programs providing children's residential services under section 245.4882, except
33.4 services for individuals who have a placement under chapter 260C or 260D, are eligible
33.5 vendors of room and board.

33.6 (d) A vendor that is not licensed as a residential treatment program must have a policy
33.7 to address staffing coverage when a client may unexpectedly need to be present at the room
33.8 and board site.

33.9 (e) No new vendors for room and board services may be approved after June 30, 2025,
33.10 to receive payments from the behavioral health fund, under the provisions of section 254B.04,
33.11 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,
33.12 2025, may continue to receive payments from the behavioral health fund for services provided
33.13 until ~~June 30, 2027~~ December 31, 2026. Room and board vendors providing services in
33.14 accordance with section 254B.04, subdivision 2a, will no longer be eligible to claim
33.15 reimbursement for room and board services provided on or after ~~July~~ January 1, 2027.

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

33.17 Sec. 4. Minnesota Statutes 2025 Supplement, section 254B.0509, subdivision 2, is amended
33.18 to read:

33.19 Subd. 2. **Annual adjustments.** Effective January 1, 2027, and annually thereafter, the
33.20 commissioner of human services must adjust the payment rates under ~~subdivision 1~~ section
33.21 254B.0505, subdivision 1, clauses (1) to (9), according to the change from the midpoint of
33.22 the previous rate year to the midpoint of the rate year for which the rate is being determined
33.23 using the Centers for Medicare and Medicaid Services Medicare Economic Index as
33.24 forecasted in the fourth quarter of the calendar year before the rate year. Notwithstanding
33.25 this subdivision, rates must not be adjusted lower than those established on January 1, 2026.

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

33.27 Sec. 5. Minnesota Statutes 2024, section 254B.17, is amended to read:

33.28 **254B.17 WITHDRAWAL MANAGEMENT START-UP AND**
33.29 **CAPACITY-BUILDING GRANTS.**

33.30 The commissioner must establish start-up and capacity-building grants for prospective
33.31 ~~or~~ new, or existing substance use disorder treatment or withdrawal management programs
33.32 ~~licensed under chapter 245F~~ that will meet ASAM criteria for medically monitored managed

34.1 or clinically monitored levels of care by integrating withdrawal management services into
34.2 outpatient, intensive outpatient, or residential treatment services. Grants must be used to
34.3 measurably increase the client capacity or expand available services. Grants must align
34.4 services with ASAM criteria. Grants may be used to add medications for opioid use disorder
34.5 to services. Grants may be used for capacity-building expenses that are not reimbursable
34.6 under Minnesota health care programs, including but not limited to:

34.7 (1) costs associated with hiring staff or contracting with medical services providers;

34.8 (2) costs associated with staff retention;

34.9 (3) the purchase of office equipment and supplies;

34.10 (4) the purchase of software;

34.11 (5) costs associated with obtaining applicable and required licenses;

34.12 (6) business formation costs;

34.13 (7) costs associated with staff training; ~~and~~

34.14 (8) the purchase of medical equipment and supplies necessary to meet health and safety
34.15 requirements;

34.16 (9) costs associated with adding or improving physical space;

34.17 (10) start-up costs associated with adding a new location; and

34.18 (11) costs associated with becoming ASAM certified for medically managed levels of
34.19 care.

34.20 **Sec. 6. [256B.0618] COVERAGE FOR DETAINED INDIVIDUALS.**

34.21 (a) An inmate of a correctional facility who is conditionally released under section
34.22 241.26, 244.065, or 631.425 is eligible for medical assistance if the individual:

34.23 (1) does not require the security of a public detention facility and is housed:

34.24 (i) in a halfway house or community correction center; or

34.25 (ii) under house arrest and monitored by electronic surveillance in a residence approved
34.26 by the commissioner of corrections; and

34.27 (2) meets all other eligibility requirements of this chapter.

34.28 (b) An individual, regardless of age, who is considered an inmate of a public institution
34.29 as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the

35.1 eligibility requirements in section 256B.056 is not eligible for medical assistance, except
35.2 for covered medical assistance services received:

35.3 (1) while an inpatient in a medical institution as defined in Code of Federal Regulations,
35.4 title 42, section 435.1010;

35.5 (2) by an eligible juvenile in accordance with the Consolidated Appropriations Act,
35.6 2023, Public Law 117-328, part 5121; or

35.7 (3) by an eligible individual under with section 256B.0761.

35.8 (c) Security logistics and costs related to the inpatient treatment of an inmate are the
35.9 responsibility of the entity with jurisdiction over the inmate.

35.10 **EFFECTIVE DATE.** This section is effective January 1, 2028.

35.11 **Sec. 7. [256B.0619] CARCERAL TARGETED CASE MANAGEMENT SERVICES.**

35.12 Subdivision 1. **Generally.** Effective January 1, 2028, or upon federal approval, whichever
35.13 is later, medical assistance covers carceral targeted case management services in accordance
35.14 with section 256B.0761 and United States Code, title 42, sections 1396a(a)(84); 1396d(a)(32);
35.15 1397bb(d); and 1397jj(b)(2) and (7).

35.16 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
35.17 meanings given.

35.18 (b) "Comprehensive care plan" means a person-centered plan that includes goals, tasks,
35.19 and services identified through screening and assessments and agreed upon by all parties.
35.20 This includes but is not limited to identifying resources and services necessary to meet the
35.21 individual's physical, behavioral health, and health-related social needs prerelease and
35.22 postrelease.

35.23 (c) "Consultation" means communication from a carceral targeted case manager to other
35.24 providers working with the same individual to inform, inquire, and instruct regarding the
35.25 individual's symptoms, strategies for effective engagement, care and intervention needs,
35.26 and treatment expectations across service settings, including but not limited to the education
35.27 services, social services, probation, home, primary care, medication prescribers, disabilities
35.28 services, and other mental health providers and to direct and coordinate clinical service
35.29 components provided to the justice-involved individual.

35.30 (d) "Targeted case management for justice-involved individuals" means the provision
35.31 of both county targeted case management and public or private vendor service coordination
35.32 services for the purpose of bridging prerelease and postrelease medical assistance services

36.1 to support the physical, behavioral health, and health-related social needs of justice-involved
36.2 individuals.

36.3 (e) "Targeted case management services" means services that assist medical assistance
36.4 eligible persons to gain access to needed medical, social, educational, and other services.

36.5 Subd. 3. **Eligibility.** The following individuals are eligible for carceral targeted case
36.6 management services:

36.7 (1) individuals eligible for medical assistance who meet all eligibility requirements under
36.8 United States Code, title 42, section 1396a(nn);

36.9 (2) individuals eligible for medical assistance who meet eligibility requirements for the
36.10 Children's Health Insurance Program under United States Code, title 42, section 1397jj(b)(7);
36.11 or

36.12 (3) individuals eligible for medical assistance who are currently incarcerated at a section
36.13 1115 reentry demonstration pilot facility and meet the participation requirements in section
36.14 256B.0761, subdivision 2.

36.15 Subd. 4. **Carceral targeted case management services.** (a) For individuals eligible for
36.16 services under subdivision 3, clause (1) or (2), carceral targeted case management care
36.17 coordination is available for 30 days before release and up to 180 days postrelease. For
36.18 individuals eligible for services under subdivision 3, clause (3), carceral targeted case
36.19 management care coordination is available for up to 90 days before release and up to 180
36.20 days postrelease.

36.21 (b) Carceral targeted case management care coordination includes:

36.22 (1) comprehensive assessment and periodic reassessment addressing physical, behavioral,
36.23 and health-related social needs in accordance with section 256B.0761 and United States
36.24 Code, title 42, sections 1396a(nn) and 1397jj(b)(7).

36.25 (2) comprehensive care plans including but not limited to;

36.26 (i) the desired goals of the individual;

36.27 (ii) the individual's preferences for services and supports;

36.28 (iii) formal and informal services and supports based on areas of assessment, such as
36.29 social health, mental health, residence, family, education and vocation, safety, legal,
36.30 self-determination, financial, and chemical health; and

36.31 (iv) housing arrangements postrelease.

37.1 (3) regular review and revision of the comprehensive care plan with the individual to
37.2 ensure needs are adequately met by referrals and supports;

37.3 (4) coordination of referrals, which must contain more than just a list of resources, to
37.4 bridge prerelease to postrelease medical assistance services, including but not limited to
37.5 referrals to community-based services identified as a need on the comprehensive care plan;

37.6 (5) warm handoffs and follow-up post release through direct coordination between
37.7 providers, including timely communication, active engagement of the individual when
37.8 feasible, and facilitation of continuity of care upon release;

37.9 (6) monitoring and evaluation of services identified in the comprehensive care plan to
37.10 ensure personal outcomes are met and to ensure satisfaction with services and service
37.11 delivery;

37.12 (7) consultation with other professionals, including but not limited to community-based
37.13 mental health providers; and

37.14 (8) completion and maintenance of necessary documentation that supports and verifies
37.15 the activities in this section.

37.16 Subd. 5. **Carceral targeted case management provider standards.** Providers eligible
37.17 to receive medical assistance reimbursement under this section must enroll as a Minnesota
37.18 Health Care Programs provider. To qualify as a provider of carceral targeted case
37.19 management services, a provider must:

37.20 (1) have a minimum of a bachelor's degree or a license in a health or human services
37.21 field, comparable training and two years of experience in human services, or credentials
37.22 from an American Indian Tribe under section 256B.02, subdivision 7;

37.23 (2) demonstrate the capacity and experience to provide targeted case management
37.24 activities for justice-involved individuals as defined in subdivision 2;

37.25 (3) be able to coordinate and connect community resources needed by the recipient;

37.26 (4) demonstrate administrative capacity and experience to serve the justice-involved
37.27 population for which the provider will provide services and ensure quality of services under
37.28 state and federal requirements;

37.29 (5) have a financial management system that provides accurate documentation of services
37.30 and costs under state and federal requirements;

37.31 (6) demonstrate capacity to document and maintain individual case records under state
37.32 and federal requirements;

38.1 (7) demonstrate the capacity to coordinate with county administrative functions;

38.2 (8) be able to coordinate with health care providers to ensure access to necessary health
38.3 care services;

38.4 (9) have a procedure that (i) notifies the recipient of any conflict of interest if the targeted
38.5 case management service provider also provides the recipient's services and supports, (ii)
38.6 provides information on all potential conflicts of interest, (iii) obtains the recipient's informed
38.7 consent, and (iv) provides the recipient with alternatives; and

38.8 (10) demonstrate the capacity to achieve the following performance outcomes: (i) access;
38.9 (ii) quality; and (iii) consumer satisfaction.

38.10 Subd. 6. **Medical assistance payment and rate setting.** (a) Carceral targeted case
38.11 management rates are equal to rates authorized by the commissioner for relocation targeted
38.12 case management under section 256B.0621, subdivision 10.

38.13 (b) The carceral targeted case management rate only includes eligible services delivered
38.14 to an eligible recipient by an eligible provider.

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

38.16 Sec. 8. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision
38.17 to read:

38.18 Subd. 77. **Carceral targeted case management.** Effective January 1, 2028, or upon
38.19 federal approval, whichever is later, medical assistance covers carceral targeted case
38.20 management services under 256B.0619.

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

38.22 Sec. 9. Minnesota Statutes 2025 Supplement, section 256I.04, subdivision 2a, is amended
38.23 to read:

38.24 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph
38.25 (b), an agency may not enter into an agreement with an establishment to provide housing
38.26 support unless:

38.27 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;
38.28 a board and lodging establishment; a boarding care home before March 1, 1985; or a
38.29 supervised living facility, and the service provider for residents of the facility is licensed
38.30 under chapter 245A. However, an establishment licensed by the Department of Health to

39.1 provide lodging need not also be licensed to provide board if meals are being supplied to
39.2 residents under a contract with a food vendor who is licensed by the Department of Health;

39.3 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota
39.4 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior
39.5 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;
39.6 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,
39.7 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,
39.8 subdivision 4a, as a community residential setting by the commissioner of human services;

39.9 (3) the facility is licensed under chapter 144G and provides three meals a day; or

39.10 (4) effective ~~January 1, 2027~~ July 1, 2026, the establishment is licensed by the Department
39.11 of Health as a board and lodging establishment and is certified by the commissioner as a
39.12 recovery residence in accordance with section 254B.215, subdivision 3, that is subject to
39.13 the requirements of section 256I.04, subdivisions 2a to 2f. The Department of Human
39.14 Services must serve as the lead agency for agreements entered into under this clause.

39.15 (b) The requirements under paragraph (a) do not apply to establishments exempt from
39.16 state licensure because they are:

39.17 (1) located on Indian reservations and subject to tribal health and safety requirements;
39.18 or

39.19 (2) supportive housing establishments where an individual has an approved habitability
39.20 inspection and an individual lease agreement.

39.21 (c) Supportive housing establishments that serve individuals who have experienced
39.22 long-term homelessness and emergency shelters must participate in the homeless management
39.23 information system and a coordinated assessment system as defined by the commissioner.

