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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **1271**

02/26/2015 Authored by Quam, Allen, Mack, Loeffler, Dean, M., and others

The bill was read for the first time and referred to the Committee on Health and Human Services Reform

03/18/2015 Adoption of Report: Amended and re-referred to the Committee on Civil Law and Data Practices

1.1 A bill for an act
1.2 relating to human services; modifying provisions governing group residential
1.3 housing; establishing background study requirements for providers of group
1.4 residential housing or supplementary services; authorizing administration
1.5 of a compliance system for group residential housing; amending Minnesota
1.6 Statutes 2014, sections 245C.03, by adding a subdivision; 245C.10, by adding
1.7 a subdivision; 256.017, subdivision 1; 256I.03, subdivisions 3, 7, by adding
1.8 subdivisions; 256I.04; 256I.05, subdivisions 1c, 1g; 256I.06, subdivisions 2, 6,
1.9 7, 8.

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

1.11 Section 1. Minnesota Statutes 2014, section 245C.03, is amended by adding a
1.12 subdivision to read:

1.13 Subd. 10. Providers of group residential housing or supplementary services.
1.14 The commissioner shall conduct background studies on any individual required under
1.15 section 256I.04 to have a background study completed under this chapter.

1.16 EFFECTIVE DATE. This section is effective July 1, 2016.

1.17 Sec. 2. Minnesota Statutes 2014, section 245C.10, is amended by adding a subdivision
1.18 to read:

1.19 Subd. 11. Providers of group residential housing or supplementary services.
1.20 The commissioner shall recover the cost of background studies initiated by providers of
1.21 group residential housing or supplementary services under section 256I.04 through a fee
1.22 of no more than \$20 per study. The fees collected under this subdivision are appropriated
1.23 to the commissioner for the purpose of conducting background studies.

1.24 EFFECTIVE DATE. This section is effective July 1, 2016.

2.1 Sec. 3. Minnesota Statutes 2014, section 256.017, subdivision 1, is amended to read:

2.2 Subdivision 1. **Authority and purpose.** The commissioner shall administer a
2.3 compliance system for the Minnesota family investment program, the food stamp or food
2.4 support program, emergency assistance, general assistance, medical assistance, emergency
2.5 general assistance, Minnesota supplemental assistance, group residential housing,
2.6 preadmission screening, alternative care grants, the child care assistance program, and
2.7 all other programs administered by the commissioner or on behalf of the commissioner
2.8 under the powers and authorities named in section 256.01, subdivision 2. The purpose of
2.9 the compliance system is to permit the commissioner to supervise the administration of
2.10 public assistance programs and to enforce timely and accurate distribution of benefits,
2.11 completeness of service and efficient and effective program management and operations,
2.12 to increase uniformity and consistency in the administration and delivery of public
2.13 assistance programs throughout the state, and to reduce the possibility of sanctions and
2.14 fiscal disallowances for noncompliance with federal regulations and state statutes. The
2.15 commissioner, or the commissioner's representative, may issue administrative subpoenas
2.16 as needed in administering the compliance system.

2.17 The commissioner shall utilize training, technical assistance, and monitoring
2.18 activities, as specified in section 256.01, subdivision 2, to encourage county agency
2.19 compliance with written policies and procedures.

2.20 Sec. 4. Minnesota Statutes 2014, section 256I.03, subdivision 3, is amended to read:

2.21 Subd. 3. **Group residential housing.** "Group residential housing" means a group
2.22 living situation that provides at a minimum room and board to unrelated persons who
2.23 meet the eligibility requirements of section 256I.04. ~~This definition includes foster care~~
2.24 ~~settings or community residential settings for a single adult.~~ To receive payment for a
2.25 group residence rate, the residence must meet the requirements under section 256I.04,
2.26 ~~subdivision~~ subdivisions 2a to 2f.

2.27 Sec. 5. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

2.28 Subd. 7. **Countable income.** "Countable income" means all income received by
2.29 an applicant or recipient less any applicable exclusions or disregards. For a recipient of
2.30 any cash benefit from the SSI program, countable income means the SSI benefit limit in
2.31 effect at the time the person is ~~in a GRH~~ a recipient of group residential housing, less the
2.32 medical assistance personal needs allowance under section 256B.35. If the SSI limit
2.33 ~~has been or benefit is~~ reduced for a person due to events ~~occurring prior to the persons~~

3.1 ~~entering the GRH setting~~ other than receipt of additional income, countable income means
3.2 actual income less any applicable exclusions and disregards.

3.3 Sec. 6. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
3.4 to read:

3.5 Subd. 9. **Direct contact.** "Direct contact" means providing face-to-face care,
3.6 support, training, supervision, counseling, consultation, or medication assistance to
3.7 recipients of group residential housing.

