



Laws 2025, 1st Special Session, Chapter 9 – HUMAN SERVICES FINANCE BILL (H.F. No. 3)

Prepared by: Liam Monahan, Legislative Analyst (liam.monahan@mnsenate.gov)

Date: July 1, 2025

ARTICLE 1 AGING AND OLDER ADULT SERVICES

Section 1 amends **181.213, subdivision 2 - Investigation of market conditions**, by making clarifying changes to paragraph (c) and by striking language that is clarified in new subdivision 2a.

Section 2 adds **181.213, subdivision 2a - Effective dates of new employment standards**, which in paragraph (a) clarifies existing law, and in paragraph (b) specifies that implementation date of an employment standard when a nursing home operating payment rate inflation cap is in effect must be the same date as implementation of an upfront payment rate adjustment under chapter 256R.

Section 3 adds **181.213, subdivision 2b - Implementation of rate increases**, which specifies that nursing homes will receive upfront payment rate adjustments related to implementation of employment standards adopted by the Nursing Home Workforce Standards Board only if the operating payment rates calculated under chapter 256R are subject to legislatively enacted inflation caps.

Section 4 amends **256.4792 - LONG-TERM SERVICES AND SUPPORTS LOAN PROGRAM**, by removing nursing facilities from eligibility for the long-term services and supports loan program, removing the requirement that the loan program be competitive, and allowing for the ongoing submission and processing of loan applications.

Section 5 amends **256.9657, subdivision 1 – Implementation of rate increases**, by increasing the annual nursing home bed surcharge from \$620 to \$5,900 effective January 1, 2026; by removing obsolete language related to nursing facility beds on layaway status being subject to the nursing home bed surcharge; by incorporating the current surcharge into paragraph (a) and striking paragraphs (c) and (d), which contained a historical record of prior increases in the nursing home bed surcharge; and by clarifying the commissioner’s duty to ensure that the value of the surcharge conforms with federal requirements.

Section 6 amends **256.9752, subdivision 2 - Authority**, by modifying the Board on Aging's authority to allocate state and federal money to area agencies on aging for the senior nutrition program, which includes congregate dining and home-delivered meals.

Section 7 amends **256.9752, subdivision 3 - Nutrition support services**, by expanding the permissible uses of funds allocated for nutrition support services to include funding innovative models of providing healthy and nutritious meals to seniors that are not currently available under congregate dining or traditional home-delivered meals.

This section also makes clarifying changes consistent with the changes to 256.9752, subdivision 2.

Section 8 amends **256B.431, subdivision 30 – Bed layaway and delicensure**, by making conforming changes related to the phase-out of single-bed room incentives from nursing facility payment rates and by removing the commissioner's authority effective January 1, 2027, to adjust nursing facility property rates for beds placed on or removed from layaway status.

Section 9 amends **256B.434, subdivision 4 – Alternate rates for nursing facilities**, by removing effective January 1, 2026, the automatic inflation adjustment for nursing home property rates determined under the alternative payment rate system.

Section 10 amends **256B.434, subdivision 4k - Property rate increase for certain nursing facilities**, by removing the expiration date for certain facility-specific nursing facility property rate increases but retaining the language that a facility's rate under this section ends when the facility transitions to a property rate determined under chapter 256R.

Section 11 adds **256R.02, subdivision 14a – CPI-U inflation**, which defines CPI-U inflation for the purposes of inflation caps on the rate of growth on future nursing home operating payment rates.

Section 12 adds **256R.02, subdivision 36a – Patient driven payment model or PDPM**, which defines the new case mix classification system that will be phased in beginning October 1, 2025.

Section 13 adds **256R.02, subdivision 45a – Resource utilization group or RUG**, which defines the existing case mix classification system that will be phased out beginning October 1, 2025.

Section 14 amends **256R.23, subdivision 7 – Determination of direct care payment rates**, by limiting future increases in each facility's direct care payment rate to the lower of CPI-U inflation as defined earlier in the bill or four percent over the facility's direct care payment rate in the previous year.

Section 15 amends **256R.23, subdivision 8 – Determination of other care-related payment rates**, by limiting future increases in each facility's other care-related payment rate to the

lower of CPI-U inflation as defined earlier in the bill or four percent over the facility's other care-related payment rate in the previous year.

Section 16 amends **256R.24, subdivision 3 – Determination of the other operating payment rate**, by limiting future increases in each facility's other operating payment rate to the lower of CPI-U inflation as defined earlier in the bill or four percent over the facility's other operating payment rate in the previous year.

Section 17 amends **256R.25 – EXTERNAL FIXED COSTS PAYMENT RATE**, by increasing the payment for the nursing home bed surcharge and providing the commissioner authority to reduce the payments for the surcharge if the surcharge is reduced or the revenue from the surcharge is less than expected.

This section also restructures the remaining paragraphs by making them subdivisions and adds a new subdivision related to the workforce standards compliance add-on.

Section 18 amends **256R.26, subdivision 9 – Transition period**, by making conforming changes related to the phase-out of the single-bed room incentive, the codification of existing consolidation rate adjustments, and the removal of alternative payment rate system property rate inflation, as well as other conforming changes.

Section 19 amends **256R.27, subdivision 2 – Determination of interim payment rates**, by making conforming changes related to restructuring the external fixed costs statute.

Section 20 amends **256R.27, subdivision 3 – Determination of settle-up payment rates**, by making conforming changes related to restructuring the external fixed costs statute.

Section 21 amends **256R.41 – SINGLE-BED INCENTIVE**, by specifying the phase-out schedule for the single-bed incentive over 5 years.

Section 22 amends **256R.43 – BED HOLDS**, by clarifying that beds on layaway status are not included in the calculation of leave day payments.

Section 23 adds **256R.495 - RATE ADJUSTMENT FOR NURSING HOME EMPLOYMENT STANDARDS**, which describes how any upfront nursing home employment standards payment rate adjustments will be calculated for each nursing facility, and specifies the calculation for rate years beginning January 1, 2026, and January 1, 2027.

Section 24 adds **256R.531 – PATIENT DRIVEN PAYMENT MODEL PHASE-IN**, which specifies the calculation of nursing facility total payment rate add-ons to facilitate the transition from the RUG-IV case mix classification system to the PDPM case mix classification system.

Section 25 amends **256S.205, subdivision 2 - Rate adjustment application**, by modifying the sunset of the customized living disproportionate share program but limiting the program to facilities participating as of January 1, 2024.

Section 26 amends **256S.205, subdivision 3 - Rate adjustment eligibility criteria**, by modifying the sunset of the customized living disproportionate share program but limiting the program to facilities participating as of January 1, 2024.

Section 27 amends **256S.205, subdivision 5 - Rate adjustment; rate floor**, by modifying the sunset of the customized living disproportionate share program but limiting the program to facilities participating as of January 1, 2024.

Section 28 amends **256S.205, subdivision 7 – Expiration**, by extending the disproportionate share facility rate floor until May 31, 2028. It had been set to expire January 1, 2026.

Section 29 adds **256S.205, subdivision 8 – Coercion prohibited**, which prohibits a facility designated as a disproportionate share facility from coercing residents to switch to the elderly waiver.

Section 30 adds **256S.205, subdivision 9 – Compensation requirements**, which requires facilities receiving a disproportionate share facility rate floor to use 66 percent of the increased revenue attributable to the rate floor for direct care staff compensation and defines compensation.

Section 31 adds an effective date to the codification of the remaining nursing facility consolidation rates. This codification was enacted as part of the Human Services Policy bill during the 2025 regular session.