39.24 (d) Effective July 1, 2016, an agency shall not have an agreement with a provider of
39.25 housing support unless all staff members who have direct contact with recipients:

39.26 (1) have skills and knowledge acquired through one or more of the following:

39.27 (i) a course of study in a health- or human services-related field leading to a bachelor
39.28 of arts, bachelor of science, or associate's degree;

39.29 (ii) one year of experience with the target population served;

39.30 (iii) experience as a mental health certified peer specialist according to section 256B.0615;

39.31 or

40.1 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to
40.2 144A.483;

40.3 (2) hold a current driver's license appropriate to the vehicle driven if transporting
40.4 recipients;

40.5 (3) complete training on vulnerable adults mandated reporting and child maltreatment
40.6 mandated reporting, where applicable; and

40.7 (4) complete housing support orientation training offered by the commissioner.

40.8 **EFFECTIVE DATE.** This section is effective July 1, 2026.

40.9 Sec. 10. Minnesota Statutes 2024, section 297E.02, subdivision 3, is amended to read:

40.10 Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable
40.11 to the commissioner when the gambling tax return is required to be filed. Distributors must
40.12 file their monthly sales figures with the commissioner on a form prescribed by the
40.13 commissioner. Returns covering the taxes imposed under this section must be filed with
40.14 the commissioner on or before the 20th day of the month following the close of the previous
40.15 calendar month. The commissioner shall prescribe the content, format, and manner of returns
40.16 or other documents pursuant to section 270C.30. The proceeds, along with the revenue
40.17 received from all license fees and other fees under sections 349.11 to 349.191, 349.211,
40.18 and 349.213, must be paid to the commissioner of management and budget for deposit in
40.19 the general fund.

40.20 (b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the
40.21 distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by
40.22 the organization is exempt from taxes imposed by chapter 297A and is exempt from all
40.23 local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

40.24 (c) One-half of one percent of the revenue deposited in the general fund under paragraph
40.25 (a), is appropriated to the commissioner of human services for the compulsive gambling
40.26 treatment program established under section 245.98. One-half of one percent of the revenue
40.27 deposited in the general fund under paragraph (a), is appropriated to the commissioner of
40.28 human services for a grant to the state affiliate recognized by the National Council on
40.29 Problem Gambling to increase public awareness of problem gambling, education and training
40.30 for individuals and organizations providing effective treatment services to problem gamblers
40.31 and their families, and research relating to problem gambling. Money appropriated by this
40.32 paragraph must supplement and must not replace existing state funding for these programs.
40.33 The balance of amounts appropriated under this paragraph that are unencumbered and

41.1 unspent at the close of a fiscal year are available in the next fiscal year for the same purposes
 41.2 and shall not cancel to the fund from which appropriated.

41.3 (d) The commissioner of human services must provide to the state affiliate recognized
 41.4 by the National Council on Problem Gambling a monthly statement of the amounts deposited
 41.5 under paragraph (c). Beginning January 1, 2022, the commissioner of human services must
 41.6 provide to the chairs and ranking minority members of the legislative committees with
 41.7 jurisdiction over treatment for problem gambling and to the state affiliate recognized by the
 41.8 National Council on Problem Gambling an annual reconciliation of the amounts deposited
 41.9 under paragraph (c). The annual reconciliation under this paragraph must include the amount
 41.10 allocated to the commissioner of human services for the compulsive gambling treatment
 41.11 program established under section 245.98, and the amount allocated to the state affiliate
 41.12 recognized by the National Council on Problem Gambling. The annual reconciliation must
 41.13 also include any rollover amounts from the previous fiscal year and the utilization of those
 41.14 amounts during the current reporting period.

41.15 Sec. 11. Laws 2025, First Special Session chapter 9, article 4, section 2, the effective date,
 41.16 is amended to read:

41.17 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

41.19 Sec. 12. Laws 2025, First Special Session chapter 9, article 4, section 23, the effective
 41.20 date, is amended to read:

41.21 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

41.23 Sec. 13. Laws 2025, First Special Session chapter 9, article 4, section 38, the effective
 41.24 date, is amended to read:

41.25 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

41.27 Sec. 14. Laws 2025, First Special Session chapter 9, article 4, section 39, the effective
 41.28 date, is amended to read:

41.29 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

42.1 Sec. 15. Laws 2025, First Special Session chapter 9, article 4, section 40, the effective
42.2 date, is amended to read:

42.3 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

42.5 Sec. 16. Laws 2025, First Special Session chapter 9, article 4, section 41, the effective
42.6 date, is amended to read:

42.7 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

42.9 Sec. 17. Laws 2025, First Special Session chapter 9, article 4, section 42, the effective
42.10 date, is amended to read:

42.11 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

42.13 Sec. 18. Laws 2025, First Special Session chapter 9, article 4, section 43, the effective
42.14 date, is amended to read:

42.15 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

42.17 Sec. 19. Laws 2025, First Special Session chapter 9, article 4, section 44, the effective
42.18 date, is amended to read:

42.19 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

42.21 Sec. 20. Laws 2025, First Special Session chapter 9, article 4, section 50, the effective
42.22 date, is amended to read:

42.23 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

43.1 **Sec. 21. DIRECTION TO COMMISSIONER; CARCERAL TARGETED CASE**
 43.2 **MANAGEMENT SERVICES BILLING UNITS.**

43.3 The commissioner of human services must establish a new billing code for carceral
 43.4 targeted case management services. The commissioner must identify reimbursement rates
 43.5 for the newly defined codes, as required under Minnesota Statutes, section 256B.0619,
 43.6 subdivision 6. The new billing codes must correspond to a 15-minute unit. The new billing
 43.7 codes must be available for 180 days postrelease.

43.8 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,
 43.9 whichever is later.

43.10 **Sec. 22. REPEALER.**

43.11 Minnesota Statutes 2024, section 256B.055, subdivision 14, is repealed.

43.12 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,
 43.13 whichever is later.

43.14 **ARTICLE 4**

43.15 **LONG-TERM CARE FACILITY REGULATION**

43.16 Section 1. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

43.17 **Subd. 7. Selection process.** The commissioner shall determine a maximum award for
 43.18 grants and loan forgiveness, and shall make selections based on the information provided
 43.19 in the grant application, including the demonstrated need for an applicant provider to enhance
 43.20 the education of its workforce, the proposed employee scholarship or loan forgiveness
 43.21 selection process, the applicant's proposed budget, and other criteria as determined by the
 43.22 commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for
 43.23 purposes of this section do not cancel and are available until expended, ~~except that at the~~
 43.24 ~~end of each biennium, any remaining amount that is not committed by contract and not~~
 43.25 ~~needed to fulfill existing commitments shall cancel to the general fund.~~

43.26 Sec. 2. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to
 43.27 read:

43.28 **Subd. 7b. Onsite registered nurse.** (a) Except when waived under subdivision 7f, a
 43.29 nursing home must have a registered nurse onsite 24 hours per day. The registered nurse
 43.30 must be available to provide direct resident care.

44.1 (b) For any periods when the onsite registered nurse requirements in paragraph (a) are
44.2 waived under subdivision 7f, a nursing home must have a registered nurse, licensed nurse
44.3 practitioner, physician assistant, or physician available to respond immediately to telephone
44.4 calls from a nursing home.

44.5 Sec. 3. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to
44.6 read:

44.7 Subd. 7c. **Staffing competencies.** A nursing home must ensure that all nurses have the
44.8 specific competencies and skill sets necessary to care for residents' needs, as identified
44.9 through resident assessments and described in the service plan. Providing care includes but
44.10 is not limited to assessing, evaluating, planning, and implementing resident care plans and
44.11 responding to residents' needs.

44.12 Sec. 4. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to
44.13 read:

44.14 Subd. 7d. **Required staff ratio.** (a) The minimum staffing standard for nursing personnel
44.15 in a nursing home is as specified in this subdivision.

44.16 (b) A nursing home must provide nursing care to all residents in accordance with each
44.17 resident's service plan while also providing a minimum of 3.48 hours per resident per 24
44.18 hours for total nurse staffing, including but not limited to a minimum of 0.55 hours per
44.19 resident per 24 hours for registered nurses and a minimum of 2.45 hours per resident per
44.20 24 hours for nurse aides and licensed nurse practitioners.

44.21 (c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty,
44.22 productive nursing hours of all nurses and nursing assistants, calculated on the basis of any
44.23 given 24-hour period. "Productive nursing hours" means all on-duty hours during which
44.24 nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may
44.25 be found in Minnesota Rules, part 4655.6400. Not included are vacations, holidays, sick
44.26 leave, in-service classroom training, or lunches. Also not included are the nonproductive
44.27 nursing hours of the in-service training director. In homes with more than 60 licensed beds,
44.28 the hours of the director of nursing are excluded.

44.29 (d) A nursing home that is issued a notice of noncompliance under section 144A.10,
44.30 subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for
44.31 each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

45.1 Sec. 5. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to
45.2 read:

45.3 Subd. 7e. **Nursing supervision.** (a) Except when waived under subdivision 7f, a nursing
45.4 home must designate a registered nurse to serve as a charge nurse for each shift.

45.5 (b) Except when waived under subdivision 7f, a nursing home must designate a registered
45.6 nurse to serve as the director of nursing on a full-time basis. The director of nursing may
45.7 serve as a charge nurse only when a nursing home has an average daily occupancy of 60 or
45.8 fewer residents.

45.9 Sec. 6. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to
45.10 read:

45.11 Subd. 7f. **Exemption process.** (a) The commissioner shall establish a process for
45.12 exemption to the requirements under subdivisions 7b and 7e. A nursing home shall submit
45.13 a request for exemption under this subdivision on a form developed and in a manner
45.14 established by the commissioner. A requesting nursing home shall provide in writing to the
45.15 commissioner the following information at a minimum:

45.16 (1) the specific requirement from which exemption is sought;

45.17 (2) a detailed explanation of the physical proximity of the requesting nursing home to
45.18 other nursing homes within reasonable distance providing the same services as the requesting
45.19 nursing home;

45.20 (3) the reason the nursing home is unable to comply with the requirement;

45.21 (4) the reason that compliance with the requirement will impose substantial hardship,
45.22 including but not limited to the risk of the nursing home closing and requiring residents to
45.23 move; and

45.24 (5) the reason that a waiver will not significantly harm residents.

45.25 Following the submission of an exemption request, the commissioner must provide public
45.26 notice of the requested exemption and allow a public comment period.

45.27 (b) The commissioner shall evaluate requests for exemption under this subdivision by
45.28 reviewing the application materials and all comments submitted during the public comment
45.29 period. As part of the evaluation process, the commissioner may:

45.30 (1) inspect the nursing home;

45.31 (2) confer with the nursing home manager or designee;

46.1 (3) contact residents or their representatives to determine whether they believe a waiver
46.2 is in the residents' best interest; and

46.3 (4) contact individuals who submitted public comment during the public comment period.

46.4 (c) The commissioner may grant an exemption if the commissioner determines that
46.5 compliance with the requirement from which the exemption is sought cannot be accomplished
46.6 without substantial hardship to the nursing home and granting an exemption will not
46.7 significantly harm residents. The commissioner may not grant an exemption if it will create
46.8 an imminent risk of harm to a resident.

46.9 (d) An exemption granted under this subdivision is in effect for 90 days. After 90 days,
46.10 the nursing home may request a renewal of the exemption. After one renewal, the nursing
46.11 home must submit a new request for exemption under this subdivision.

46.12 **Sec. 7. [144A.082] AUTOMATIC EXTERNAL DEFIBRILLATOR.**

46.13 (a) For purposes of this section, "automatic external defibrillator" has the meaning given
46.14 in section 403.51, subdivision 1.

46.15 (b) A nursing home must:

46.16 (1) maintain an automatic external defibrillator in each building on the nursing home
46.17 campus where residents may be present;

46.18 (2) ensure each of its automatic external defibrillators is maintained and regularly tested
46.19 according to the manufacturer's recommendations; and

46.20 (3) as part of initial orientation and annually thereafter, ensure all nursing home personnel
46.21 receive training in cardiopulmonary resuscitation, the use of automatic external defibrillators,
46.22 the nursing home's process for checking a resident's code status before initiating lifesaving
46.23 measures, and requesting emergency medical assistance as soon as practicable after an
46.24 automatic external defibrillator is used.

46.25 **EFFECTIVE DATE.** This section is effective August 1, 2026.

46.26 **Sec. 8. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is amended**
46.27 **to read:**

46.28 **Subd. 11. Fines.** (a) Fines and enforcement actions under this subdivision may be assessed
46.29 based on the level and scope of the violations described in paragraph (b) and imposed
46.30 immediately with no opportunity to correct the violation first as follows:

46.31 (1) Level 1, no fines or enforcement;

47.1 (2) Level 2, a fine of \$500 per violation, in addition to any of the enforcement
47.2 mechanisms authorized in section 144A.475;

47.3 (3) Level 3, a fine of \$1,000 per incident, in addition to any of the enforcement
47.4 mechanisms authorized in section 144A.475;

47.5 (4) Level 4, a fine of \$3,000 per incident, in addition to any of the enforcement
47.6 mechanisms authorized in section 144A.475;

47.7 (5) Level 5, a fine of \$5,000 per violation, in addition to any enforcement mechanism
47.8 authorized in section 144A.475; and

47.9 (6) for maltreatment violations for which the licensee was determined to be responsible
47.10 for the maltreatment under section 626.557, subdivision 9c, paragraph (cS), a fine of \$1,000.
47.11 A fine of \$5,000 may be imposed if the commissioner determines the licensee is responsible
47.12 for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

47.13 The fines in clauses (1) to (5) are increased and immediate fine imposition is authorized
47.14 for both surveys and investigations conducted.