3.8 Sec. 7. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
3.9 to read:

3.10 Subd. 10. **Habitability inspection.** "Habitability inspection" means an inspection to
3.11 determine whether the housing occupied by an individual meets the habitability standards
3.12 specified by the commissioner. The standards must be provided to the applicant in writing
3.13 and posted on the Department of Human Services Web site.

3.14 Sec. 8. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
3.15 to read:

3.16 Subd. 11. **Long-term homelessness.** "Long-term homelessness" means lacking a
3.17 permanent place to live:

3.18 (1) continuously for one year or more; or

3.19 (2) at least four times in the past three years.

3.20 Sec. 9. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
3.21 to read:

3.22 Subd. 12. **Professional certification.** "Professional certification" means a statement
3.23 about an individual's illness, injury, or incapacity that is signed by a qualified professional.
3.24 The statement must specify that the individual has an illness or incapacity which limits the
3.25 individual's ability to work and provide self-support. The statement must also specify that
3.26 the individual needs assistance to access or maintain housing, as evidenced by the need
3.27 for two or more of the following services:

3.28 (1) tenancy supports to assist an individual with finding the individual's own
3.29 home, landlord negotiation, securing furniture and household supplies, understanding
3.30 and maintaining tenant responsibilities, conflict negotiation, and budgeting and financial
3.31 education;

4.1 (2) supportive services to assist with basic living and social skills, household
4.2 management, monitoring of overall well-being, and problem solving;

4.3 (3) employment supports to assist with maintaining or increasing employment,
4.4 increasing earnings, understanding and utilizing appropriate benefits and services,
4.5 improving physical or mental health, moving toward self-sufficiency, and achieving
4.6 personal goals; or

4.7 (4) health supervision services to assist in the preparation and administration of
4.8 medications other than injectables, the provision of therapeutic diets, taking vital signs, or
4.9 providing assistance in dressing, grooming, bathing, or with walking devices.

4.10 Sec. 10. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
4.11 to read:

4.12 Subd. 13. **Prospective budgeting.** "Prospective budgeting" means estimating the
4.13 amount of monthly income a person will have in the payment month.

4.14 Sec. 11. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
4.15 to read:

4.16 Subd. 14. **Qualified professional.** "Qualified professional" means an individual as
4.17 defined in section 256J.08, subdivision 73a, or Minnesota Rules, part 9530.6450, subpart
4.18 3, 4, or 5; or an individual approved by the director of human services or a designee
4.19 of the director.

4.20 Sec. 12. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision
4.21 to read:

4.22 Subd. 15. **Supportive housing.** "Supportive housing" means housing with support
4.23 services according to the continuum of care coordinated assessment system established
4.24 under Code of Federal Regulations, title 24, section 578.3.

4.25 Sec. 13. Minnesota Statutes 2014, section 256I.04, is amended to read:

4.26 **256I.04 ELIGIBILITY FOR GROUP RESIDENTIAL HOUSING PAYMENT.**

4.27 Subdivision 1. **Individual eligibility requirements.** An individual is eligible for
4.28 and entitled to a group residential housing payment to be made on the individual's behalf
4.29 if the agency has approved the individual's residence in a group residential housing setting
4.30 and the individual meets the requirements in paragraph (a) or (b).

4.31 (a) The individual is aged, blind, or is over 18 years of age and disabled as
4.32 determined under the criteria used by the title II program of the Social Security Act, and

5.1 meets the resource restrictions and standards of section 256P.02, and the individual's
5.2 countable income after deducting the (1) exclusions and disregards of the SSI program,
5.3 (2) the medical assistance personal needs allowance under section 256B.35, and (3) an
5.4 amount equal to the income actually made available to a community spouse by an elderly
5.5 waiver participant under the provisions of sections 256B.0575, paragraph (a), clause
5.6 (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's
5.7 agreement with the provider of group residential housing in which the individual resides.

5.8 (b) The individual meets a category of eligibility under section 256D.05, subdivision
5.9 1, paragraph (a), clauses (1), (3), (5) to (9), and (14), and paragraph (b), if applicable, and
5.10 the individual's resources are less than the standards specified by section 256P.02, and
5.11 the individual's countable income as determined under sections 256D.01 to 256D.21, less
5.12 the medical assistance personal needs allowance under section 256B.35 is less than the
5.13 monthly rate specified in the agency's agreement with the provider of group residential
5.14 housing in which the individual resides.