Section 32 is a **REPEALER**, which repeals

- obsolete language and the initial VBR implementation hold harmless;
- the allocation of self-insurance cost; and
- the prohibition on reductions to a facility’s total care-related payment rate limit greater than five percent of the median total care-related costs per day.

ARTICLE 2 DISABILITY SERVICES

Section 1 adds **179A.54, subdivision 12 – Minnesota Caregiver Retirement Fund Trust**, which authorizes the state of Minnesota and the exclusive representative of individual providers of direct support services to establish a Minnesota Caregiver Retirement Fund Trust for purposes of establishing a future retirement program for individual providers of direct support services; provides for future funding of the trust; and specifies the governance structure and administration of the trust.

Section 2 adds **245A.042, subdivision 5 – Compliance education required**, which requires the commissioner of human services to make license compliance education available to all 245D providers of home and community-based services.

Section 3 adds **245A.042, subdivision 6 - Legal resources required**, which requires the commissioner to provide a list of legal resources to 245D licensees who are subject to a licensing action.

Section 4 amends **245A.06, subdivision 1a – Correction orders and conditional licenses for programs licensed as home and community-based services**, by requiring the commissioner to warn a license holder prior to issuing a conditional license for violations that do not imminently endanger the health, safety or rights of the person served by the program that continued license violations may result in an order of conditional license; by authorizing the commissioner to reduce the length of conditional licensure if the licensee demonstrates compliance; and by requiring the commissioner to issue a report on licensing actions involving 245D providers.

Section 5 amends **245A.06, subdivision 2 – Reconsideration of correction orders**, by requiring the commissioner to agree to licensee-funded mediation when requested by a 245D provider whose request for reconsideration of a conditional license was denied by the commissioner.

This section also strikes obsolete language related to licensed family child care providers.

Section 6 amends **245D.091, subdivision 2 – Positive support professional qualifications**, by permitting a person who has completed a competency-based training program as determined by the commissioner to qualify as a positive support professional.

Section 7 amends **245D.091, subdivision 3 – Positive support analyst qualifications**, by permitting a person who has completed a competency-based training program as determined by the commissioner to qualify as a positive support analyst.

Section 8 adds **245D.13 – OUT-OF-HOME RESPITE CARE SERVICES FOR CHILDREN**, which modifies home and community-based services standards for out-of-home respite services for children.

Subdivision 1 - Licensed setting required, requires a license holder with a home and community-based services license providing out-of-home respite services for children to do so only in a licensed residential setting unless the setting is exempt.

Subdivision 2 - Exemption from licensed setting requirement, specifies when a license holder may provide out-of-home respite services for children in an unlicensed residential setting by requiring that all employees providing out-of-home respite in an unlicensed setting have a completed background study, by requiring the setting be approved by the recipient's case manager and legal representative, by requiring that all service recipients in the setting be under the age of 22, by requiring that the provider's license has been in good standing for the previous 24 months, and by specifying other conditions.

This subdivision also clarifies that respite provided to children in foster care under Chapters 260C or 260D must be provided in a licensed residential setting.

Subdivision 3 - Documentation requirements, specifies documentation requirements.

Section 9 amends **252.32, subdivision 3 – Amount of support grant; use**, by permitting the use of family support grants to pay for adaptive or one-on-one swimming lessons for children younger than 12 to reduce the risk of drowning.

Section 10 amends **256.476, subdivision 4 – Support grants; criteria and limitations**, by permitting the use of consumer support grants to pay for adaptive or one-on-one swimming lessons for children younger than 12 to reduce the risk of drowning.

Section 11 amends **256B.0659, subdivision 17a – Enhanced rate**, by increasing the enhanced rate for PCA services provided to persons who qualify for ten or more hours of service a day from 107.5 percent of the standard rate to 112.5 percent of the standard rate, effective January 1, 2026.

Section 12 amends **256B.0911, subdivision 1 - Purpose and goal**, by making technical changes.

Section 13 amends **256B.0911, subdivision 10 – Definitions**, by making technical changes.

Section 14 amends **256B.0911, subdivision 13 - MnCHOICES assessor qualifications, training, and certification**, by permitting an individual with an associate's degree in human services, or other closely related field, to be a MnCHOICES certified assessor.

Section 15 amends **256B.0911, subdivision 14 - Use of MnCHOICES certified assessors required**, by permitting a lead agency to contract with any hospital to allow hospital employees to provide MnCHOICE assessments to patients in the hospital on behalf of the county.

Section 16 amends **256B.0911, subdivision 17 - MnCHOICES assessments**, by requiring a long-term care consultation team to begin an assessment within 20 days of a request and to provide at the time the assessment begins an estimated timeline for completing the assessment.

Section 17 amends **256B.0911, subdivision 24 – Remote reassessments**, by increasing from 2 to 4 the number of remote annual reassessments permitted before an in-person annual reassessment is required for individuals receiving services under a disability waiver.

Section 18 adds **256B.0911, subdivision 24a – Verbal attestation to replace required reassessment signatures**, which requires the commissioner to accept verbal attestation in lieu of signatures on reassessments for the purposes of service initiation, but requires a certified assessor to seek a signature within 30 days following a reassessment.

Section 19 adds **256B.0911, subdivision 25a – Attesting to no changes in needs or services**, which allows in lieu of an annual reassessment for a person who is older than 21

but younger than 65 and who is receiving services under a disability waiver or under CFSS to make an informed choice for two consecutive years to attest that the person has no change in needs since the person's last assessment and requires a certified assessor to review the prior assessment and confirm that the attestation is accurate.

Section 20 amends **256B.0911, subdivision 30 - Assessment and support planning; supplemental information**, by making conforming changes related to an attestation of no change of needs.

Section 21 adds **256B.0911, subdivision 34 - Dashboard on assessment completions**, which requires the commissioner to maintain a publicly accessible website with summary data on the status of MnCHOICES assessments throughout the state.

Section 22 amends **256B.092, subdivision 1a - Case management services**, by requiring disability waiver case managers to receive training on appropriate disability waiver service authorizations.

Section 23 amends **256B.092, subdivision 3 - Authorization and termination of services**, by making a conforming change related to the modified disability waiver service authorization requirements.

Section 24 adds **256B.092, subdivision 3b - Service authorizations and service agreements**, which requires lead agency supervisors to review and accept all disability waiver service authorizations prior to submitting the authorization to the commissioner for approval, requires the lead agency to submit supporting evidence for reauthorizations of total authorized amounts that exceed legislatively enacted rate increases, and requires the commissioner to approve such service authorizations.

Section 25 amends **256B.0924, subdivision 6 – Payment for targeted case management**, by authorizing the commissioner to make payments to Tribes for the provision of vulnerable adult and developmental disability case management services.

Section 26 amends **256B.49, subdivision 13 - Case management**, by requiring disability waiver case managers to receive training on appropriate disability waiver service authorization.

Section 27 adds **256B.49, subdivision 17a - Service authorizations and service agreements**, which requires lead agency supervisors to review and accept all disability waiver service authorizations prior to submitting the authorization to the commissioner for approval, requires the lead agency to submit supporting evidence for service reauthorizations that exceed legislatively enacted increases, and requires the commissioner to approve such service authorizations.

Section 28 amends **256B.49, subdivision 18 – Payments**, by relocating the language related to service authorization to subdivision 17a.

Section 29 adds **256B.4907 - ADVISORY TASK FORCE ON WAIVER REIMAGINE**, which establishes an advisory taskforce to make recommendations related to the refinement and implementation of waiver reimagine.