47.15 When a fine is assessed against a facility for substantiated maltreatment, the commissioner
47.16 shall not also impose an immediate fine under this chapter for the same circumstance.

47.17 (b) Correction orders for violations are categorized by both level and scope and fines
47.18 shall be assessed as follows:

47.19 (1) level of violation:

47.20 (i) Level 1 is a violation that will cause only minimal impact on the client and does not
47.21 affect health or safety;

47.22 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential
47.23 to have harmed a client's health or safety, but was not likely to cause serious injury,
47.24 impairment, or death;

47.25 (iii) Level 3 is a violation that harmed a client's health or safety, or a violation that had
47.26 the potential to cause more than minimal harm to the client;

47.27 (iv) Level 4 is a violation that harmed a client's health or safety, not including serious
47.28 injury or death, or a violation that was likely to lead to serious injury or death; and

47.29 (v) Level 5 is a violation that results in serious injury or death; and

47.30 (2) scope of violation:

48.1 (i) isolated, when one or a limited number of clients are affected or one or a limited
48.2 number of staff are involved or the situation has occurred only occasionally;

48.3 (ii) pattern, when more than a limited number of clients are affected, more than a limited
48.4 number of staff are involved, or the situation has occurred repeatedly but is not found to be
48.5 pervasive; and

48.6 (iii) widespread, when problems are pervasive or represent a systemic failure that has
48.7 affected or has the potential to affect a large portion or all of the clients.

48.8 (c) If the commissioner finds that the applicant or a home care provider has not corrected
48.9 violations by the date specified in the correction order or conditional license resulting from
48.10 a survey or complaint investigation, the commissioner shall provide a notice of
48.11 noncompliance with a correction order by email to the applicant's or provider's last known
48.12 email address. The noncompliance notice must list the violations not corrected.

48.13 (d) For every violation identified by the commissioner, the commissioner shall issue an
48.14 immediate fine pursuant to paragraph (a). The license holder must still correct the violation
48.15 in the time specified. The issuance of an immediate fine can occur in addition to any
48.16 enforcement mechanism authorized under section 144A.475. The immediate fine may be
48.17 appealed as allowed under this subdivision.

48.18 (e) The license holder must pay the fines assessed on or before the payment date specified.
48.19 If the license holder fails to fully comply with the order, the commissioner may issue a
48.20 second fine or suspend the license until the license holder complies by paying the fine. A
48.21 timely appeal shall stay payment of the fine until the commissioner issues a final order.

48.22 (f) A license holder shall promptly notify the commissioner in writing when a violation
48.23 specified in the order is corrected. If upon reinspection the commissioner determines that
48.24 a violation has not been corrected as indicated by the order, the commissioner may issue a
48.25 second fine. The commissioner shall notify the license holder by mail to the last known
48.26 address in the licensing record that a second fine has been assessed. The license holder may
48.27 appeal the second fine as provided under this subdivision.

48.28 (g) A home care provider that has been assessed a fine under this subdivision has a right
48.29 to a reconsideration or a hearing under this section and chapter 14.

48.30 (h) When a fine has been assessed, the license holder may not avoid payment by closing,
48.31 selling, or otherwise transferring the licensed program to a third party. In such an event, the
48.32 license holder shall be liable for payment of the fine.

49.1 (i) In addition to any fine imposed under this section, the commissioner may assess a
49.2 penalty amount based on costs related to an investigation that results in a final order assessing
49.3 a fine or other enforcement action authorized by this chapter.

49.4 (j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue
49.5 account. ~~On an annual basis, the balance in the special revenue account shall be appropriated~~
49.6 ~~to the commissioner to implement the recommendations of the advisory council established~~
49.7 ~~in section 144A.4799.~~ Money deposited in the account is appropriated to the commissioner
49.8 on an annual basis for a competitive grant program for special projects for improving home
49.9 care client quality of care and outcomes in Minnesota, with a specific focus on workforce
49.10 and clinical outcomes, including projects consistent with criteria in section 144A.4799,
49.11 subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed
49.12 under this chapter or organizations with experience in or knowledge of home care operations,
49.13 compliance, client needs, or best practices. Each grant must be \$1,000 at minimum. A
49.14 provider with a temporary license under this chapter is not eligible to apply for a grant. The
49.15 commissioner may retain up to ten percent of the amount available to cover costs to
49.16 administer the grant under this section. The commissioner must publish on the department's
49.17 website an annual report on the fines assessed and collected, and how the appropriated
49.18 money was allocated.

49.19 Sec. 9. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is amended
49.20 to read:

49.21 Subdivision 1. **Membership.** (a) The commissioner of health shall appoint 14 persons
49.22 to a home care and assisted living advisory council consisting of the following:

49.23 (1) four public members as defined in section 214.02, one of whom must be a person
49.24 who either is receiving or has received home care services preferably within the five years
49.25 prior to initial appointment, one of whom must be a person who has or had a family member
49.26 receiving home care services preferably within the five years prior to initial appointment,
49.27 one of whom must be a person who either is or has been a resident in an assisted living
49.28 facility preferably within the five years prior to initial appointment, and one of whom must
49.29 be a person who has or had a family member residing in an assisted living facility preferably
49.30 within the five years prior to initial appointment;

49.31 (2) two Minnesota home care licensees representing basic and comprehensive levels of
49.32 licensure who may be a managerial official, an administrator, a supervising registered nurse,
49.33 or an unlicensed personnel performing home care tasks;

49.34 (3) one member representing the Minnesota Board of Nursing;

- 50.1 (4) one member representing the Office of Ombudsman for Long-Term Care;
- 50.2 (5) one member representing the Office of Ombudsman for Mental Health and
50.3 Developmental Disabilities;
- 50.4 (6) one member of a county health and human services or county adult protection office;
- 50.5 (7) two Minnesota assisted living facility licensees representing assisted living facilities
50.6 and assisted living facilities with dementia care levels of licensure who may be the facility's
50.7 assisted living director, managerial official, or clinical nurse supervisor;
- 50.8 (8) one organization representing long-term care providers, home care providers, and
50.9 assisted living providers in Minnesota; and
- 50.10 (9) one representative of a consumer advocacy organization representing individuals
50.11 receiving long-term care from licensed home care providers or assisted living facilities.

50.12 (b) When a vacancy occurs for an appointment identified in paragraph (a), the
50.13 commissioner must select an applicant for appointment within 81 calendar days of the
50.14 position being posted by the secretary of state, if the application of a qualified and, if
50.15 applicable, a licensee in good standing applicant is received within 21 days of posting. If
50.16 no qualified applications are received within the first 21 days, the commissioner must select
50.17 an applicant for appointment within 60 calendar days of receiving the application of a
50.18 qualified and, if applicable, a licensee in good standing applicant.

50.19 Sec. 10. Minnesota Statutes 2024, section 144G.09, subdivision 2, is amended to read:

50.20 Subd. 2. **Regulatory functions.** (a) The commissioner shall:

- 50.21 (1) license, survey, and monitor without advance notice assisted living facilities in
50.22 accordance with this chapter and rules;
- 50.23 (2) survey every provisional licensee within one year of the provisional license issuance
50.24 date subject to the provisional licensee providing assisted living services to residents;
- 50.25 (3) survey assisted living facility licensees at least once every two years;
- 50.26 (4) investigate complaints of assisted living facilities;
- 50.27 (5) issue correction orders and assess civil penalties under sections 144G.30 and 144G.31;
- 50.28 (6) take action as authorized in section 144G.20; ~~and~~
- 50.29 (7) approve or disapprove proposed increases in amounts charged for housing or assisted
50.30 living services under sections 144G.19, subdivision 5, and 144G.40, subdivision 4; and

51.1 ~~(7)~~ (8) take other action reasonably required to accomplish the purposes of this chapter.

51.2 (b) The commissioner shall review blueprints for all new facility construction and must
51.3 approve the plans before construction may be commenced.

51.4 (c) The commissioner shall provide on-site review of the construction to ensure that all
51.5 physical environment standards are met before the facility license is complete.

51.6 Sec. 11. Minnesota Statutes 2024, section 144G.15, is amended to read:

51.7 **144G.15 CONSIDERATION OF APPLICATIONS.**

51.8 Subdivision 1. Consideration. (a) Before issuing a provisional license or license or
51.9 renewing a license, the commissioner shall consider an applicant's compliance history in
51.10 providing care in this state or any other state in a facility that provides care to children, the
51.11 elderly, ill individuals, or individuals with disabilities.

51.12 (b) The applicant's compliance history shall include repeat violation, rule violations, and
51.13 any license or certification involuntarily suspended or terminated during an enforcement
51.14 process.

51.15 (c) Before issuing a provisional license for an assisted living facility with a licensed
51.16 resident capacity of six or fewer, the commissioner shall also consider the population, size,
51.17 land use plan, availability of community services, and the number and size of existing
51.18 licensed assisted living facilities in the town, municipality, or county in which the applicant
51.19 seeks to operate an assisted living facility.

51.20 Subd. 2. Colocation of certain home and community-based residential settings. The
51.21 commissioner must not grant a provisional license for an assisted living facility with a
51.22 licensed resident capacity of six or fewer until the commissioner of human services
51.23 determines that the proposed location of the assisted living facility meets the standard
51.24 described in section 245A.042, subdivision 7. This paragraph applies regardless of the
51.25 services to be provided in the proposed assisted living facility and regardless of whether
51.26 any residents of the facility will receive publicly-funded services.

51.27 Subd. 3. Grounds for licensing action. ~~(e)~~ The commissioner may deny, revoke, suspend,
51.28 restrict, or refuse to renew the license or impose conditions if:

51.29 (1) the applicant fails to provide complete and accurate information on the application
51.30 and the commissioner concludes that the missing or corrected information is needed to
51.31 determine if a license shall be granted;

52.1 (2) the applicant, knowingly or with reason to know, made a false statement of a material
 52.2 fact in an application for the license or any data attached to the application or in any matter
 52.3 under investigation by the department;

52.4 (3) the applicant refused to allow agents of the commissioner to inspect its books, records,
 52.5 and files related to the license application, or any portion of the premises;

52.6 (4) the applicant willfully prevented, interfered with, or attempted to impede in any way:
 52.7 (i) the work of any authorized representative of the commissioner, the ombudsman for
 52.8 long-term care, or the ombudsman for mental health and developmental disabilities; or (ii)
 52.9 the duties of the commissioner, local law enforcement, city or county attorneys, adult
 52.10 protection, county case managers, or other local government personnel;

52.11 (5) the applicant, owner, controlling individual, managerial official, or assisted living
 52.12 director for the facility has a history of noncompliance with federal or state regulations that
 52.13 were detrimental to the health, welfare, or safety of a resident or a client; or

52.14 (6) the applicant violates any requirement in this chapter.

52.15 ~~(d) If a license is denied, the applicant has the reconsideration rights available under~~
 52.16 ~~section 144G.16, subdivision 4.~~

52.17 Sec. 12. Minnesota Statutes 2024, section 144G.16, is amended by adding a subdivision
 52.18 to read:

52.19 Subd. 8. **Notice to affected municipality.** (a) No later than five days, excluding weekends
 52.20 and holidays, after issuing a provisional license license to an assisted living facility with a
 52.21 licensed resident capacity of six or fewer, the commissioner must provide the following
 52.22 information about the provisional licensee and the facility to the affected municipality or
 52.23 other political subdivision:

52.24 (1) business name of the provisional licensee;

52.25 (2) street address of the facility;

52.26 (3) license category;

52.27 (4) licensed resident capacity; and

52.28 (5) contact information for an authorized agent of the provisional licensee.

52.29 (b) The commissioner may provide notice through electronic communication or by
 52.30 submitting a written document to the official address of the municipality or other political
 52.31 subdivision.

53.1 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to provisional
53.2 licenses issued on or after that date.

53.3 Sec. 13. Minnesota Statutes 2025 Supplement, section 144G.19, subdivision 5, is amended
53.4 to read:

53.5 Subd. 5. **Change of ownership; existing contracts.** (a) Following a change of ownership,
53.6 the new licensee must honor the terms of an assisted living contract in effect at the time of
53.7 the change of ownership until the end of the contract term. A new licensee that proposes to
53.8 increase the amount charged for housing or assisted living services in an assisted living
53.9 contract replacing a contract in effect at the time of the change of ownership must provide
53.10 the commissioner with justification for and specific documentation supporting the proposed
53.11 increase.

53.12 (b) The commissioner must review the justification and documentation provided under
53.13 paragraph (a) and approve or disapprove the proposed increase. The commissioner may
53.14 request from the new licensee additional documentation or information the commissioner
53.15 deems necessary to conduct the review. An assisted living facility must not implement a
53.16 proposed increase described in paragraph (a) unless the commissioner approves the proposed
53.17 increase.

53.18 Sec. 14. Minnesota Statutes 2024, section 144G.195, subdivision 1, is amended to read:

53.19 Subdivision 1. **New license not required.** (a) ~~Beginning March 15, 2025,~~ An assisted
53.20 living facility with a licensed resident capacity of five residents or fewer may operate under
53.21 the licensee's current license if the facility is relocated with the approval of the commissioner
53.22 of health during the period the current license is valid.