5.15 Subd. 1a. **County approval.** (a) A county agency may not approve a group
5.16 residential housing payment for an individual in any setting with a rate in excess of the
5.17 MSA equivalent rate for more than 30 days in a calendar year unless the ~~county agency~~
5.18 ~~has developed or approved individual has a plan for the individual which specifies that:~~

5.19 ~~(1) the individual has an illness or incapacity which prevents the person from living~~
5.20 ~~independently in the community; and~~

5.21 ~~(2) the individual's illness or incapacity requires the services which are available in~~
5.22 ~~the group residence.~~

5.23 ~~The plan must be signed or countersigned by any of the following employees of the~~
5.24 ~~county of financial responsibility: the director of human services or a designee of the~~
5.25 ~~director; a social worker; or a case aide~~ professional certification under section 256I.03,
5.26 subdivision 12.

5.27 (b) If a county agency determines that an applicant is ineligible due to not meeting
5.28 eligibility requirements under this section, a county agency may accept a signed personal
5.29 statement from the applicant in lieu of documentation verifying ineligibility.

5.30 (c) Effective July 1, 2016, to be eligible for supplementary service payments,
5.31 providers must enroll in the provider enrollment system identified by the commissioner.

5.32 Subd. 1b. **Optional state supplements to SSI.** Group residential housing payments
5.33 made on behalf of persons eligible under subdivision 1, paragraph (a), are optional state
5.34 supplements to the SSI program.

6.1 Subd. 1c. **Interim assistance.** Group residential housing payments made on behalf
6.2 of persons eligible under subdivision 1, paragraph (b), are considered interim assistance
6.3 payments to applicants for the federal SSI program.

6.4 Subd. 2. **Date of eligibility.** An individual who has met the eligibility requirements
6.5 of subdivision 1, shall have a group residential housing payment made on the individual's
6.6 behalf from the first day of the month in which a signed application form is received by
6.7 a county agency, or the first day of the month in which all eligibility factors have been
6.8 met, whichever is later.

6.9 Subd. 2a. **License required; staffing qualifications.** ~~A county~~ (a) Except
6.10 as provided in paragraph (b), an agency may not enter into an agreement with an
6.11 establishment to provide group residential housing unless:

6.12 (1) the establishment is licensed by the Department of Health as a hotel and
6.13 restaurant; a board and lodging establishment; ~~a residential care home;~~ a boarding care
6.14 home before March 1, 1985; or a supervised living facility, and the service provider
6.15 for residents of the facility is licensed under chapter 245A. However, an establishment
6.16 licensed by the Department of Health to provide lodging need not also be licensed to
6.17 provide board if meals are being supplied to residents under a contract with a food vendor
6.18 who is licensed by the Department of Health;

6.19 (2) the residence is: (i) licensed by the commissioner of human services under
6.20 Minnesota Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services
6.21 agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050
6.22 to 9555.6265; (iii) ~~a residence~~ licensed by the commissioner under Minnesota Rules, parts
6.23 2960.0010 to 2960.0120, with a variance under section 245A.04, subdivision 9; or (iv)
6.24 licensed under section 245D.02, subdivision 4a, as a community residential setting by
6.25 the commissioner of human services; or

6.26 (3) the establishment is registered under chapter 144D and provides three meals a
6.27 day, or is an establishment voluntarily registered under section 144D.025 as a supportive
6.28 housing establishment; ~~or~~

6.29 ~~(4) an establishment voluntarily registered under section 144D.025, other than~~
6.30 ~~a supportive housing establishment under clause (3), is not eligible to provide group~~
6.31 ~~residential housing.~~

6.32 (b) The requirements under clauses (1) to (4) paragraph (a) do not apply to
6.33 establishments exempt from state licensure because they are:

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

7.1 (2) a supportive housing establishment that has an approved habitability inspection
7.2 and an individual lease agreement and that serves people who have experienced long-term
7.3 homelessness and were referred through a coordinated assessment in section 256I.03,
7.4 subdivision 15.

7.5 (c) Supportive housing establishments and emergency shelters must participate in
7.6 the homeless management information system.

7.7 (d) Effective July 1, 2016, an agency shall not have an agreement with a provider
7.8 of group residential housing or supplementary services unless all staff members who
7.9 have direct contact with recipients:

7.10 (1) have skills and knowledge acquired through:

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

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

7.14 (iii) experience as a certified peer specialist according to section 256B.0615; or

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

7.17 (2) hold a current Minnesota driver's license appropriate to the vehicle driven
7.18 if transporting recipients;

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

7.21 (4) complete group residential housing orientation training offered by the
7.22 commissioner.