Section 30 amends **256B.4914, subdivision 3 – Applicable services**, by requiring that night supervision be billed under the disability waiver rate system as either awake night supervision or asleep overnight supervision. This section also strikes obsolete language.

Section 31 amends **256B.4914, subdivision 5 – Base wage index; establishment**, by eliminating future updates to the wage data used in the base wage index in the disability waiver rate system.

Section 32 amends **256B.4914, subdivision 5a – Base wage index; calculations**, by specifying the base wage for awake overnight supervision and asleep overnight supervision for the purpose of the disability waiver rate system.

Section 33 amends **256B.4914, subdivision 5b – Standard component value adjustments**, by adding an inflation adjustment to the wage data used in the base wage index and by capping CPI-U inflation adjustments at 8 percent each biennium.

This section also strikes obsolete language.

Section 34 amends **256B.4914, subdivision 8 – Unit-based services with programming; component values and calculation of payment rates**, by limiting billing of individualized home supports with training or with family training to no more than 3 consecutive hours, not to exceed 6 hours per day.

Section 35 amends **256B.4914, subdivision 9 – Unit-based services without programming; component values and calculation of payment rates**, by clarifying the services included in unit-based services without programming.

Section 36 adds **256B.4914, subdivision 14a – Limitations on rate exceptions for residential services**, which establishes limits and conditions on DWRS rate exceptions and annual exception renewals for community residential services, customized living services, family residential services, and integrated community supports.

Paragraph (a) specifies that the limitations and renewal requirements under this section are effective July 1, 2026.

Paragraph (b) prohibits the commissioner from considering rate exceptions to the absence and utilization factor unless the person for whom the rate exception is sought is receiving hospital or crisis respite services.

Paragraph (c) prohibits the commissioner from considering a rate exception related to a person's behavioral needs without a documented behavioral diagnosis or a documented assessed need for behavioral support.

Paragraph (d) prohibits the commissioner from authorizing a rate exception for costs to provide positive support services.

Paragraph (e) prohibits the commissioner from authorizing rate exceptions for increased community time or transportation.

Paragraph (f) prohibits the commissioner from renewing a rate exception in the absence of (1) an annual reassessment that the individual continues to have extraordinary needs, and (2) documentation from the provider of the compensation costs and other expenses justifying the renewed exception.

Paragraph (g) prohibits the commissioner from increasing a rate for a rate exception renewal related to direct care or supervision by more than the percent increase in the most recent inflationary update to the relevant base wage.

Paragraph (h) requires the commissioner to publish an online report on the impact of the limitations and renewal requirements under this statutory section on state spending.

Section 37 adds **256B.4914, subdivision 20 – Sanctions and monetary recovery**, which clarifies that payments for disability waiver services are subject to the same sanctions and monetary recovery requirements as apply to all medical assistance payments.

Section 38 amends **256B.85, subdivision 2 – Definitions**, by modifying the definition of “consultation services” such that it defines a service and not a provider type.

Section 39 amends **256B.85, subdivision 5 – Assessment requirements**, by removing language that is recreated in subdivision 5a.

Section 40 adds **256B.85, subdivision 5a – Temporary authorization without assessment**, which contains the language stricken from subdivision 5.

Section 41 amends **256B.85, subdivision 7 – Community first services and supports; covered services**, by including swimming lessons for children younger than 12 as a covered CFSS service, and by making conforming, clarifying, and technical changes related to consultation services.

Section 42 amends **256B.85, subdivision 7a – Enhanced rate**, by increasing the enhanced rate for CFSS services provided to persons who qualify for ten or more hours of service a day from 107.5 percent of the standard rate to 112.5 percent of the standard rate, effective January 1, 2026.

Section 43 amends **256B.85, subdivision 8 – Determination of CFSS service authorization amount**, by modifying the service budget for the CFSS budget model to account for changes to the CFSS rates and allow for administrative expenses.

Section 44 amends **256B.85, subdivision 8a – Authorizations; exceptions**, by making a conforming change.

Section 45 amends **256B.85, subdivision 11 – Agency-provider model**, by making a clarifying technical change.

Section 46 amends **256B.85, subdivision 13 – Budget model**, by making a clarifying technical change.

Section 47 amends **256B.85, subdivision 16 – Support workers requirements**, by clarifying that an individual who qualifies for 10 or more hours of service qualifies for an enhanced budget if the support worker providing those services meets the additional training requirements.

Section 48 amends **256B.85, subdivision 17a – Consultation services provider qualifications and requirements**, by making clarifying and technical changes.

Section 49 amends **256B.851, subdivision 5 – Payment rates; component values**, by making conforming technical changes.

Section 50 adds **256B.851, subdivision 5a – Payment rates; implementation factor**, which increases the CFSS payment rate implementation factor from 92.08 to 92.20 effective January 1, 2026.

Section 51 adds **256B.851, subdivision 5b – Payment rates; worker retention component**, which specifies the worker retention components of CFSS payment rate calculations that will be effective January 1, 2026.

Section 52 adds **256B.851, subdivision 5c – Payment rates; enhanced worker retention component**, which specifies the new enhanced worker retention component, effective January 1, 2027, for CFSS support workers who have completed specified orientations.

Section 53 amends **256B.851, subdivision 6 – Payment rates; rate determination**, by making conforming changes related to the CFSS payment rate components.

Section 54 amends **256B.851, subdivision 7 – Treatment of rate adjustments provided outside of cost components**, by making technical and conforming changes.

Section 55 adds **256B.851, subdivision 7a – Budget determinations**, which requires the commissioner to adjust the budgets of CFSS budget model participants to account for rates that incorporate worker retention and enhanced worker retention components.

Section 56 amends **WAIVER REIMAGINE PHASE II**, by requiring the commissioner to develop an individual budget rate exception methodology to accommodate self-direction of home care nursing, and by requiring the commissioner to implement by July 1, 2026, an online support planning and tracking tool for people with disabilities to track their individual budgets and service choices.

Section 57 extends by one year the deadline for a report related to supported decision making grants.

Section 58 adds **LONG-TERM SERVICES AND SUPPORTS ADVISORY COUNCIL**, which requires the commissioner of human services to convene an advisory council to identify reforms to the provision of long-term care services and supports that will produce savings in the 2028/2029 biennium. If the 95th legislature does not enact reforms proposed by the advisory council that are estimated to produce \$177.5 million in reduced general fund spending (or approximately 143.5 million if a bonding appropriation for the Miller Building replacement is not enacted) the commissioner must make up the difference by reducing DWRS rates and by imposing a county share for disability waiver residential services.

Section 59 adds **POSITIVE SUPPORTS COMPETENCY PROGRAM**, which requires the commissioner of human services to develop and implement a competency-based training program for positive support professionals and positive support analysts.

Section 60 adds **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS**, which requires the commissioner of human services to adjust CDCS budgets to accommodate the estimated increase in expenses resulting from implementation of individual provider collective bargaining agreement.

Section 61 adds **ENHANCED BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS**, which requires the commissioner of human services to increase the CDCS budget exception percentage from 7.5 percent to 12.5 percent.

Section 62 adds **STIPEND PAYMENTS TO SEIU HEALTHCARE MINNESOTA & IOWA BARGAINING UNIT MEMBERS**, which requires the commissioner to make payments to bargaining unit members and specifies how the payments will be treated for the purposes of state income tax, and eligibility for various state programs, including medical assistance.

Section 63 adds **DIRECTION TO COMMISSIONER; COST REPORTING IMPROVEMENT AND DIRECT CARE STAFF REVIEW**, which requires the commissioner of human services to both review the data collection requirements for providers reimbursed under DWRS and review the medical assistance direct support professional compensation requirements for providers reimbursed under DWRS.