53.23 (b) A licensee is not required to apply for a new license solely because the licensee
53.24 receives approval to relocate a facility. The licensee's license for the relocated facility
53.25 remains valid until the expiration date specified on the existing license. The commissioner
53.26 of health must apply the licensing and survey cycle previously established for the facility's
53.27 prior location to the facility's new location.

53.28 (c) A licensee must notify the commissioner of health, on a form developed by the
53.29 commissioner, of the licensee's intent to relocate the licensee's facility and submit a
53.30 nonrefundable relocation fee of \$3,905. The commissioner must deposit all relocation fees
53.31 in the state treasury to be credited to the state government special revenue fund.

54.1 (d) The licensee must obtain plan review approval for the building to which the licensee
54.2 intends to relocate the facility and a certificate of occupancy from the commissioner of labor
54.3 and industry or the commissioner of labor and industry's delegated authority for the building.
54.4 Upon issuance of a certificate of occupancy, the commissioner of health must review and
54.5 inspect the building to which the licensee intends to relocate the facility ~~and approve or~~
54.6 ~~deny the license relocation within 30 calendar days~~ and must request from the commissioner
54.7 of human services a determination of whether the location to which the licensee intends to
54.8 relocate complies with the standards described in section 245A.042, subdivision 7. The
54.9 commissioner of health must approve or deny the license relocation within 30 calendar days
54.10 after inspecting the building and receiving a determination from the commissioner of human
54.11 services.

54.12 (e) A licensee ~~may only relocate a facility within the geographic boundaries of the~~
54.13 ~~municipality in which the facility is currently located or within the geographic boundaries~~
54.14 ~~of a contiguous municipality~~ located in the seven-county metropolitan area may not relocate
54.15 outside of the seven-county metropolitan area. A licensee located outside of the seven-county
54.16 metropolitan area may not relocate more than two hours or 120 miles from the licensee's
54.17 previous location nor relocate to within the seven-county metropolitan area.

54.18 (f) A licensee may only relocate one time in any three-year period, except that the
54.19 commissioner may approve an additional relocation within a three-year period upon a
54.20 licensee's demonstration of an extenuating circumstance, including but not limited to the
54.21 criteria outlined in section 256B.49, subdivision 28a, paragraph (c).

54.22 (g) A licensee that receives approval from the commissioner to relocate a facility must
54.23 provide each resident with a new assisted living contract and comply with the coordinated
54.24 move requirements under section 144G.55.

54.25 (h) A licensee denied approval by the commissioner of health to relocate a facility may
54.26 continue to operate the facility in its current location, follow the requirements in section
54.27 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent
54.28 to relocate the facility to an alternative new location. If the licensee notifies the commissioner
54.29 of the licensee's intent to relocate the facility to an alternative new location, ~~paragraph (e)~~
54.30 ~~applies, including~~ all provisions of this section apply, including paragraph (c) and the
54.31 timelines for approving or denying the license relocation for the alternative new location.

54.32 (g) If the commissioner of health approves a relocation under this subdivision, the
54.33 commissioner must comply with the provisions of section 144G.16, subdivision 8.

55.1 Sec. 15. Minnesota Statutes 2024, section 144G.31, subdivision 7, is amended to read:

55.2 Subd. 7. **Additional penalties.** In addition to any fine imposed under this section, the
55.3 commissioner may:

55.4 (1) assess a penalty amount based on costs related to an investigation that results in a
55.5 final order assessing a fine or other enforcement action authorized by this chapter; and

55.6 (2) increase a fine if the violation results in serious injury or death and the commissioner
55.7 determines the licensee's conduct was sufficiently egregious to warrant an increase,
55.8 notwithstanding the fine amount provided in subdivision 4, paragraph (a), clause (5).

55.9 Sec. 16. Minnesota Statutes 2024, section 144G.40, is amended by adding a subdivision
55.10 to read:

55.11 Subd. 4. **Increase in amount charged for housing or services.** (a) If an assisted living
55.12 facility proposes to increase the amount charged for housing or assisted living services by
55.13 an amount that exceeds the change in the Consumer Price Index for All Urban Consumers
55.14 published by the federal Bureau of Labor Statistics, for the most recent 12-month period
55.15 for which data is available, the assisted living facility must provide the commissioner with
55.16 justification for and specific documentation supporting the proposed increase.

55.17 (b) The documentation required under paragraph (a) must include:

55.18 (1) data on operational costs, including but not limited to the cost of staffing, utilities,
55.19 maintenance, and other day-to-day expenses necessary to operate the facility;

55.20 (2) data on the proposed imposition of any new fees, but is not limited to a raw food
55.21 fee, community fee, pharmacy choice or coordination fee, hospice choice or coordination
55.22 fee, or activities fee;

55.23 (3) the facility's balance sheet, including projected revenues and expenses for the next
55.24 fiscal year;

55.25 (4) data on costs related to compliance with new regulatory requirements, including but
55.26 not limited to health and safety requirements;

55.27 (5) data on capital improvements to, upgrades to, or expansion of the facility, including
55.28 but not limited to building renovations or new construction;

55.29 (6) a comparison of the facility's costs and fees and the costs and fees of similar facilities
55.30 in the region where the facility is located;

56.1 (7) data on whether the facility's residents have increased needs or are requesting new
56.2 amenities; and

56.3 (8) the percentage of revenue devoted to administrative costs and the percentage of
56.4 revenue devoted to marketing costs.

56.5 (c) The commissioner must review the justification and documentation provided under
56.6 paragraph (a) and approve or disapprove the proposed increase. The commissioner may
56.7 request from the facility additional documentation or information the commissioner deems
56.8 necessary to conduct the review. An assisted living facility must not implement a proposed
56.9 increase described in paragraph (a) unless the commissioner approves the proposed increase.

56.10 (d) If the commissioner approves the proposed increase, approval must be conditioned
56.11 on the facility maintaining or improving the quality of care it provides, including but not
56.12 limited to hiring additional staff, improving staff training, updating medical equipment, or
56.13 upgrading physical environment elements of the facility.

56.14 Sec. 17. Minnesota Statutes 2024, section 144G.41, subdivision 1, is amended to read:

56.15 Subdivision 1. **Minimum requirements.** All assisted living facilities shall:

56.16 (1) distribute to residents the assisted living bill of rights;

56.17 (2) provide services in a manner that complies with the Nurse Practice Act in sections
56.18 148.171 to 148.285;

56.19 (3) utilize a person-centered planning and service delivery process;

56.20 (4) have and maintain a system for delegation of health care activities to unlicensed
56.21 personnel by a registered nurse, including supervision and evaluation of the delegated
56.22 activities as required by the Nurse Practice Act in sections 148.171 to 148.285;

56.23 (5) provide a means for residents to request assistance for health and safety needs 24
56.24 hours per day, seven days per week;

56.25 (6) allow residents the ability to furnish and decorate the resident's unit within the terms
56.26 of the assisted living contract;

56.27 (7) permit residents access to food at any time;

56.28 (8) allow residents to choose the resident's visitors and times of visits;

56.29 (9) allow the resident the right to choose a roommate if sharing a unit;

56.30 (10) notify the resident of the resident's right to have and use a lockable door to the
56.31 resident's unit. The licensee shall provide the locks on the unit. Only a staff member with

57.1 a specific need to enter the unit shall have keys, and advance notice must be given to the
 57.2 resident before entrance, when possible. An assisted living facility must not lock a resident
 57.3 in the resident's unit;

57.4 (11) develop and implement a staffing plan for determining its staffing level that:

57.5 (i) includes an evaluation, to be conducted at least twice a year, of the appropriateness
 57.6 of staffing levels in the facility;

57.7 (ii) ensures sufficient staffing at all times to meet the scheduled and reasonably
 57.8 foreseeable unscheduled needs of each resident as required by the residents' assessments
 57.9 and service plans on a 24-hour per day basis; and

57.10 (iii) ensures that the facility can respond promptly and effectively to individual resident
 57.11 emergencies and to emergency, life safety, and disaster situations affecting staff or residents
 57.12 in the facility;

57.13 (12) ensure that one or more persons are available 24 hours per day, seven days per
 57.14 week, who are responsible for responding to the requests of residents for assistance with
 57.15 health or safety needs. Such persons must be:

57.16 (i) awake;

57.17 (ii) located in the same building, in an attached building, or on a contiguous campus
 57.18 with the facility in order to respond within a reasonable amount of time;

57.19 (iii) capable of communicating with residents;

57.20 (iv) capable of providing or summoning the appropriate assistance; and

57.21 (v) capable of following directions; ~~and~~

57.22 (13) provide staff access to an on-call registered nurse 24 hours per day, seven days per
 57.23 week;

57.24 (14) ensure a plan to immediately attend to resident needs in a medical emergency; and

57.25 (15) ensure that a person trained in emergency medical response is on site 24 hours per
 57.26 day, seven days per week.

57.27 Sec. 18. Minnesota Statutes 2024, section 144G.41, subdivision 2, is amended to read:

57.28 Subd. 2. **Policies and procedures.** (a) Each assisted living facility must have policies
 57.29 and procedures in place to address the following ~~and keep them current~~:

57.30 (1) requirements in section 626.557, reporting of maltreatment of vulnerable adults;

- 58.1 (2) conducting and handling background studies on employees;
- 58.2 (3) orientation, training, and competency evaluations of staff, and a process for evaluating
58.3 staff performance;
- 58.4 (4) handling complaints regarding staff or services provided by staff;
- 58.5 (5) conducting initial evaluations of residents' needs and the providers' ability to provide
58.6 those services;
- 58.7 (6) conducting initial and ongoing resident evaluations and assessments of resident
58.8 needs, including assessments by a registered nurse or appropriate licensed health professional,
58.9 and how changes in a resident's condition are identified, managed, and communicated to
58.10 staff and other health care providers as appropriate;
- 58.11 (7) orientation to and implementation of the assisted living bill of rights;
- 58.12 (8) infection control practices;
- 58.13 (9) reminders for medications, treatments, or exercises, if provided;
- 58.14 (10) conducting appropriate screenings, or documentation of prior screenings, to show
58.15 that staff are free of tuberculosis, consistent with current United States Centers for Disease
58.16 Control and Prevention standards;
- 58.17 (11) ensuring that nurses and licensed health professionals have current and valid licenses
58.18 to practice;
- 58.19 (12) medication and treatment management;
- 58.20 (13) delegation of tasks by registered nurses or licensed health professionals;
- 58.21 (14) supervision of registered nurses and licensed health professionals; ~~and~~
- 58.22 (15) supervision of unlicensed personnel performing delegated tasks; and
- 58.23 (16) medical emergency procedures initiated when a resident is experiencing a medical
58.24 emergency, including but not limited to a resident falling, having a heart event, having
58.25 difficulty breathing, bleeding, or choking.
- 58.26 (b) Each assisted living facility must keep all policies and procedures current and make
58.27 them available to a resident or the resident's representative upon request. Policies and
58.28 procedures covering emergency situations must be provided to prospective residents before
58.29 admission to an assisted living facility and provided to current residents at the time of a
58.30 nursing assessment as required under section 144G.70, subdivision 2.

59.1 Sec. 19. Minnesota Statutes 2024, section 144G.41, is amended by adding a subdivision
59.2 to read:

59.3 Subd. 9. **Automatic external defibrillator.** (a) For purposes of this subdivision,
59.4 "automatic external defibrillator" has the meaning given in section 403.51, subdivision 1.

59.5 (b) A facility must:

59.6 (1) maintain an automatic external defibrillator in each building on the assisted living
59.7 facility campus where residents may be present; and

59.8 (2) ensure each of its automatic external defibrillators is maintained and regularly tested
59.9 according to the manufacturer's recommendations.

59.10 **EFFECTIVE DATE.** This section is effective August 1, 2026.

59.11 Sec. 20. Minnesota Statutes 2024, section 144G.45, subdivision 3, is amended to read:

59.12 Subd. 3. **Local laws apply; delegating inspection authority.** (a) Assisted living facilities
59.13 shall comply with all applicable state and local governing laws, regulations, standards,
59.14 ordinances, and codes for fire safety, building, and zoning requirements, except a facility
59.15 with a licensed resident capacity of six or fewer is exempt from rental licensing regulations
59.16 imposed by any town, municipality, or county.

59.17 (b) At the request of a county or local unit of government, the commissioner may delegate
59.18 to a county agency or local unit of government the commissioner's authority to inspect an
59.19 existing assisted living facility with a licensed resident capacity of six or fewer that is in
59.20 the jurisdiction of the county or local unit of government for compliance with applicable
59.21 physical plant licensing requirements and zoning ordinances. If the commissioner delegates
59.22 the commissioner's authority to a county agency or local unit of government under this
59.23 subdivision, the commissioner must execute a formal delegation of authority that clearly
59.24 specifies what authority is being delegated to the county agency or local unit of government,
59.25 that the commissioner is responsible for any costs incurred by the county agency or local
59.26 unit of government for conducting inspections under delegated authority, and that the county
59.27 agency or local unit of government must not assess any additional fees for conducting an
59.28 inspection under delegated authority. When conducting an inspection under delegated
59.29 authority, the county agency or local unit of government must provide the subject of the
59.30 inspection with a copy of the delegation of authority.