7.23 Subd. 2b. **Group residential housing agreements.** (a) Agreements between
7.24 county agencies and providers of group residential housing must be in writing on a
7.25 form developed and approved by the commissioner and must specify the name and
7.26 address under which the establishment subject to the agreement does business and under
7.27 which the establishment, or service provider, if different from the group residential
7.28 housing establishment, is licensed by the Department of Health or the Department of
7.29 Human Services; the specific license or registration from the Department of Health or the
7.30 Department of Human Services held by the provider and the number of beds subject to
7.31 that license; the address of the location or locations at which group residential housing is
7.32 provided under this agreement; the per diem and monthly rates that are to be paid from
7.33 group residential housing funds for each eligible resident at each location; the number
7.34 of beds at each location which are subject to the group residential housing agreement;
7.35 whether the license holder is a not-for-profit corporation under section 501(c)(3) of the

8.1 Internal Revenue Code; and a statement that the agreement is subject to the provisions of
8.2 sections 256I.01 to 256I.06 and subject to any changes to those sections.

8.3 (b) Providers are required to verify the following minimum requirements in the
8.4 agreement:

8.5 (1) current license or registration, including authorization if managing or monitoring
8.6 medications;

8.7 (2) all staff who have direct contact with recipients meet the staff qualifications;

8.8 (3) the provision of group residential housing;

8.9 (4) the provision of supplementary services, if applicable;

8.10 (5) reports of adverse events, including recipient death or serious injury; and

8.11 (6) submission of residency requirements that could result in recipient eviction.

8.12 ~~Group residential housing~~ (c) Agreements may be terminated with or without cause by
8.13 either the county commissioner, the agency, or the provider with two calendar months prior
8.14 notice. The commissioner may immediately terminate an agreement under subdivision 2d.

8.15 ~~Subd. 2c. **Crisis shelters Background study requirements.** Secure crisis shelters~~
8.16 ~~for battered women and their children designated by the Minnesota Department of~~
8.17 ~~Corrections are not group residences under this chapter. (a) Effective July 1, 2016, a~~
8.18 ~~provider of group residential housing or supplementary services must initiate background~~
8.19 ~~studies in accordance with chapter 245C of the following individuals:~~

8.20 (1) controlling individuals as defined in section 245A.02;

8.21 (2) managerial officials as defined in section 245A.02; and

8.22 (3) all employees and volunteers of the establishment who have direct contact
8.23 with recipients, or who have unsupervised access to recipients, their personal property,
8.24 or their private data.

8.25 (b) The provider of group residential housing or supplementary services must
8.26 maintain compliance with all requirements established for entities initiating background
8.27 studies under chapter 245C.

8.28 (c) Effective July 1, 2017, a provider of group residential housing or supplementary
8.29 services must demonstrate that all individuals required to have a background study
8.30 according to paragraph (a) have a notice stating either that:

8.31 (1) the individual is not disqualified under section 245C.14; or

8.32 (2) the individual is disqualified, but the individual has been issued a set-aside of
8.33 the disqualification for that setting under section 245C.22.

8.34 Subd. 2d. **Conditions of payment; commissioner's right to suspend or terminate**
8.35 **agreement.** (a) Group residential housing or supplementary services must be provided
8.36 to the satisfaction of the commissioner, as determined at the sole discretion of the

9.1 commissioner's authorized representative, and in accordance with all applicable federal,
9.2 state, and local laws, ordinances, rules, and regulations, including business registration
9.3 requirements of the Office of the Secretary of State. A provider shall not receive payment
9.4 for services or housing found by the commissioner to be performed or provided in
9.5 violation of federal, state, or local law, ordinance, rule, or regulation.

9.6 (b) The commissioner has the right to suspend or terminate the agreement
9.7 immediately when the commissioner determines the health or welfare of the housing or
9.8 service recipients is endangered, or when the commissioner has reasonable cause to believe
9.9 that the provider has breached a material term of the agreement under subdivision 2b.

9.10 (c) Notwithstanding paragraph (b), if the commissioner learns of a curable material
9.11 breach of the agreement by the provider, the commissioner shall provide the provider
9.12 with a written notice of the breach and allow ten days to cure the breach. If the provider
9.13 does not cure the breach within the time allowed, the provider shall be in default of the
9.14 agreement and the commissioner may terminate the agreement immediately thereafter. If
9.15 the provider has breached a material term of the agreement and cure is not possible, the
9.16 commissioner may immediately terminate the agreement.

9.17 Subd. 2e. **Providers holding health or human services licenses.** (a) Except
9.18 for facilities with only a board and lodging license, when group residential housing or
9.19 supplementary service staff are also operating under a license issued by the Department of
9.20 Health or the Department of Human Services, the minimum staff qualification requirements
9.21 for the setting shall be the qualifications listed under the related licensing standards.