Section 64 adds **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; LONG-TERM CARE CONSULTATION SERVICES PAYMENT REFORM**, which requires the commissioner to study an alternative payment methodology for MnCHOICES assessments that will produce \$18,000,000 of reduced general fund spending during fiscal years 2028 and 2029. If the methodology cannot be identified or is not enacted, the commissioner must reduce state reimbursement to lead agencies by an amount sufficient to make up the difference.

Section 65 adds **COMMUNITY FIRST SERVICES AND SUPPORTS REIMBURSEMENT DURING ACUTE CARE HOSPITAL STAYS**, which permits medical assistance reimbursement for CFSS services provided while a participant is receiving acute inpatient hospital services.

Section 66 adds **DIRECTION TO THE COMMISSIONER; GUIDANCE TO COUNTIES**, which requires the commissioner of human services to issue to counties guidance related to authorizing adaptive and one-on-one swimming lessons under the family support grant, consumer support grant, the disability waivers, and CFSS.

Section 67 adds **DIRECTION TO THE COMMISSIONER; SWIMMING LESSONS COVERED UNDER DISABILITY WAIVERS**, which requires the commissioner to permit adaptive and one-on-one swim lessons as a reimbursable cost under the disability waivers.

Section 68 adds **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; INCREASE TO PAYMENTS FOR FAMILY RESIDENTIAL AND LIFE SHARING SERVICES**, which requires the commissioner to increase the previously established but not yet effective rates for family residential services by approximately 25 percent.

Section 69 adds **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; OPTIONAL CONSULTATION SERVICES**, which permits the commissioner to submit a request to CMS to permit CFSS participants who are also receiving waiver services to use their waiver case manager rather than a consultation services provider when selecting which CFSS model to use and when making other CFSS-related decisions.

Section 70 is a **REPEALER**, which repeals direct care provider premiums, the legislative task force on guardianship, the Waiver Reimagine Advisory Committee, and language concerning an online support planning tool for individual budgets under waiver reimagine that is superseded by provisions in this article.

ARTICLE 3 HEALTH CARE

Section 1 adds **256.01, subdivision 29a - State medical review team; expedited disability determinations**, which provides for an expedited disability determination process by the State Medical Review Team for applicants in specified high-risk categories.

Section 2 amends **256B.766 – REIMBURSEMENT FOR BASIC CARE**, by extending for an additional two years the existing temporary payment methodology for enteral nutrition and supplies.

This section also makes structural, technical, and conforming changes to this statutory section.

ARTICLE 4 SUBSTANCE USE DISORDER TREATMENT

Section 1 amends **245.735, subdivision 3 - Certified community behavioral health clinics**, by making a conforming update to a cross reference.

Section 2 amends **245.91, subdivision 4 - Facility or program**, by making a conforming change related to a change in terminology.

Section 3 amends **245F.08, subdivision 3 - Peer recovery support services**, by making a conforming update to a cross reference.

Section 4 amends **245G.01, subdivision 13b – Guest speaker**, by making a technical change.

Section 5 adds **245G.01, Subdivision 13d – Individual counseling**, which provides a definition of individual counseling for the purposes of licensing of substance use disorder treatment programs.

Section 6 adds **245G.01, Subdivision 20f – Psychoeducation**, which provides a definition of psychoeducation for the purposes of licensing of substance use disorder treatment programs.

Section 7 adds **245G.01, Subdivision 20g – Psychosocial treatment services**, which provides a definition of psychosocial treatment services for the purposes of licensing of substance use disorder treatment programs.

Section 8 adds **245G.01, Subdivision 20h – Recovery support services**, which provides a definition of recovery support services for the purposes of licensing of substance use disorder treatment programs.

Section 9 adds **245G.01, Subdivision 26a – Treatment coordination**, which provides a definition of treatment coordination for the purposes of substance use disorder treatment programs.

Section 10 amends **245G.02, subdivision 2 – Exemption from license requirement**, by making a conforming change to a cross-reference.

Section 11 amends **245G.07, subdivision 1 – Treatment Service**, by making conforming technical changes; by clarifying that supportive services alone are not treatment services and providing examples of supportive services; and by clarifying the requirements of treatment services provided in a group setting.

Section 12 adds **245G.07, subdivision 1a – Psychosocial treatment service**, which specifies the requirements of psychosocial treatment services, requires a treatment provider when providing psychosocial treatment services to provide clients with both counseling services and psychoeducation services, and provides the requirements of each.

Section 13 adds **245G.07, subdivision 1b – Treatment coordination**, which specifies the required elements of treatment coordination.

Section 14 adds **245G.07, subdivision 2a – Ancillary treatment service**, which describes recovery support services and peer recovery support services a substance use disorder treatment service provider may choose to offer its clients.

Section 15 amends **245G.07, subdivision 3 – Treatment service providers**, by clarifying the qualifications required to provide psychosocial treatment services, treatment coordination, recovery support services, and peer recovery support services.

Section 16 amends **245G.07, subdivision 4 – Location of service provision**, by making conforming technical changes.

Section 17 amends **245G.11, subdivision 6 – Paraprofessionals**, by clarifying the requirements and permissible activities of paraprofessionals within a substance use disorder treatment program.

Section 18 adds **245G.11, subdivision 12 – Behavioral health practitioners**, which specifies the qualifications, permissible activities, and supervision requirements for a behavioral health practitioner.

Section 19 amends **245G.22, subdivision 11 – Waiting list**, by making conforming technical changes.

Section 20 amends **245G.22, subdivision 15 – Nonmedication treatment services; documentation**, by clarifying that an opioid treatment program must provide at least four 15-minute units of counseling per week during the first ten weeks of treatment and at least four 15-minute units of counseling per month thereafter.

Section 21 amends **254A.19, subdivision 4 - Civil commitments**, makes conforming changes related to transferring responsibility for BHF eligibility determinations to the commissioner.

Section 22 amends **254B.01, subdivision 10 – Psychosocial treatment services**, by making conforming technical changes.

Section 23 amends **254B.01, subdivision 11 – Recovery Residence**, by making a conforming change in terminology.

Section 24 amends **254B.02, subdivision 5 – Tribal allocations**, by makes conforming changes related to transferring responsibility for BHF eligibility determinations currently made by the counties to the commissioner, while maintaining Tribal Nations authority to continue making such determinations.

Section 25 amends **254B.03, subdivision 1 - Financial eligibility determinations**, by transferring responsibility for determining financial eligibility for the Behavioral Health Fund from the counties to the commissioner, while maintaining Tribal Nations authority to continue making such determinations.

Section 26 amends **254B.03, subdivision 3 - Counties to pay state for county share**, by making conforming changes related to transferring responsibility for BHF eligibility determinations to the commissioner.

Section 27 amends **254B.04, subdivision 1a - Client eligibility**, by making conforming changes related to transferring responsibility for BHF eligibility determinations to the commissioner.

This section also limits BHF eligibility to one 60-day period per year, subject to an appeal for additional eligibility.

Section 28 amends **254B.04, subdivision 5 - Commissioner responsibility to provide administrative services**, by making conforming changes related to transferring responsibility for BHF eligibility determinations to the commissioner.

Section 29 amends **254B.04, subdivision 6 - Commissioner to determine client financial eligibility**, by making conforming changes related to transferring responsibility for BHF eligibility determinations to the commissioner.

This section also limits BHF eligibility to one 60-day period per year.

Section 30 amends **254B.04, subdivision 6a - Span of eligibility**, by making conforming changes related to transferring responsibility for BHF eligibility determinations to the commissioner.