59.31 (c) When a county agency or local unit of government is conducting an inspection under
59.32 delegated authority as provided in paragraph (b), the county agency or local unit of
59.33 government and the commissioner must coordinate their inspections to minimize visits to

60.1 and disruptions of the facility. A county agency or local unit of government conducting an
60.2 inspection must notify the commissioner of any violations or concerns within ten working
60.3 days of the inspection. A county agency or local unit of government that conducts inspections
60.4 under this subdivision must not inspect an assisted living facility more frequently than
60.5 annually, except a follow-up inspection is permitted before the next annual inspection to
60.6 verify correction of a violation discovered during the most recent inspection.

60.7 (d) The commissioner must ensure that laws, rules, and codes are uniformly enforced
60.8 throughout the state by reviewing at least every four years each county agency and local
60.9 unit of government conducting inspections under this subdivision for compliance with this
60.10 subdivision and other applicable laws and rules. The commissioner must ensure that a county
60.11 agency or local unit of government to which the commissioner has delegated the
60.12 commissioner's authority under this subdivision has at all times sufficient expertise to
60.13 conduct delegated inspections competently, and if the county agency or local unit of
60.14 government does not, the commissioner must immediately revoke the delegation of authority.

60.15 **EFFECTIVE DATE.** This section is effective January 1, 2027.

60.16 Sec. 21. Minnesota Statutes 2024, section 144G.61, subdivision 2, is amended to read:

60.17 Subd. 2. **Training and evaluation of unlicensed personnel.** (a) Training and competency
60.18 evaluations for all unlicensed personnel must include the following:

60.19 (1) documentation requirements for all services provided;

60.20 (2) reports of changes in the resident's condition to the supervisor designated by the
60.21 facility;

60.22 (3) basic infection control, including blood-borne pathogens;

60.23 (4) maintenance of a clean and safe environment;

60.24 (5) appropriate and safe techniques in personal hygiene and grooming, including:

60.25 (i) hair care and bathing;

60.26 (ii) care of teeth, gums, and oral prosthetic devices;

60.27 (iii) care and use of hearing aids; and

60.28 (iv) dressing and assisting with toileting;

60.29 (6) training on the prevention of falls;

60.30 (7) standby assistance techniques and how to perform them;

- 61.1 (8) medication, exercise, and treatment reminders;
- 61.2 (9) basic nutrition, meal preparation, food safety, and assistance with eating;
- 61.3 (10) preparation of modified diets as ordered by a licensed health professional;
- 61.4 (11) communication skills that include preserving the dignity of the resident and showing
61.5 respect for the resident and the resident's preferences, cultural background, and family;
- 61.6 (12) awareness of confidentiality and privacy;
- 61.7 (13) understanding appropriate boundaries between staff and residents and the resident's
61.8 family;
- 61.9 (14) procedures to use in handling various emergency situations; ~~and~~
- 61.10 (15) awareness of commonly used health technology equipment and assistive devices;
61.11 and
- 61.12 (16) procedures to use when handling various emergency medical situations, including
61.13 but not limited to a resident falling, having a heart event, having difficulty breathing,
61.14 bleeding, or choking.
- 61.15 (b) In addition to paragraph (a), training and competency evaluation for unlicensed
61.16 personnel providing assisted living services must include:
- 61.17 (1) observing, reporting, and documenting resident status;
- 61.18 (2) basic knowledge of body functioning and changes in body functioning, injuries, or
61.19 other observed changes that must be reported to appropriate personnel;
- 61.20 (3) reading and recording temperature, pulse, and respirations of the resident;
- 61.21 (4) recognizing physical, emotional, cognitive, and developmental needs of the resident;
- 61.22 (5) safe transfer techniques and ambulation;
- 61.23 (6) range of motioning and positioning; and
- 61.24 (7) administering medications or treatments as required.

61.25 Sec. 22. Minnesota Statutes 2024, section 144G.63, subdivision 2, is amended to read:

61.26 Subd. 2. **Content of required orientation.** (a) The orientation must contain the following
61.27 topics:

- 61.28 (1) an overview of this chapter;

- 62.1 (2) an introduction and review of the facility's policies and procedures related to the
62.2 provision of assisted living services by the individual staff person;
- 62.3 (3) handling of emergencies and use of emergency services;
- 62.4 (4) compliance with and reporting of the maltreatment of vulnerable adults under section
62.5 626.557 to the Minnesota Adult Abuse Reporting Center (MAARC);
- 62.6 (5) the assisted living bill of rights and staff responsibilities related to ensuring the
62.7 exercise and protection of those rights;
- 62.8 (6) the principles of person-centered planning and service delivery and how they apply
62.9 to direct support services provided by the staff person;
- 62.10 (7) handling of residents' complaints, reporting of complaints, and where to report
62.11 complaints, including information on the Office of Health Facility Complaints;
- 62.12 (8) consumer advocacy services of the Office of Ombudsman for Long-Term Care,
62.13 Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care
62.14 Ombudsman at the Department of Human Services, county-managed care advocates, or
62.15 other relevant advocacy services; ~~and~~
- 62.16 (9) a review of the types of assisted living services the staff member will be providing
62.17 and the facility's category of licensure; and
- 62.18 (10) cardiopulmonary resuscitation, the use of automatic external defibrillators, the
62.19 facility's process for checking a resident's code status before initiating lifesaving measures,
62.20 and requesting emergency medical assistance as soon as practicable after an automatic
62.21 external defibrillator is used.
- 62.22 (b) In addition to the topics in paragraph (a), orientation may also contain training on
62.23 providing services to residents with hearing loss. Any training on hearing loss provided
62.24 under this subdivision must be high quality and research based, may include online training,
62.25 and must include training on one or more of the following topics:
- 62.26 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,
62.27 and the challenges it poses to communication;
- 62.28 (2) health impacts related to untreated age-related hearing loss, such as increased
62.29 incidence of dementia, falls, hospitalizations, isolation, and depression; or
- 62.30 (3) information about strategies and technology that may enhance communication and
62.31 involvement, including communication strategies, assistive listening devices, hearing aids,
62.32 visual and tactile alerting devices, communication access in real time, and closed captions.

63.1 **EFFECTIVE DATE.** This section is effective August 1, 2026.

63.2 Sec. 23. Minnesota Statutes 2024, section 144G.63, subdivision 5, is amended to read:

63.3 Subd. 5. **Required annual training.** (a) All staff that perform direct services must
63.4 complete at least eight hours of annual training for each 12 months of employment. The
63.5 training may be obtained from the facility or another source and must include topics relevant
63.6 to the provision of assisted living services. The annual training must include:

63.7 (1) training on reporting of maltreatment of vulnerable adults under section 626.557;

63.8 (2) review of the assisted living bill of rights and staff responsibilities related to ensuring
63.9 the exercise and protection of those rights;

63.10 (3) review of infection control techniques used in the home and implementation of
63.11 infection control standards including a review of hand washing techniques; the need for and
63.12 use of protective gloves, gowns, and masks; appropriate disposal of contaminated materials
63.13 and equipment, such as dressings, needles, syringes, and razor blades; disinfecting reusable
63.14 equipment; disinfecting environmental surfaces; and reporting communicable diseases;

63.15 (4) effective approaches to use to problem solve when working with a resident's
63.16 challenging behaviors, and how to communicate with residents who have dementia,
63.17 Alzheimer's disease, or related disorders;

63.18 (5) review of the facility's policies and procedures relating to the provision of assisted
63.19 living services and how to implement those policies and procedures; ~~and~~

63.20 (6) the principles of person-centered planning and service delivery and how they apply
63.21 to direct support services provided by the staff person-; and

63.22 (7) cardiopulmonary resuscitation, the use of automatic external defibrillators, the
63.23 facility's process for checking a resident's code status before initiating lifesaving measures,
63.24 and requesting emergency medical assistance as soon as practicable after an automatic
63.25 external defibrillator is used.

63.26 (b) In addition to the topics in paragraph (a), annual training may also contain training
63.27 on providing services to residents with hearing loss. Any training on hearing loss provided
63.28 under this subdivision must be high quality and research based, may include online training,
63.29 and must include training on one or more of the following topics:

63.30 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,
63.31 and challenges it poses to communication;

64.1 (2) the health impacts related to untreated age-related hearing loss, such as increased
64.2 incidence of dementia, falls, hospitalizations, isolation, and depression; or

64.3 (3) information about strategies and technology that may enhance communication and
64.4 involvement, including communication strategies, assistive listening devices, hearing aids,
64.5 visual and tactile alerting devices, communication access in real time, and closed captions.

64.6 **EFFECTIVE DATE.** This section is effective August 1, 2026.

64.7 Sec. 24. Minnesota Statutes 2024, section 144G.63, is amended by adding a subdivision
64.8 to read:

64.9 **Subd. 5a. Orientation and annual training; other staff.** (a) All staff who are not subject
64.10 to the orientation requirements in subdivisions 1 and 2 must complete an orientation on the
64.11 topics specified under paragraph (b) within 160 hours of the employment start date. All
64.12 staff who are not subject to the annual training requirements in subdivision 5 must complete
64.13 annual training on the topics specified under paragraph (b).

64.14 (b) The orientation and annual training must include training on cardiopulmonary
64.15 resuscitation, the use of automatic external defibrillators, the facility's process for checking
64.16 a resident's code status before initiating lifesaving measures, and requesting emergency
64.17 medical assistance as soon as practicable after an automatic external defibrillator is used.

64.18 **EFFECTIVE DATE.** This section is effective August 1, 2026.

64.19 Sec. 25. **[144G.65] NURSING STAFF REQUIREMENTS.**

64.20 **Subdivision 1. Onsite registered nurse.** (a) Except when waived under subdivision 5,
64.21 the facility must have a registered nurse onsite 24 hours per day. The registered nurse must
64.22 be available to provide direct resident care.

64.23 (b) For any periods when the onsite registered nurse requirements in paragraph (a) are
64.24 waived under subdivision 5, a facility must have a registered nurse, licensed nurse
64.25 practitioner, physician assistant, or physician available to respond immediately to telephone
64.26 calls from the facility.

64.27 **Subd. 2. Staffing competencies.** The facility must ensure that all nurses have the specific
64.28 competencies and skill sets necessary to care for residents' needs, as identified through
64.29 resident assessments, and described in the service plan. Providing care includes but is not
64.30 limited to assessing, evaluating, planning, and implementing resident care plans and
64.31 responding to residents' needs.

65.1 Subd. 3. **Required staff ratio.** (a) The minimum staffing standard for personnel in
65.2 assisted living facilities is as specified in this subdivision.

65.3 (b) A facility must provide nursing care to all residents in accordance with each resident's
65.4 service plan while also providing a minimum of 3.48 hours per resident per 24 hours for
65.5 total nurse staffing, including but not limited to a minimum of 0.55 hours per resident per
65.6 24 hours for registered nurses and a minimum of 2.45 hours per resident per 24 hours for
65.7 nurse aides and licensed nurse practitioners per resident per 24 hours.

65.8 (c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty,
65.9 productive nursing hours of all nurses and nursing assistants, calculated on the basis of any
65.10 given 24-hour period. "Productive nursing hours" means all on-duty hours during which
65.11 nurses and nursing assistants are engaged in nursing duties. Not included are vacations,
65.12 holidays, sick leave, in-service classroom training, or lunches. Also not included are the
65.13 nonproductive nursing hours of the in-service training director. In a facility with more than
65.14 60 licensed beds, the hours of the director of nursing are excluded.

65.15 (d) An assisted living facility that is issued a notice of noncompliance for a violation of
65.16 this subdivision shall be assessed a civil fine of \$300 for each day of noncompliance.

65.17 Subd. 4. **Nursing supervision.** (a) Except when waived under subdivision 5, the facility
65.18 must designate a registered nurse to serve as a charge nurse for each shift.

65.19 (b) Except when waived under subdivision 5, the facility must designate a registered
65.20 nurse to serve as the director of nursing on a full-time basis. The director of nursing may
65.21 serve as a charge nurse only when the facility has an average daily occupancy of 60 or fewer
65.22 residents.

65.23 Subd. 5. **Exemption process.** (a) The commissioner shall establish a process for
65.24 exemption to the requirements under subdivisions 1 and 4. A facility shall submit a request
65.25 for exemption under this subdivision on a form developed and in a manner established by
65.26 the commissioner. A requesting facility shall provide in writing to the commissioner the
65.27 following information at a minimum:

65.28 (1) the specific requirement from which exemption is sought;

65.29 (2) a detailed explanation of the physical proximity of the requesting facility to other
65.30 facilities within reasonable distance providing the same services as the requesting facility;

65.31 (3) the reason the facility is unable to comply with the requirement;

66.1 (4) the reason that compliance with the requirement will impose substantial hardship,
66.2 including but not limited to the risk of the facility closing and requiring residents to move;
66.3 and

66.4 (5) the reason that a waiver will not significantly harm residents.

66.5 Following the submission of an exemption request, the commissioner must provide public
66.6 notice of the requested exemption and allow a public comment period.