Section 31 amends **254B.05, subdivision 1 – Licensure or certification required**, by making conforming changes to the statutes governing BHF vendor eligibility related to the changes to the licensing requirements for substance use disorder treatment services.

Section 32 amends **254B.05, subdivision 1a - Room and board provider requirements**, by placing a moratorium effective July 1, 2025, on new vendors being approved to provide room and board services to persons in outpatient substance use disorder treatment and repealing eligibility for BHF reimbursement for room and board provided to persons in outpatient substance use disorder treatment effective July 1, 2027.

Section 33 amends **254B.05, subdivision 5 – Rate requirements**, by making technical changes to the rate requirements and enhanced rate requirements for substance use disorder treatment services reimbursed by the behavioral health fund.

See also *254B.05, subdivision 6 – Rate adjustments* and the *Revisor Instructions* related to renumbering section 254B.05.

Section 34 adds **254B.05, subdivision 6 – Rate adjustments**, which modifies the rates for certain substance use disorder treatment services reimbursed by the behavior health fund effective January 1, 2026, and establishes an annual inflation adjustment for these rates beginning January 1, 2027.

Section 35 adds **254B.052, subdivision 4 – Recovery community organization vendor compliance training**, which requires effective January 1, 2027, that managers and supervisors of RCOs complete BHF and MA compliance training prior to enrolling as a BHF eligible vendor and every three years thereafter.

Section 36 amends **254B.09, subdivision 2 – American Indian agreements**, by making a technical correction.

Section 37 amends **254B.19, subdivision 1 – Level of care requirements**, by making conforming changes related to the refined definitions of substance use disorder treatment services.

Section 38 adds **254B.21 – DEFINITIONS**, which provides definitions for the purposes of the regulation, certification, and registration of recovery residences.

Section 39 adds **254B.211 – RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS**, which specifies the minimum requirements for operating a recovery residence in the state of Minnesota, regardless of certification status, and establishes a recovery resident bill of rights.

Section 40 adds **254B.212 – COMPLAINTS AGAINST RECOVERY RESIDENCES**, which requires the commissioner to investigate complaints against recovery residences, its operators and staff, and anyone allegedly involved in criminal activity; prohibits anonymous complains, but requires the commissioner to keep the name of the complainant confidential; and prohibits retaliation against complainants by a recovery residence.

Section 41 adds **254B.213 – CERTIFICATION**, which requires the commissioner to establish a voluntary certification process for recovery residences; specifies the application requirements for certification; requires an initial on-site inspection of the recovery residence prior to certification; and prohibits transfer of a certification without prior approval from the commissioner.

Section 42 adds **254.214 – MONITORING AND OVERSIGHT OF CERTIFIED RECOVERY RESIDENCES**, which requires a certification to be renewed every three years after a scheduled on-site reinspection; grants the commissioner a right to access the premises, documents, staff, and residents of any recovery residence for the purposes of a certification inspection or a complaint investigation; authorizes the commissioner to issue correction orders for certified recovery residences; establishes a correction order reconsideration process; authorizes the commissioner to decertify recovery residences; establishes appeal rights related to decertification; and establishes notice requirements when a certain types of changes occur at the residence.

Section 43 adds **254B.215 – CERTIFICATION LEVELS**, which specifies two levels of certification depending on whether a recovery residence is “peer run” or managed by anyone other than the residents of the residence.

Section 44 adds **254B.216 – RESIDENT RECORDS**, which specifies materials that must be retained the resident record of each resident of the recovery residence.

Section 45 amends **256.043, subdivision 3 – Appropriations from registration and license fee account**, by authorizing the commissioner to make direct payments to Tribal nations and urban Indian communities from the opiate epidemic response fund for traditional healing practices and clarifies the evaluation and oversight of funded practices.

Section 46 amends **256B.0625, subdivision 5m – Certified community behavioral health clinic services**, by making a conforming change related to the substance use disorder treatment service definitions.

Section 47 amends **256B.0757, subdivision 4c – Behavioral health home services staff qualifications**, by making a conforming change related to the substance use disorder treatment service definitions.

Section 48 amends **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES**, by correcting a drafting error from a prior year by removing from this section of statute an annual inflation adjustment for substance use disorder treatment services, but see new *254B.05, subdivision 6 – Rate adjustments*.

Section 49 amends **256I.04, subdivision 2a - License required; staffing qualifications**, by authorizing the commissioner to enter directly into agreements with certified recovery residences for the purposes of providing housing support provided the certified recovery residence is also licensed by the commissioner of health as a board and lodging establishment.

Section 50 amends **325F.725 – RECOVERY RESIDENCE TITLE PROTECTION**, by no longer protecting the use of “sober home” and instead protecting the use of “recovery residence”.

Section 51 adds **RECOVERY RESIDENCE WORK GROUP**, which requires the commissioner of human services to convene a working group to make recommendations regarding recovery residences, particularly the funding of residences and housing solutions and funding for individuals engaged in outpatient substance use disorder treatment programs.

Section 52 adds **DIRECTION TO COMMISSIONER; SUBSTANCE USE DISORDER TREATMENT STAFF REPORT AND RECOMMENDATIONS**, which requires the commissioner to conduct a study and make recommendations to eliminate any limitations on licensed health professionals' ability to provide substance use disorder treatment services while practicing within their scopes of practice.

Section 53 adds **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; SUBSTANCE USE DISORDER TREATMENT BILLING UNITS**, which requires the commissioner of human services to establish new billing codes for 15-minute units of individual and group counseling, individual and group psychoeducation, and individual and group recovery support services.

Section 54 adds a **REVISOR INSTRUCTION**, which authorizes the revisor of statutes to make statutory changes consistent with the renumbering of section 254B.05.

Section 55 adds a **REVISOR INSTRUCTION**, which requires the revisor of statutes to renumber section 254B.05.

Section 56 adds a **REVISOR INSTRUCTION**, which requires to the revisor to change the term “mental health practitioner” to “behavioral health practitioner.”

Section 57 is a **REPEALER**, which repeals *254B.01, subdivision 5*, because local agencies will no longer have a role in establishing eligibility for or authorizing services reimbursed by the behavior health fund; *254B.04, subdivision 2a*, which is vendor eligibility for room and board services for persons in outpatient substance use disorder treatment; *254B.181*, the sober home statute, because the statute is replaced with the new recovery residence statutes; *245G.01, subdivision 20d*, the definition of “skilled treatment services” because that term is replaced with refined substance use disorder treatment service definitions; and *245G.07, subdivision 2*, services because most of the content of this subdivision is recreated as subdivision 2a.

ARTICLE 5

DIRECT CARE AND TREATMENT

Section 1 amends **246.54, subdivision 1a - Anoka-Metro Regional Treatment Center**, by deleting obsolete language related to county cost of care payments for certain patients receiving services at AMRTC.

Section 2 amends **246.54, subdivision 1b - Community behavioral health hospitals**, by deleting obsolete language related to county cost of care payments for certain patients receiving services at state-operated community behavioral health hospitals.

Section 3 adds **246C.07, subdivision 9 - Public notice of admission metrics**, which requires the Direct Care and Treatment executive board to post a publicly accessible dash board on the agency’s website that displays specified metrics on admission to a medically appropriate state-operated direct care and treatment beds of civilly committed patients being admitted from jail or a correctional institution and individuals who are referred for competency attainment or a competency examination.

Paragraph (g) of this subdivision also requires the executive board under certain conditions to disclose to an individual the individual’s relative position on any wait list for admission to a medically appropriate state-operated direct care and treatment bed.

Section 4 amends **253B.10, subdivision 1 - Administrative requirements**, by modifying the information contained in a notice to specified parties when an individual awaiting admission to a medically appropriate state-operated direct care and treatment bed to include the individual’s relative position on the wait list; clarifies that specific individualized factors contributing to an individual’s position on a wait list is available from DCT upon request, but may be withheld from the individual on the waitlist under certain circumstances; and requires the executive medical director to provide an updated notice when an individual is still on the

waiting list after 60 days following the initial notice of the individual's placement on a waiting list for admission.

Section 5 amends **256G.08, subdivision 1 - Commitment and competency proceedings**, by clarifying that the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 is issued is responsible for all associated expenses.

Section 6 amends **256G.08, subdivision 2 - Responsibility for nonresidents**, by clarifying that the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 is issued is responsible for all associated expenses.

Section 7 amends **256G.09, subdivision 1 – General procedures**, by modifying the general procedures for resolving disputes between counties over financial responsibility for the provision of social services to include disputes regarding the cost of inpatient examinations and participation in a competency attainment programs.

Section 8 amends **256G.09, subdivision 2 – Financial disputes**, by clarifying that a county must provide an inpatient examination or arrange for participation in a competency attainment program prior to submitting a case to the commissioner disputing its financial responsibility for providing those services.

Section 9 adds **611.43, subdivision 5 – Costs related to confined treatment**, which requires the facility to which as an individual is confined for inpatient examination to first bill all third parties but specifies that the county in which criminal charges were filed that precipitated the examination is responsible for any unpaid balance of the cost of care as determined by the DCT executive board.

Section 10 amends **Laws 2024, chapter 125, article 6, section 1, subdivision 7**, by extending until June 30, 2027, the temporary free communication services to patients or clients of any facility, setting, or program owned, operated, or under the programmatic or fiscal control of Direct Care and Treatment.

Section 11 adds **PRIORITY ADMISSIONS REVIEW PANEL**, which extends the Priority Admissions Review Panel established in 2024 to continue and expand the work of the 2024 Panel and the 2023 Task Force on Priority Admissions to State-Operated Treatment Programs. The panel is tasked with preparing recommendations for the 2026 legislative session related to multiple aspects of the mental health continuum of care.

Section 12 adds **DIRECTION FOR LIMITED EXCEPTION FOR ADMISSIONS FROM HOSPITAL SETTINGS**, which extends for an additional two years an existing policy to authorize the Direct Care and Treatment executive board to place up to ten civilly committed individuals in a hospital setting on the waiting list for admission to a medically appropriate direct care and treatment bed.

ARTICLE 6 EIDBI REFORM

Section 1 adds **245A.142 - EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION PROVISIONAL LICENSURE**, which establishes a new EIDBI provisional license effective January 1, 2026, while a comprehensive EIDBI license is developed and implemented.

Subdivision 1 specifies that the definitions in the medical assistance statute governing EIDBI services apply to the EIDBI provisional license statute.

Subdivision 2 establishes the timelines for the application and issuance of provisional EIDBI licenses and prohibits the provision of EIDBI services on or after June 1, 2026, by any provider that has not applied for a provisional license.

Subdivision 3 specifies the powers granted to the commissioner to enforce compliance with a provisional license.

Subdivision 4 specifies the requirements to obtain and maintain a provisional EIDBI license.

Subdivision 5 clarifies that the existing chapter 245A reconsideration and appeal rights apply to a provisional EIDBI license.

Subdivision 6 authorizes the commissioner to disenroll an EIDBI provider from medical assistance if the provider's provisional license application is denied or the license is suspended or revoked.

Section 2 amends **245C.03, subdivision 15 - Early intensive developmental and behavioral intervention providers**, by clarifying that the commissioner of human services must conduct background studies on owners of, operators of, and employees and volunteers who have direct contact with individuals served by an EIDBI provider.

Section 3 adds **245C.04, subdivision 12 - Early intensive developmental and behavioral intervention providers**, which requires an EIDBI provider to initiate background studies using NETStudy 2.0 prior to an individual acquiring an ownership stake in an EIDBI provider, becoming an operator of an EIDBI provider, or having direct contact with an individual receiving EIDBI services.

Section 4 amends **245C.13, subdivision 2 - Activities pending completion of background study**, which prohibits a subject of a background study from having direct contact with an individual receiving EIDBI services until the EIDBI provider receives notice from the commissioner that the subject is not disqualified or has received a set-aside.

Section 5 amends **245C.16, subdivision 1 - Determining immediate risk of harm**, by removing the commissioner's authority to permit an individual providing EIDBI services to

continue to provide services even with supervision after determining the individual has a disqualifying characteristic.

Section 6 amends **256B.04, subdivision 21 – Provider enrollment**, by requiring the commissioner to reauthorize CFSS providers and EIDBI providers every three years and by authorizing the commissioner to increase the frequency of medical assistance enrollment revalidations for provider types the commissioner determines are “high-risk” provider types.

Section 7 amends **256B.0949, subdivision 2 – Definitions**, by making a conforming change to the definition of “agency” to eliminate any reference to contractors providing EIDBI services; by adding via cross-reference a definition of “behavior analyst”; by relocating the existing definition of “person”; by modifying “clinical supervision” to include the qualified supervising professional taking full professional responsibility for the clinical effectiveness of the treatment provided by supervisees; and by adding a definition of “employee” for the purposes of the EIDBI medical assistance benefit to clarify that “employee” does not include independent contractors.

Section 8 amends **256B.0949, subdivision 13 – Covered services**, by removing PLAY project as a permitted EIDBI modality and by repealing the commissioner’s authority to approve additional modalities.

Section 9 amends **256B.0949, subdivision 15 – EIDBI provider qualifications**, by clarifying that a licensed behavior analyst is qualified to be a qualified supervising professional provided the analyst satisfies the supervision requirements; by clarifying that level I, II, and III treatment providers must all be employees of the EIDBI agency for whom they are providing services and are not permitted to be independent contractors effective June 15, 2025; and by codifying existing level I and Level II provider qualification exemptions

Section 10 also amends **256B.0949, subdivision 15 – EIDBI provider qualifications**, by clarifying that qualified supervising professionals must be employees of the EIDBI agency for whom they are providing services and are not permitted to be independent contractors effective January 1, 2026.

Section 11 amends **256B.0949, subdivision 16 – Agency duties**, by requiring an EIDBI agency to designate a compliance officer, to demonstrate compliance with billing requirements, to establish business practices that demonstrate the agency’s ability to appropriately submit claims, to train staff, and to document provider qualifications, service activities, and service qualify.

This section also modifies the clinical supervision requirements for EIDBI services. For every 16 hours of direct treatment per person, a qualifying supervising professional must provide 1 hour of clinical supervision, unless less frequent clinical supervision is authorized in the person’s individual treatment plan. EIDBI intervention observation and direction must occur at least once per month, and the EIDBI intervention observation and direction must be in person every three months.

This section also requires upon the request of the commissioner additional disclosures to the commissioner by an EIDBI agency regarding controlling individuals of the agency, use of billing agencies, and use of contractors.

Section 12 amends **256B.0949, subdivision 16a – Background studies**, by requiring, effective January 1, 2026, that an EIDBI agency receive a notice from DHS that an individual is not disqualified or disqualified but received a set aside before the individuals is allowed to have direct contact with EIDBI recipients.