66.7 (b) The commissioner shall evaluate requests for exemption under this subdivision by
66.8 reviewing the application materials and all comments submitted during the public comment
66.9 period. As part of the evaluation process, the commissioner may:

66.10 (1) inspect the facility;

66.11 (2) confer with the facility manager or designee;

66.12 (3) contact residents or their representatives to determine whether they believe a waiver
66.13 is in the residents' best interest; and

66.14 (4) contact individuals who submitted public comment during the public comment period.

66.15 (c) The commissioner may grant an exemption if the commissioner determines that
66.16 compliance with the requirement from which the exemption is sought cannot be accomplished
66.17 without substantial hardship to the facility and granting an exemption will not significantly
66.18 harm residents. The commissioner may not grant an exemption if it will create an imminent
66.19 risk of harm to a resident.

66.20 (d) An exemption granted under this subdivision is in effect for 90 days. After 90 days,
66.21 the facility may request a renewal of the exemption. After one renewal, the facility must
66.22 submit a new request for exemption under this subdivision.

66.23 Sec. 26. Minnesota Statutes 2025 Supplement, section 145D.40, is amended by adding a
66.24 subdivision to read:

66.25 Subd. 5. **Health care professional.** "Health care professional" means an individual who
66.26 is licensed or registered by the state to provide health care services within the professional's
66.27 scope of practice and in accordance with state law.

66.28 Sec. 27. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 1, is amended
66.29 to read:

66.30 Subdivision 1. **Notice.** At least 120 days prior to the transfer of ownership or control of
66.31 a nonprofit nursing home or nonprofit assisted living facility to a for-profit entity, the nursing

67.1 home or assisted living facility must provide written notice to the attorney general, the
67.2 commissioner of health, and the commissioner of human services of its intent to transfer
67.3 ownership or control to a for-profit entity.

67.4 Sec. 28. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 2, is amended
67.5 to read:

67.6 Subd. 2. **Information.** Together with the notice, the for-profit entity seeking to acquire
67.7 ownership or control of the nonprofit nursing home or nonprofit assisted living facility must
67.8 provide to the attorney general, commissioner of health, and commissioner of human services:

67.9 (1) the names of each individual with an interest in the for-profit entity and the percentage
67.10 of interest each individual holds in the for-profit entity;

67.11 (2) a complete and detailed description of the for-profit entity's corporate structure;

67.12 (3) the names of each individual holding an interest in, and the percentage of interest
67.13 held in, any affiliate, subsidiary, or otherwise related entity that the for-profit entity has a
67.14 contract to provide goods or services for the operation or maintenance of the nursing home
67.15 or assisted living facility or has a contract for goods and services to be provided to residents,
67.16 including any real estate investment trusts if permitted under section 145D.42, subdivision
67.17 1;

67.18 (4) for the previous five years, any filings required to be made to any federal or state
67.19 agency;

67.20 (5) the for-profit entity's current balance sheet;

67.21 (6) all application materials required under section 144A.03 or 144G.12, as applicable;

67.22 (7) a description of the condition of the buildings the for-profit entity seeks to acquire
67.23 or manage, identifying any cooling problems, electric medical devices present, recent exterior
67.24 additions and replacements, external building conditions, recent flush toilet breakdowns,
67.25 foreclosure status in the previous 12 months, heat risk, heating problems, indoor air quality,
67.26 recent interior additions and replacements, and mold, as those terms are defined and described
67.27 in Appendix A of the American Housing Survey for the United States: 2023;

67.28 (8) an affidavit and evidence; and

67.29 (9) other information required by the attorney general, commissioner of health, and
67.30 commissioner of human services.

68.1 Sec. 29. Minnesota Statutes 2025 Supplement, section 145D.41, is amended by adding a
68.2 subdivision to read:

68.3 Subd. 3. **Affidavit and evidence.** In addition to the notice required under subdivision
68.4 1, a for-profit entity seeking to acquire ownership or control of a nonprofit nursing home
68.5 or nonprofit assisted living facility must submit to the attorney general an affidavit and
68.6 evidence sufficient to demonstrate that:

68.7 (1) the for-profit entity has the financial, managerial, and operational ability to operate
68.8 or manage the nursing home or assisted living facility consistent with the requirements of:
68.9 (i) for a nursing home, sections 144A.01 to 144A.1888, chapter 256R, and Minnesota Rules,
68.10 chapter 4658; or (ii) for an assisted living facility, chapter 144G and Minnesota Rules,
68.11 chapter 4659;

68.12 (2) neither the for-profit entity nor any of its owners, managerial officials, or managers
68.13 have committed a crime listed in, or been found civilly liable for an offense listed in, section
68.14 144A.03, subdivision 1, clause (13), or 144G.12, subdivision 1, clause (13), as applicable;

68.15 (3) in the preceding ten years, there have been no judgments and no filed, pending, or
68.16 completed public or private litigations, tax liens, written complaints, administrative actions,
68.17 or investigations by a government agency against the for-profit entity or any of its owners,
68.18 managerial officials, or managers;

68.19 (4) in the preceding ten years, the for-profit entity has not defaulted in the payment of
68.20 money collected for others and has not discharged debts through bankruptcy proceedings;

68.21 (5) the for-profit entity will invest sufficient capital in the nursing home or assisted living
68.22 facility to maintain or improve the facility's infrastructure and staffing;

68.23 (6)(i) housing costs or costs for services in a nursing home or assisted living facility in
68.24 the United States over which the for-profit entity acquired ownership or control have not
68.25 increased by more than the increase in the Consumer Price Index for all urban consumers
68.26 published by the federal Bureau of Labor Statistics for the 12 months preceding the month
68.27 in which the increase became effective; or (ii) if housing costs or costs for services in the
68.28 nursing home or assisted living facility increased by more than the increase in the Consumer
68.29 Price Index as described in item (i), the increase was justified;

68.30 (7) within five years after acquiring ownership or control of any other nursing home or
68.31 assisted living facility in the United States, the for-profit entity did not sell or otherwise
68.32 transfer ownership or control of the nursing home or assisted living facility to another person;
68.33 and

69.1 (8) after acquiring ownership or control of another nursing home in the United States,
69.2 that nursing home, with respect to the Centers for Medicare and Medicaid Services rating
69.3 system:

69.4 (i) maintained or improved the nursing home's rating if upon acquisition of ownership
69.5 or control the rating was three or more stars; or

69.6 (ii) improved the nursing home's rating to at least three stars if upon acquisition of
69.7 ownership or control the rating was one or two stars.

69.8 **Sec. 30. [145D.42] PROHIBITED PRACTICES.**

69.9 A for-profit entity that acquires ownership or control of a nonprofit nursing home or
69.10 nonprofit assisted living facility is prohibited from:

69.11 (1) interfering with the professional judgment of a health care professional providing
69.12 care in the nursing home or assisted living facility or with a health care professional's
69.13 diagnosis or treatment of residents in the nursing home or assisted living facility;

69.14 (2) providing unequal treatment with regard to charges for housing or services based on
69.15 whether the resident pays for housing or services with private funds or through a public
69.16 program;

69.17 (3) engaging in any act, practice, or course of business that would strip an asset from an
69.18 acquired nursing home or assisted living facility or that would otherwise undermine the
69.19 quality of, safety of, or access to care and services provided by the nursing home or assisted
69.20 living facility;

69.21 (4) engaging in self-dealing;

69.22 (5) engaging in any acts, practices, or courses of business that result in an adverse impact
69.23 on the health, safety, and well-being and quality of care of the residents of the nursing home
69.24 or assisted living facility;

69.25 (6) spending less than 75 percent of the funds received by the nursing home or assisted
69.26 living facility from public programs and state appropriations on the direct care of residents;

69.27 (7) raising resident housing costs beyond the Consumer Price Index for all urban
69.28 consumers published by the federal Bureau of Labor Statistics for the 12 months preceding
69.29 the month in which the increase became effective unless the for-profit entity can demonstrate
69.30 that the increase was justified by legitimate business expenses;

69.31 (8) allowing a diminution of maintenance or a deterioration in the operations and
69.32 infrastructure of the nursing home or assisted living facility that results in unsafe conditions

70.1 or violations of building and other relevant codes, diminishes the property value of the
 70.2 facility, or jeopardizes the health and well-being of the residents; or

70.3 (9) for a nursing home:

70.4 (i) failing to improve in the Centers for Medicare and Medicaid Services rating if the
 70.5 nursing home's current rating is one or two stars; or

70.6 (ii) allowing a decline in the Centers for Medicare and Medicaid Services rating if the
 70.7 nursing home's current rating is at least three stars.

70.8 **Sec. 31. [145D.43] ENFORCEMENT AND REMEDIES; NURSING HOMES AND**
 70.9 **ASSISTED LIVING FACILITIES.**

70.10 **Subdivision 1. Equitable remedies.** (a) In addition to other remedies provided by law,
 70.11 the attorney general may bring an action in district court to enjoin or unwind a transaction
 70.12 or seek other equitable relief if a nonprofit assisted living facility, nonprofit nursing home,
 70.13 or for-profit entity violates sections 145D.41 to 145D.42.

70.14 (b) In seeking injunctive relief under this section, the attorney general is not required to
 70.15 establish irreparable harm but must instead establish that a violation of sections 145D.41
 70.16 to 145D.42 occurred.

70.17 **Subd. 2. Failure to provide information.** Failure of the entities involved in a transaction
 70.18 subject to sections 145D.41 to 145D.42 to provide timely information as required by the
 70.19 attorney general, the commissioner of health, or the commissioner of human services is an
 70.20 independent and sufficient ground for a court to enjoin or unwind the transaction or provide
 70.21 other equitable relief, provided the attorney general notifies the entities of the inadequacy
 70.22 of the information provided and provides the entities with a reasonable opportunity to remedy
 70.23 the inadequacy.

70.24 **Subd. 3. Enforcement.** In addition to the remedies provided under this section or other
 70.25 law, the attorney general may enforce sections 145D.41 to 145D.42 pursuant to section
 70.26 8.31.

70.27 **Subd. 4. Civil penalties; attorney fees.** (a) An officer, director, or other executive found
 70.28 to have violated sections 145D.41 to 145D.42 shall be subject to a civil penalty of up to
 70.29 \$50,000 for each violation. A nonprofit assisted living facility, nonprofit nursing home, or
 70.30 for-profit entity that is a party to or materially participated in a transaction found to have
 70.31 violated sections 145D.41 to 145D.42 shall be subject to a civil penalty of up to \$500,000.

71.1 (b) A court may also award reasonable attorney fees and costs of investigation and
71.2 litigation for an action brought under this section.

71.3 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to violations
71.4 occurring on or after that date.

71.5 Sec. 32. **DIRECTION TO COMMISSIONER OF HEALTH; SMALL ASSISTED**
71.6 **LIVING FACILITY LICENSURE.**

71.7 (a) The commissioner of health must convene a group of interested parties to examine
71.8 the licensing requirements under Minnesota Statutes, chapter 144G, for assisted living
71.9 facilities with a licensed resident capacity of five residents or fewer. The group must develop
71.10 a new licensing category applicable to such facilities to account for health and safety
71.11 requirements and practical realities of operating small assisted living facilities that
71.12 predominantly serve individuals receiving customized living services under the federally
71.13 approved brain injury, community access for disability inclusion, and elderly waiver plans.

71.14 (b) The commissioner must develop draft legislative language to establish a new assisted
71.15 living license category for facilities with a licensed resident capacity of five residents or
71.16 fewer.

71.17 (c) The commissioner must submit the draft legislation to the chairs and ranking minority
71.18 members of the legislative committees with jurisdiction over health and human services
71.19 policy and finance by January 1, 2028.

71.20 Sec. 33. **SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE**
71.21 **PROVIDERS.**

71.22 By December 31, 2028, the commissioner of health must distribute the balance as of
71.23 January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474,
71.24 subdivision 11, paragraph (j), under a competitive grant program for special projects for
71.25 improving home care client quality of care and outcomes in Minnesota, with a specific focus
71.26 on workforce and clinical outcomes, including projects consistent with criteria in Minnesota
71.27 Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to
71.28 home care providers licensed under Minnesota Statutes, chapter 144A, or organizations
71.29 with experience in or knowledge of home care operations, compliance, client needs, or best
71.30 practices. Each grant must be \$1,000 at minimum. A provider with a temporary license
71.31 under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount
71.32 that has not been awarded as a grant by December 31, 2028, must be used for the annual

72.1 distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j),
72.2 beginning January 1, 2029.

72.3 Sec. 34. **REPEALER.**

72.4 Minnesota Statutes 2024, section 144A.04, subdivision 7, is repealed.

72.5 **ARTICLE 5**
72.6 **DIRECT CARE AND TREATMENT**

72.7 Section 1. Minnesota Statutes 2024, section 15.43, subdivision 3, is amended to read:

72.8 Subd. 3. **Other exemptions.** The ~~commissioners~~ commissioner of ~~human services and~~
72.9 ~~corrections and Direct Care and Treatment executive board~~ may by rule prescribe procedures
72.10 for the acceptance of gifts from any person or organization, provided that such gifts are
72.11 accepted by the commissioner or executive board, or a designated representative of the
72.12 commissioner or executive board, and that such gifts are used solely for the direct benefit
72.13 of patients, clients, or inmates under the jurisdiction of the accepting state officer.