Section 13 adds **256B.0949, subdivision 18 – Site visits and sanctions**, which authorizes the commissioner to conduct unannounced on-site compliance inspections of EIDBI service locations and to withhold payments or suspend or terminate an EIDBI agency's enrollment as a medical assistance provider if the agency is determined to be out of compliance.

Section 14 amends **260E.14, subdivision 1 – Facilities and schools**, by specifying that the department of human services is the lead investigative agency of allegations of maltreatment of a minor in an EIDBI program.

Section 15 amends **626.5572, subdivision 13 – Lead investigative agency**, by specifying that the department of human services is the lead investigative agency of allegations of maltreatment of a vulnerable adult in an EIDBI program.

Section 16 adds **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; DEVELOPMENT OF COMPREHENSIVE EIDBI LICENSE**, which requires the commissioner of human services to convene a working group by January 1, 2026, to develop and propose by January 1, 2027, a comprehensive EIDBI licensing regime.

Section 17 adds **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; TEMPORARY MORATORIUM ON ENROLLMENT OF NEW EIDBI PROVIDERS**, which prohibits DHS from enrolling new EIDBI agencies beginning July 1, 2025, but does permit existing EIDBI agencies to enroll additional service settings.

Section 18 adds **EXISTING EIDBI EXCEPTIONS**, which requires the commissioner of human services to maintain all provider qualification exceptions that exist as of June 30, 2025, until full implementation of a permanent comprehensive EIDBI license.

Section 19 is a **REPEALER**, which repeals the commissioner of human services authority to revise EIDBI treatment modalities.

ARTICLE 7 HOMELESSNESS, HOUSING, AND SUPPORT SERVICES

Section 1 amends **245C.03, subdivision 6 - Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities and providers of housing stabilization services**, by consolidating the commissioner's duty to conduct background studies of providers of housing stabilization services into the statute governing

the commissioner's duty to conduct background studies of unlicensed providers of home and community-based disability waiver services; by expanding the subjects of such studies to include owners and operators of such service providers; and by defining "operator."

Section 2 adds **245C.03, subdivision 16 - Providers of recuperative care**, which requires the commissioner to conduct background studies of owners and operators of recuperative care services, as well as individuals with direct contact with recipients of recuperative care services.

Section 3 amends **245C.04, subdivision 6 - Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities and providers of housing stabilization services**, by consolidating into the statute governing initiation of background studies of unlicensed providers of home and community-based disability waiver services the obligation of a provider of housing stabilization services to initiate required background studies using NETStudy 2.0.

Section 4 adds **245C.04, subdivision 13 - Recuperative care providers**, which establishes the duty of a provider of recuperative care services to initiate required background studies using NETStudy 2.0.

Section 5 amends **245C.10, subdivision 6 - Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities and providers of housing stabilization services**, by establishing a \$44 fee for each required background study of owners, operators, and staff providing housing stabilization services.

Section 6 adds **245C.10, subdivision 22 - Recuperative care providers**, which establishes a \$44 fee for each required background study of owners, operators and staff providing recuperative care services.

Section 7 amends **256B.04, subdivision 21 - Provider enrollment**, by making a conforming change related to the new requirement that providers of housing stabilization services and of recuperative care services maintain surety bonds.

Section 8 amends **256B.051, subdivision 2 - Definitions**, by adding a definition of "agency" and a definition of "employee of an agency".

Section 9 amends **256B.051, subdivision 5 - Housing stabilization services**, by making technical changes to clarify the services included under the housing stabilization benefit.

Section 10 amends **256B.051, subdivision 6 - Agency qualifications and duties**, by requiring a housing stabilization services provider to complete a pre-enrollment risk assessment; by requiring the provider to show proof that the provider maintains a surety bond meeting the specified terms; by clarifying that owners and operators must also complete vulnerable adult training; by requiring all owners, operators, and managerial staff to complete compliance training; and by making additional technical and conforming changes.

Section 11 adds **256B.051, subdivision 6a - Pre-enrollment risk assessment**, which requires the commissioner to determine that new and existing housing stabilization service provider have the capacity, expertise, financial resources, and internal controls sufficient to provide the service; and provides for an appeals process in the event the commissioner determines the provider is not an eligible vendor of the service.

Section 12 adds **256B.051, subdivision 6b - Requirements for provider enrollment**, which requires a housing stabilization services agency to ensure that all owners, operators, and managerial employees complete compliance training both at initial enrollment as a vendor and every three years thereafter.

Section 13 amends **256B.051, subdivision 8 - Documentation requirements**, by expanding the required service delivery information that must be documented by a housing stabilization services provider to include the full name of the service recipient, the specific service or services provided on each day service is provided to the recipient, the signature of the service recipient verifying the delivery of services on the date and at the time indicated; and acknowledgement that it is a state and federal crime to provide false information on service documentation.

Section 14 adds **256B.051, subdivision 9 – Service limits**, which imposes housing stabilization service limits by limiting housing transition services to 100 hours annually, housing and tenancy sustaining services to 100 hours annually, housing consultation services to once annually, housing transition costs to \$3,000 annually, and use of remote supports to 20 percent of total service hours.

Section 15 adds **256B.051, subdivision 10 – Service limit exceptions**, which provides for a limited exceptions to the housing stabilization service limits under specified circumstances.

Section 16 amends **256B.0701, subdivision 1 – Definitions**, by providing a definition of “habitability inspection” and by clarifying the definition of “provider” of recuperative care services.

Section 17 amends **256B.0701, subdivision 2 - Recuperative care settings**, by modifying the recuperative care settings requirements to include passing a habitability inspection.

Section 18 adds **256B.0701, subdivision 9 - Provider qualifications and duties**, which imposes new recuperative care provider requirements and clarifies existing requirements, including new requirements that the commissioner conduct a provider risk assessment to confirm that an existing or potential provider is qualified and eligible to provide recuperative care services, that a provider show proof of maintaining a surety bond meeting the specified requirements, that a provider completes compliance training, and that the service setting pass a habitability inspection.

Section 19 adds **256B.0701, subdivision 10 - Pre-enrollment risk assessment**, which requires the commissioner to determine that new and existing recuperative care service provider have the capacity, expertise, financial resources, and internal controls sufficient to

provide the service; and provides for an appeals process in the event the commissioner determines the provider is not an eligible vendor of the service.

Section 20 adds **256B.0701, subdivision 11 - Requirements for provider enrollment; compliance training**, which requires a recuperative care service provider to ensure that all owners, operators, and managerial employees complete compliance training both at initial enrollment as a vendor and every three years thereafter.

Section 21 adds **256B.0701, subdivision 12 - Requirements for provider enrollment; documentation of habitability inspection**, which requires recuperative care service providers to submit to the commissioner proof that the setting in which the services are being provided has passed a habitability inspection that meets the specified requirements.

Section 22 adds **256B.0701, subdivision 13 - Habitability inspection requirements**, which specifies the requirements of a habitability inspection, including who is qualified to perform the inspection and the elements of the setting that must be included in the inspection.

Section 23 adds **256I.05, subdivision 1v - Supplementary rate for certain facilities**, which requires counties to negotiate supplemental rates, not to exceed \$975 per month, for a provider operating indoor communities with low barriers to access for individuals experiencing homelessness who have complex health needs.

Section 24 adds **256I.05, subdivision 1w – Supplemental rate; Blue Earth County**, which establishes a supplemental rate for a housing supports provider in Blue Earth County.

Section 25 adds **256I.05, subdivision 1x – Supplemental rate; Otter Tail County**, which establishes a supplemental rate for a housing supports provider in Otter Tail County.