72.14 Sec. 2. Minnesota Statutes 2025 Supplement, section 144.121, subdivision 1a, is amended
72.15 to read:

72.16 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing
72.17 radiation-producing equipment and other sources of ionizing radiation must pay an initial
72.18 or annual renewal registration fee consisting of a base facility fee of \$155 and an additional
72.19 fee for each x-ray tube, as follows:

- 72.20 (1) medical or veterinary equipment \$ 130
- 72.21 (2) dental x-ray equipment \$ 60
- 72.22 (3) x-ray equipment not used on \$ 130
- 72.23 humans or animals
- 72.24 (4) devices with sources of ionizing \$ 130
- 72.25 radiation not used on humans or
- 72.26 animals
- 72.27 (5) security screening system \$ 160
- 72.28 (6) radiation therapy and accelerator \$ 1,000
- 72.29 x-ray equipment
- 72.30 (7) industrial accelerator x-ray \$ 300
- 72.31 equipment

72.32 (b) Electron microscopy equipment is exempt from the registration fee requirements of
72.33 this section.

73.1 (c) For purposes of this section, a security screening system means ionizing
 73.2 radiation-producing equipment designed and used for security screening of humans who
 73.3 are in the custody of a correctional or detention facility or who are civilly committed in a
 73.4 secure treatment facility, and used by the facility to image and identify contraband items
 73.5 concealed within or on all sides of a human body.

73.6 (d) For purposes of this section, a correctional or detention facility is a facility licensed
 73.7 under section 241.021 and operated by a state agency or political subdivision charged with
 73.8 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

73.9 (e) For purposes of this section, a secure treatment facility includes the facilities listed
 73.10 in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13.

73.11 (f) The commissioner shall adopt rules to establish requirements for the use of security
 73.12 screening systems. Notwithstanding section 14.125, the authority to adopt these rules does
 73.13 not expire.

73.14 Sec. 3. Minnesota Statutes 2024, section 144.121, subdivision 9, is amended to read:

73.15 Subd. 9. **Exemption from examination requirements; operators of security screening**
 73.16 **systems.** (a) An employee of a correctional ~~or~~ detention, or secure treatment facility who
 73.17 operates a security screening system and the facility in which the system is being operated
 73.18 are exempt from the requirements of subdivisions 5 and 6.

73.19 (b) An employee of a correctional or detention facility who operates a security screening
 73.20 system and the facility in which the system is being operated must meet the requirements
 73.21 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota
 73.22 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year
 73.23 that the permanent rules adopted by the commissioner governing security screening systems
 73.24 are published in the State Register.

73.25 (c) An employee of a secure treatment facility who operates a security screening system
 73.26 and the facility in which the system is being operated must meet the requirements of a
 73.27 variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota
 73.28 Rules, parts 4717.7000 to 4717.7050.

73.29 ARTICLE 6

73.30 DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS

73.31 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

75.1 **Base Level Adjustment.** The general fund
 75.2 base is increased by \$953,000 in fiscal year
 75.3 2028 and increased by \$918,000 in fiscal year
 75.4 2029.

75.5 **Sec. 5. CENTRAL OFFICE; AGING AND**
 75.6 **DISABILITY SERVICES** \$ -0- \$ 11,306,000

75.7 **Subdivision 1. MnCHOICES Redesign Working**
 75.8 **Group**

75.9 \$550,000 in fiscal year 2027 is for a contract
 75.10 related to the MnCHOICES redesign working
 75.11 group. The base for this appropriation is
 75.12 \$500,000 in fiscal year 2028, \$250,000 in
 75.13 fiscal year 2029, \$0 in fiscal year 2030, and
 75.14 \$0 in fiscal year 2031.

75.15 **Subd. 2. Waiver Case Management Quality**
 75.16 **Working Group**

75.17 \$350,000 in fiscal year 2027 is for a contract
 75.18 related to waiver case management quality
 75.19 working group. The base for this appropriation
 75.20 is \$150,000 in fiscal year 2028 and \$0 in fiscal
 75.21 year 2029.

75.22 **Subd. 3. Case Management and Home and**
 75.23 **Community-Based Services Rates Study**

75.24 \$200,000 in fiscal year 2027 is for a rates
 75.25 study for case management and home and
 75.26 community-based services. This is a onetime
 75.27 appropriation and is available until June 30,
 75.28 2028. The base for this appropriation is
 75.29 \$400,000 in fiscal year 2028, \$200,000 in
 75.30 fiscal year 2029, \$0 in fiscal year 2030, and
 75.31 \$0 in fiscal year 2031.

75.32 **Subd. 4. Base Level Adjustment**

75.33 The general fund base is increased by
 75.34 \$21,386,000 in fiscal year 2028 and increased
 75.35 by \$23,413,000 in fiscal year 2029.

76.1	<u>Sec. 6. CENTRAL OFFICE; BEHAVIORAL</u>			
76.2	<u>HEALTH</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 150,000</u>
76.3	<u>Subdivision 1. Access to Services for</u>			
76.4	<u>Incarcerated Individuals Evaluation</u>			
76.5	<u>\$150,000 in fiscal year 2027 is for community</u>			
76.6	<u>engagement and evaluation related reentry</u>			
76.7	<u>services.</u>			
76.8	<u>Subd. 2. Base Level Adjustment</u>			
76.9	<u>The general fund base is increased by</u>			
76.10	<u>\$353,000 in fiscal year 2028 and increased by</u>			
76.11	<u>\$336,000 in fiscal year 2029.</u>			
76.12	<u>Sec. 7. CENTRAL OFFICE; OFFICE OF</u>			
76.13	<u>INSPECTOR GENERAL</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 1,284,000</u>
76.14	<u>Base Level Adjustment.</u> <u>The general fund</u>			
76.15	<u>base is increased by \$1,500,000 in fiscal year</u>			
76.16	<u>2028 and increased by \$1,500,000 in fiscal</u>			
76.17	<u>year 2029.</u>			
76.18	<u>Sec. 8. FORECASTED PROGRAMS;</u>			
76.19	<u>HOUSING SUPPORT</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 10,057,000</u>
76.20	<u>Sec. 9. FORECASTED PROGRAMS;</u>			
76.21	<u>MEDICAL ASSISTANCE</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (611,000)</u>
76.22	<u>Sec. 10. FORECASTED PROGRAMS;</u>			
76.23	<u>BEHAVIORAL HEALTH FUND</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (19,220,000)</u>
76.24	<u>Sec. 11. GRANT PROGRAMS; REFUGEE</u>			
76.25	<u>SERVICE GRANTS</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 10,000,000</u>
76.26	<u>Human Services Response Contingency</u>			
76.27	<u>Account.</u> <u>\$10,000,000 in fiscal year 2026 is</u>			
76.28	<u>for the human services response contingency</u>			
76.29	<u>account established under Minnesota Statutes,</u>			
76.30	<u>section 256.044. This is a onetime</u>			
76.31	<u>appropriation.</u>			
76.32	<u>Sec. 12. GRANT PROGRAMS; OTHER</u>			
76.33	<u>LONG-TERM CARE GRANTS</u>	<u>\$</u>	<u>(822,000)</u>	<u>\$ (1,925,000)</u>
76.34	<u>Sec. 13. GRANT PROGRAMS; DISABILITY</u>			
76.35	<u>GRANTS</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (145,000)</u>

77.1 **Base Level Adjustment.** The general fund
77.2 base is decreased by \$956,000 in fiscal year
77.3 2028 and decreased by \$956,000 in fiscal year
77.4 2029.

77.5 Sec. 14. Laws 2024, chapter 125, article 1, section 47, is amended to read:

77.6 Sec. 47. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME**
77.7 **TRANSITION PILOT PROGRAM.**

77.8 (a) The commissioner of human services must award a single competitive grant to a
77.9 home care nursing provider to develop and implement, in coordination with the commissioner
77.10 of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare,
77.11 and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and
77.12 facilitate pediatric hospital-to-home discharges for patients receiving services in this state
77.13 under medical assistance, including under the community alternative care waiver, community
77.14 access for disability inclusion waiver, and developmental disabilities waiver.

77.15 (b) Grant money awarded under this section must be used only to support the
77.16 administrative, training, and auxiliary services necessary to reduce:

77.17 (1) delayed discharge days due to unavailability of home care nursing staffing to
77.18 accommodate complex pediatric patients;

77.19 (2) avoidable rehospitalization days for pediatric patients;

77.20 (3) unnecessary emergency department utilization by pediatric patients following
77.21 discharge;

77.22 (4) long-term nursing needs for pediatric patients; and

77.23 (5) the number of school days missed by pediatric patients.

77.24 (c) Grant money must not be used to supplant payment rates for services covered under
77.25 Minnesota Statutes, chapter 256B.

77.26 (d) No later than December 15, ~~2026~~ 2027, the commissioner must prepare a report
77.27 summarizing the impact of the pilot program that includes but is not limited to: (1) the
77.28 number of delayed discharge days eliminated; (2) the number of rehospitalization days
77.29 eliminated; (3) the number of unnecessary emergency department admissions eliminated;
77.30 (4) the number of missed school days eliminated; and (5) an estimate of the return on
77.31 investment of the pilot program.

78.1 (e) The commissioner must submit the report under paragraph (d) to the chairs and
 78.2 ranking minority members of the legislative committees with jurisdiction over health and
 78.3 human services finance and policy.

78.4 Sec. 15. Laws 2024, chapter 125, article 8, section 2, subdivision 4, is amended to read:

78.5	Subd. 4. Central Office; Aging and Disability		
78.6	Services	(2,664,000)	4,164,000

78.7 (a) **Tribal Vulnerable Adult and**
 78.8 **Developmental Disabilities Targeted Case**
 78.9 **Management Medical Assistance Benefit.**

78.10 \$200,000 in fiscal year 2025 is for a contract
 78.11 to develop a Tribal vulnerable adult and
 78.12 developmental disabilities targeted case
 78.13 management medical assistance benefit under
 78.14 Minnesota Statutes, section 256B.0924. This
 78.15 is a onetime appropriation. Notwithstanding
 78.16 Minnesota Statutes, section 16A.28,
 78.17 subdivision 3, this appropriation is available
 78.18 until June 30, 2027.

78.19 (b) **Disability Services Person-Centered**
 78.20 **Engagement and Navigation Study.**

78.21 \$600,000 in fiscal year 2025 is for the
 78.22 disability services person-centered engagement
 78.23 and navigation study. This is a onetime
 78.24 appropriation. Notwithstanding Minnesota
 78.25 Statutes, section 16A.28, subdivision 3, this
 78.26 appropriation is available until June 30, 2026.

78.27 (c) **Pediatric Hospital-to-Home Transition**
 78.28 **Pilot Program Administration.** \$300,000 in

78.29 fiscal year 2025 is for a contract related to the
 78.30 pediatric hospital-to-home transition pilot
 78.31 program. This is a onetime appropriation.
 78.32 Notwithstanding Minnesota Statutes, section
 78.33 16A.28, subdivision 3, this appropriation is
 78.34 available until June 30, ~~2027~~ 2028.

79.1 **(d) Reimbursement for Community-First**
 79.2 **Services and Supports Workers Report.**
 79.3 \$250,000 in fiscal year 2025 is for a contract
 79.4 related to the reimbursement for
 79.5 community-first services and supports workers
 79.6 report. This is a onetime appropriation.
 79.7 Notwithstanding Minnesota Statutes, section
 79.8 16A.28, subdivision 3, this appropriation is
 79.9 available until June 30, 2026.

79.10 **(e) Carryforward Authority.**
 79.11 Notwithstanding Minnesota Statutes, section
 79.12 16A.28, subdivision 3, \$758,000 in fiscal year
 79.13 2025 is available until June 30, 2026, and
 79.14 \$2,687,000 in fiscal year 2025 is available
 79.15 until June 30, 2027.

79.16 **(f) Base Level Adjustment.** The general fund
 79.17 base is increased by \$340,000 in fiscal year
 79.18 2026 and increased by \$340,000 in fiscal year
 79.19 2027.

79.20 Sec. 16. Laws 2024, chapter 125, article 8, section 2, subdivision 14, as amended by Laws
 79.21 2025, First Special Session chapter 9, article 12, section 29, is amended to read:

79.22 Subd. 14. Grant Programs; Disabilities Grants	1,650,000	9,574,000
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79.23 **(a) Capital Improvement for Accessibility.**
 79.24 \$400,000 in fiscal year 2025 is for a payment
 79.25 to Anoka County to make capital
 79.26 improvements to existing space in the Anoka
 79.27 County Human Services building in the city
 79.28 of Blaine, including making bathrooms fully
 79.29 compliant with the Americans with Disabilities
 79.30 Act with adult changing tables and ensuring
 79.31 barrier-free access for the purposes of
 79.32 improving and expanding the services an
 79.33 existing building tenant can provide to adults

80.1 with developmental disabilities. This is a
80.2 onetime appropriation.