Section 26 is a **REPEALER**, which repeals housing stabilization service provider background study language rendered obsolete by other changes in this act. The repealer does *not* eliminate background study requirements for housing stabilization service providers.

ARTICLE 8 DEPARTMENT OF HEALTH

Section 1 amends **144A.01, subdivision 4 - Controlling person**, by expanding the definition of a controlling person of the nursing home to include individuals with an ownership interest in a business entity that owns a nursing home.

Section 2 amends **144A.474, subdivision 11 – Fines**, by requiring the commissioner of health to publish on the department’s website an annual report of the fines collected from home care agencies and how the fine revenue was allocated; and by deleting obsolete language.

Section 3 amends **144A.4799 – HOME CARE AND ASSISTED LIVING ADVISORY COUNCIL**, by modifying the membership of the council, clarifying that the purview of the advisory council includes assisted living services, making conforming changes, and expanding

examples of projects and initiatives the council may recommend to the commissioner for an allocation from the statutorily appropriated fine revenue collected from home care agencies and assisted living facilities.

Section 4 amends **144G.08, subdivision 15 – Controlling individual**, by expanding the definition of a controlling individual of an assisted living facility to include any entity or natural person who has an ownership interest in any other entity that has a direct or indirect ownership interest in the assisted living services provider, the land on which the facility is located, or the facility in which the services are provided.

Section 5 amends **144G.31, subdivision 8 – Deposit of fines**, by modifying the allocation of fines revenue collected from assisted living facilities; by creating a competitive grant program funded by the fine revenue; and by requiring the commissioner of health to publish on the department’s website an annual report on the fines collected and the allocated fine revenue.

Section 6 amends **144G.52, subdivision 1 – Definition**, by making technical changes to the definition of “termination” to recognize that an assisted living facility cannot terminate housing without also terminating services.

Section 7 amends **144G.52, subdivision 2 – Prerequisite to termination of a contract**, by reducing the minimum timeline for a pre-termination meeting from seven days to 5 days prior to an expedited termination.

Section 8 amends **144G.52, subdivision 3 – Termination for nonpayment**, by requiring an assisted living facility to provide the contact information for the Disability Hub to resident subject to a termination.

Section 9 amends **144G.52, subdivision 8 – Content of notice of termination**, by requiring a facility to include contact information for the Disability Hub in a termination notice.

Section 10 amends **144G.54, subdivision 3 – Appeals process**, by reducing from 14 calendar days to 10 calendar days the timeframe in which an administrative hearing must be held following an appeal of an expedited termination; and by reducing from 10 business days to 5 business days the time frame in which an administrative judge must issue a recommendation regarding an appeal of an expedited termination.

Section 11 amends **144G.54, subdivision 7 – Application of chapter 504B to appeals of terminations**, by entitling a facility that prevails in an appeal under section 144G.54 to a writ of recovery of premises and order to vacate provided the facility has met its coordinated move obligations under 144G.55.

Section 12 amends **144G.55, subdivision 1 – Duties of facility**, by clarifying the steps a facility must take following an assisted living contract termination to fulfill its obligations to assist with a coordinated move of the resident to another setting.

Section 13 adds **145D.40 – DEFINITIONS**, which defines terms for the purposes of the statutes governing the disclosures related to the acquisition of a nonprofit nursing home or nonprofit assisted living facility.

Section 14 adds **145D.41 - NOTICE, INFORMATION, AND AFFIDAVIT REQUIRED**, which specifies the information a for-profit entity must produce prior to acquiring a nonprofit nursing home or nonprofit assisted living facility.

Section 15 amends **256B.092, subdivision 1a – Case management services**, by including in the duties of a developmental disability waiver case manager assisting assisted living facilities meet their obligations to facilitate a coordinated move of a resident following an assisted living contract termination.

Section 16 amends **256B.49, subdivision 13 – Case management**, by including in the duties of a disability waiver case manager assisting assisted living facilities with meeting their obligations to facilitate a coordinated move of a resident following an assisted living contract termination.

ARTICLE 9 MISCELLANEOUS

Section 1 amends **144.0724, subdivision 11 - Nursing facility level of care**, by extending from 60 calendar days to one calendar year the validity of a nursing facility level of care determination for the purposes of eligibility for the disability waivers, the elder waiver, and alternative care.

Section 2 to 5 extend by one year the Mentally Ill and Dangerous Civil Commitment Reform Task Force and adds to its duties conducting an evaluation of current statutes related to the process by which former patients may seek an order to expunge or vacate a prior commitment order and making recommendations for statutory changes.

Section 6 is a **REVISOR INSTRUCTION** to change terminology in Minnesota Statutes.

ARTICLE 10 DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

Section 1 adds **245A.03, subdivision 7a - Discretionary temporary licensing moratorium**, which requires the commissioner to assess the need for new licenses for existing service types or for new license types and temporarily prohibits the commissioner from issuing licenses if the commissioner determines that new licenses would exceed the needed licensed service capacity; requires the commissioner to provide public notice prior to imposing a temporary licensing moratorium; and requires the commissioner to establish and make publicly available criteria and a process for granting licensing exceptions during a temporary moratorium.

Section 2 amends **245A.04, subdivision 7 - Grant of license; license extension**, by clarifying that the commissioner must include on a license all the services a license holder is licensed to provide, and in the case of a licensed substance use disorder treatment program, the total maximum number for individuals the program may service at all the program's service sites.

Section 3 adds **245A.043, subdivision 2a - Review of change in ownership**, which authorizes the commissioner to complete a review of any new license holder up to 12 months after a change of ownership.

Section 4 amends **245A.10, subdivision 1 - Application or license fee required**, which eliminates the licensing fee exemption for child foster care, adult foster care, and community residential settings.

Section 5 amends **245A.10, subdivision 2 - Application or license inspection fee required; programs with county oversight**, by eliminating the authority of counties to charge licensing fees and provide license fee exceptions; by requiring the commissioner to charge licensing fees for programs overseen by counties; and by increasing the licensing fee from a discretionary maximum of \$500 annually to \$2,100 annually.

Section 6 amends **245A.10, subdivision 3 - Application fee for initial license or certification**, which increases the initial licensing fee for all 245D services to \$4,200, and imposes a \$500 initial licensing fee for children's residential facilities and mental health clinics.

Section 7 adds **245A.10, subdivision 3a - Fee for change of ownership exception**, which imposes new fees for licensing activities associated with changes of ownership.

Section 8 amends **245A.10, subdivision 4 - License or certification fee for certain programs**, by increasing licensing fees for 245D service providers, substance use disorder treatment providers, detoxification programs, residential facilities serving people with mental illness, adult day care centers,

Section 9 amends **245A.10, subdivision 8 - Deposit of license fees**, by modifying the name of the fund into which 245A licensing fees are deposited, and modifying the uses to which appropriations from the fund can be used to include program integrity activities.

Section 10 adds **245A.10, subdivision 8a - Deposit of county-delegated licensing application fees; appropriation**, which specifies that 50% of the fees collected by the commissioner for the licensing activities associated with programs overseen by a county must be deposited in the county's account in the special revenue fund.

Section 11 adds **245A.10, subdivision 8b - Distribution to county; appropriation**, which requires the commissioner on a quarterly basis to make payments from each county's account in the special revenue fund to the applicable county as reimbursement for the county's 245A licensing and program integrity work.



Senate Counsel, Research, and Fiscal Analysis provides nonpartisan legislative, legal, fiscal, and analytical services to the Minnesota Senate. This document can be made available in different formats upon request.

www.senate.mn/scrfa/home | 651-296-4791
95 University Ave. W., STE 3300, Saint Paul, MN, 55155