80.3 **(b) Dakota County Disability Services**
80.4 **Workforce Shortage Pilot Project.** \$500,000
80.5 in fiscal year 2025 is for a grant to Dakota
80.6 County for innovative solutions to the
80.7 disability services workforce shortage. Up to
80.8 \$250,000 of this amount must be used to
80.9 develop and test an online application for
80.10 matching requests for services from people
80.11 with disabilities to available staff, and up to
80.12 \$250,000 of this amount must be used to
80.13 develop a communities-for-all program that
80.14 engages businesses, community organizations,
80.15 neighbors, and informal support systems to
80.16 promote community inclusion of people with
80.17 disabilities. By October 1, 2026, the
80.18 commissioner shall report the outcomes and
80.19 recommendations of these pilot projects to the
80.20 chairs and ranking minority members of the
80.21 legislative committees with jurisdiction over
80.22 human services finance and policy. This is a
80.23 onetime appropriation. Notwithstanding
80.24 Minnesota Statutes, section 16A.28,
80.25 subdivision 3, this appropriation is available
80.26 until June 30, 2027.

80.27 **(c) Pediatric Hospital-to-Home Transition**
80.28 **Pilot Program.** \$1,040,000 in fiscal year 2025
80.29 is for the pediatric hospital-to-home pilot
80.30 program. This is a onetime appropriation.
80.31 Notwithstanding Minnesota Statutes, section
80.32 16A.28, subdivision 3, this appropriation is
80.33 available until June 30, ~~2027~~ 2028.

80.34 **(d) Artists With Disabilities Support.**
80.35 \$690,000 in fiscal year 2025 is for a payment

81.1 to a nonprofit organization licensed under
81.2 Minnesota Statutes, chapter 245D, located on
81.3 Minnehaha Avenue West in Saint Paul, and
81.4 that supports artists with disabilities in creating
81.5 visual and performing art that challenges
81.6 society's views of persons with disabilities.

81.7 This is a onetime appropriation.

81.8 Notwithstanding Minnesota Statutes, section
81.9 16A.28, subdivision 3, this appropriation is
81.10 available until June 30, 2027.

81.11 **(e) Emergency Relief Grants for Rural**

81.12 **EIDBI Providers.** \$600,000 in fiscal year
81.13 2025 is for emergency relief grants for EIDBI
81.14 providers. This is a onetime appropriation.

81.15 Notwithstanding Minnesota Statutes, section
81.16 16A.28, subdivision 3, this appropriation is
81.17 available until June 30, 2027.

81.18 **(f) Self-Advocacy Grants for Persons with**
81.19 **Intellectual and Developmental Disabilities.**

81.20 \$250,000 in fiscal year 2025 is for
81.21 self-advocacy grants under Minnesota Statutes,
81.22 section 256.477, subdivision 1, paragraph (a),
81.23 clauses (5) to (7), and for administrative costs.

81.24 This is a onetime appropriation and is
81.25 available until June 30, 2027.

81.26 **(g) Electronic Visit Verification**

81.27 **Implementation Grants.** \$864,000 in fiscal
81.28 year 2025 is for electronic visit verification
81.29 implementation grants. This is a onetime
81.30 appropriation. Notwithstanding Minnesota
81.31 Statutes, section 16A.28, subdivision 3, this
81.32 appropriation is available until June 30, 2027.

81.33 **(h) Aging and Disability Services for**

81.34 **Immigrant and Refugee Communities.**

81.35 \$250,000 in fiscal year 2025 is for a payment

82.1 to SEWA-AIFW to address aging, disability,
82.2 and mental health needs for immigrant and
82.3 refugee communities. This is a onetime
82.4 appropriation and is available until June 30,
82.5 2027.

82.6 **(i) License Transition Support for Small**
82.7 **Disability Waiver Providers.** \$3,150,000 in
82.8 fiscal year 2025 is for license transition
82.9 payments to small disability waiver providers.
82.10 This is a onetime appropriation.
82.11 Notwithstanding Minnesota Statutes, section
82.12 16A.28, subdivision 3, this appropriation is
82.13 available until June 30, 2027.

82.14 **(j) Own home services provider**
82.15 **capacity-building grants.** \$1,519,000 in fiscal
82.16 year 2025 is for the own home services
82.17 provider capacity-building grant program.
82.18 Notwithstanding Minnesota Statutes, section
82.19 16A.28, subdivision 3, this appropriation is
82.20 available until June 30, 2027. This is a onetime
82.21 appropriation.

82.22 **(k) Continuation of Centers for**
82.23 **Independent Living HCBS Access Grants.**
82.24 \$311,000 in fiscal year 2024 is for continued
82.25 funding of grants awarded under Laws 2021,
82.26 First Special Session chapter 7, article 17,
82.27 section 19, as amended by Laws 2022, chapter
82.28 98, article 15, section 15. This is a onetime
82.29 appropriation and is available until June 30,
82.30 2025.

82.31 **(l) Base Level Adjustment.** The general fund
82.32 base is increased by \$811,000 in fiscal year
82.33 2026 and increased by \$811,000 in fiscal year
82.34 2027.

83.1 **Sec. 17. TRANSFERS AND CANCELLATIONS.**

83.2 **Subdivision 1. MnCHOICES modification grants.** The fiscal year 2027 general fund
83.3 base appropriation for MnCHOICES modifications first established under Laws 2023,
83.4 chapter 61, article 9, section 2, subdivision 16, is reduced from \$125,000 to \$0. The general
83.5 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

83.6 **Subd. 2. Day training and habilitation facility grants.** The fiscal year 2028 and fiscal
83.7 year 2029 general fund base appropriations for grant allocations to counties for day training
83.8 and habilitation services for adults with developmental disabilities when provided as a social
83.9 service under Minnesota Statutes, sections 252.41 to 252.46, are reduced from \$811,000 to
83.10 \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year
83.11 2029.

83.12 **Subd. 3. Innovation grants.** The fiscal year 2027 general fund base appropriation for
83.13 the innovation grants program under Minnesota Statutes, section 256B.0921, is reduced
83.14 from \$1,925,000 to \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and
83.15 \$0 in fiscal year 2029.

83.16 **Subd. 4. Preadmission screening grant program.** The fiscal year 2027 general fund
83.17 base appropriation for the preadmission screening grant program under Minnesota Statutes,
83.18 section 256.975, subdivision 7d, paragraph (b), is reduced from \$20,000 to \$0. The general
83.19 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

83.20 **Subd. 5. 2023 long-term services and supports loan program.** Any unencumbered
83.21 and unexpended amount of the long-term services and supports program under Minnesota
83.22 Statutes, section 256.4792, subdivision 8a, estimated to be \$70,854,000, is transferred from
83.23 the special revenue fund to the general fund and is canceled.

83.24 **Subd. 6. 2024 long-term services and supports loan program.** Any unencumbered
83.25 and unexpended amount of the fiscal year 2026 general fund base appropriation for the
83.26 long-term services and supports loan program first established under Laws 2024, chapter
83.27 125, article 8, section 1, subdivision 12, paragraph (e), estimated to be \$822,000, is cancelled.

83.28 **Subd. 7. Human services response contingency account transfer.** The commissioner
83.29 of management and budget must transfer \$10,000,000 in fiscal year 2026 from the general
83.30 fund to the human services response contingency account established under Minnesota
83.31 Statutes, section 256.044. This is a onetime transfer.

84.1 Sec. 18. APPROPRIATIONS GIVEN EFFECT ONCE.

84.2 If an appropriation or transfer in this article is enacted more than once during the 2026
84.3 regular session, the appropriation or transfer must be given effect once.

84.4 Sec. 19. EXPIRATION OF UNCODIFIED LANGUAGE.

84.5 All uncodified language contained in this article expires on June 30, 2027, unless a
84.6 different expiration date is explicit.

84.7 **ARTICLE 7**

84.8 **OTHER AGENCY APPROPRIATIONS**

84.9 Section 1. OTHER AGENCY APPROPRIATIONS.

84.10 The sums shown in the columns marked "Appropriations" are added to or, if shown in
84.11 parentheses, are subtracted from the appropriations in Laws 2025, First Special Session
84.12 chapter 9, article 14, to the agencies and for the purposes specified in this article. The
84.13 appropriations are from the general fund or other named fund and are available for the fiscal
84.14 years indicated for each purpose. The figures "2026" and "2027" used in this article mean
84.15 that the addition or subtraction from the appropriation listed under them is available for the
84.16 fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean
84.17 the addition to or subtraction from the base level adjustment set in Laws 2025, First Special
84.18 Session chapter 9, article 14. Supplemental appropriations and reductions to appropriations
84.19 for the fiscal year ending June 30, 2026, are effective the day following final enactment
84.20 unless a different effective date is explicit.

84.21		<u>APPROPRIATIONS</u>	
84.22		<u>Available for the Year</u>	
84.23		<u>Ending June 30</u>	
84.24		<u>2026</u>	<u>2027</u>
84.25	<u>Sec. 2. COMMISSIONER OF HEALTH;</u>		
84.26	<u>TOTAL APPROPRIATION</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>4,871,000</u>

84.27 The amounts that may be spent for each
84.28 purpose are specified in the following sections.

84.29	<u>Sec. 3. HEALTH PROTECTION</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>4,871,000</u>
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84.30 Subdivision 1. Small Assisted Living Facility
84.31 Licensure

84.32 \$150,000 in fiscal year 2027 is appropriated
84.33 from the general fund to the commissioner of
84.34 health to develop small assisted living facility

85.1 licensure draft legislation. This is a onetime
 85.2 appropriation and is available until June 30,
 85.3 2028.

85.4 **Subd. 2. Base Level Adjustment**

85.5 The general fund base is increased by
 85.6 \$17,566,000 in fiscal year 2028 and increased
 85.7 by \$17,347,000 in fiscal year 2029.

85.8 **Sec. 4. ATTORNEY GENERAL; OVERSIGHT AND ENFORCEMENT OF**
 85.9 **SECTIONS 145D.41 TO 144D.43.**

85.10 \$112,000 in fiscal year 2027 is appropriated from the general fund to the attorney general
 85.11 for oversight and enforcement of Minnesota Statutes, sections 145D.41 to 145D.43.

85.12 Sec. 5. Laws 2024, chapter 125, article 8, section 2, subdivision 20, is amended to read:

85.13 **Subd. 20. Direct Care and Treatment -**
 85.14 **Operations**

-0- 6,094,000

85.15 **(a) Free Communication Services for**
 85.16 **Patients and Clients.** \$1,368,000 in fiscal
 85.17 year 2025 is for free communication services
 85.18 under article 6, section 1. This is a onetime
 85.19 appropriation. Notwithstanding Minnesota
 85.20 Statutes, section 16A.28, subdivision 3, this
 85.21 appropriation is available until June 30, 2026.

85.22 **(b) Direct Care and Treatment Capacity;**
 85.23 **Miller Building.** \$1,796,000 in fiscal year
 85.24 2025 is to design a replacement facility for the
 85.25 Miller Building on the Anoka Metro Regional
 85.26 Treatment Center campus. This is a onetime
 85.27 appropriation. Notwithstanding Minnesota
 85.28 Statutes, section 16A.28, subdivision 3, this
 85.29 appropriation is available until June 30, 2027.

85.30 **(c) Direct Care and Treatment County**
 85.31 **Correctional Facility Support Pilot**
 85.32 **Program.** \$2,387,000 in fiscal year 2025 is
 85.33 to establish a two-year county correctional

86.1 facility support pilot program. The pilot
86.2 program must: (1) provide education and
86.3 support to counties and county correctional
86.4 facilities on protocols and best practices for
86.5 the provision of involuntary medications for
86.6 mental health treatment; (2) provide technical
86.7 assistance to expand access to injectable
86.8 psychotropic medications in county
86.9 correctional facilities; and (3) survey county
86.10 correctional facilities and their contracted
86.11 medical providers on their capacity to provide
86.12 injectable psychotropic medications, including
86.13 involuntary administration of medications,
86.14 and barriers to providing these services. This
86.15 is a onetime appropriation. Notwithstanding
86.16 Minnesota Statutes, section 16A.28,
86.17 subdivision 3, this appropriation is available
86.18 until June 30, ~~2026~~ 2027.

86.19 **(d) Advisory Committee for Direct Care**
86.20 **and Treatment.** \$482,000 in fiscal year 2025
86.21 is for the administration of the advisory
86.22 committee for the operation of Direct Care
86.23 and Treatment. This is a onetime
86.24 appropriation. Notwithstanding Minnesota
86.25 Statutes, section 16A.28, subdivision 3, this
86.26 appropriation is available until June 30, 2027.

86.27 **(e) Base Level Adjustment.** The general fund
86.28 base is increased by \$31,000 in fiscal year
86.29 2026 and increased by \$0 in fiscal year 2027.

87.1 Sec. 6. Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2, is
87.2 amended to read:

87.3 Subd. 2. **Substance Use Treatment, Recovery,**
87.4 **and Prevention Grants**

87.5 \$3,000,000 in fiscal year 2026 and \$3,000,000
87.6 in fiscal year 2027 are from the general fund
87.7 for substance use treatment, recovery, and
87.8 prevention grants under Minnesota Statutes,
87.9 section 342.72. The commissioner may use
87.10 up to \$300,000 of this appropriation for
87.11 administration.

87.12 Sec. 7. **APPROPRIATIONS GIVEN EFFECT ONCE.**

87.13 If an appropriation or transfer in this article is enacted more than once during the 2026
87.14 regular session, the appropriation or transfer must be given effect once.

87.15 Sec. 8. **EXPIRATION OF UNCODIFIED LANGUAGE.**

87.16 All uncodified language contained in this article expires on June 30, 2027, unless a
87.17 different expiration date is explicit."

87.18 Amend the title accordingly