9.22 (b) A background study completed for the licensed service must also satisfy the
9.23 background study requirements under this section, if the provider has established the
9.24 background study contact person according to chapter 245C and as directed by the
9.25 Department of Human Services.

9.26 Subd. 2f. **Required services.** In licensed and registered settings under subdivision
9.27 2a, providers shall ensure that participants have at a minimum:

9.28 (1) food preparation and service for three nutritional meals a day on site;

9.29 (2) a bed, clothing storage, linen, bedding, laundering, and laundry supplies or
9.30 service;

9.31 (3) housekeeping, including cleaning and lavatory supplies or service; and

9.32 (4) maintenance and operation of the building and grounds, including heat, water,
9.33 garbage removal, electricity, telephone for the site, cooling, supplies, and parts and tools
9.34 to repair and maintain equipment and facilities.

10.1 Subd. 2g. **Crisis shelters.** Secure crisis shelters for battered women and their
10.2 children designated by the Minnesota Department of Corrections are not group residences
10.3 under this chapter.

10.4 **Subd. 3. Moratorium on development of group residential housing beds.** (a)
10.5 ~~County~~ Agencies shall not enter into agreements for new group residential housing beds
10.6 with total rates in excess of the MSA equivalent rate except:

10.7 (1) for group residential housing establishments licensed under Minnesota Rules,
10.8 parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction
10.9 targets for persons with developmental disabilities at regional treatment centers;

10.10 (2) up to 80 beds in a single, specialized facility located in Hennepin County that will
10.11 provide housing for chronic inebriates who are repetitive users of detoxification centers
10.12 and are refused placement in emergency shelters because of their state of intoxication,
10.13 and planning for the specialized facility must have been initiated before July 1, 1991,
10.14 in anticipation of receiving a grant from the Housing Finance Agency under section
10.15 462A.05, subdivision 20a, paragraph (b);

10.16 (3) notwithstanding the provisions of subdivision 2a, for up to 190 supportive
10.17 housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a
10.18 mental illness, a history of substance abuse, or human immunodeficiency virus or acquired
10.19 immunodeficiency syndrome. For purposes of this section, "homeless adult" means a
10.20 person who is living on the street or in a shelter or discharged from a regional treatment
10.21 center, community hospital, or residential treatment program and has no appropriate
10.22 housing available and lacks the resources and support necessary to access appropriate
10.23 housing. At least 70 percent of the supportive housing units must serve homeless adults
10.24 with mental illness, substance abuse problems, or human immunodeficiency virus or
10.25 acquired immunodeficiency syndrome who are about to be or, within the previous six
10.26 months, has been discharged from a regional treatment center, or a state-contracted
10.27 psychiatric bed in a community hospital, or a residential mental health or chemical
10.28 dependency treatment program. If a person meets the requirements of subdivision 1,
10.29 paragraph (a), and receives a federal or state housing subsidy, the group residential housing
10.30 rate for that person is limited to the supplementary rate under section 256I.05, subdivision
10.31 1a, and is determined by subtracting the amount of the person's countable income that
10.32 exceeds the MSA equivalent rate from the group residential housing supplementary rate.
10.33 A resident in a demonstration project site who no longer participates in the demonstration
10.34 program shall retain eligibility for a group residential housing payment in an amount
10.35 determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service
10.36 funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching

11.1 funds are available and the services can be provided through a managed care entity. If
11.2 federal matching funds are not available, then service funding will continue under section
11.3 256I.05, subdivision 1a;

11.4 (4) for an additional two beds, resulting in a total of 32 beds, for a facility located in
11.5 Hennepin County providing services for recovering and chemically dependent men that
11.6 has had a group residential housing contract with the county and has been licensed as a
11.7 board and lodge facility with special services since 1980;

11.8 (5) for a group residential housing provider located in the city of St. Cloud, or a county
11.9 contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing
11.10 through the Minnesota Housing Finance Agency Ending Long-Term Homelessness
11.11 Initiative and serves chemically dependent clientele, providing 24-hour-a-day supervision;

11.12 (6) for a new 65-bed facility in Crow Wing County that will serve chemically
11.13 dependent persons, operated by a group residential housing provider that currently
11.14 operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

11.15 (7) for a group residential housing provider that operates two ten-bed facilities, one
11.16 located in Hennepin County and one located in Ramsey County, that provide community
11.17 support and 24-hour-a-day supervision to serve the mental health needs of individuals
11.18 who have chronically lived unsheltered; and

11.19 (8) for a group residential facility in Hennepin County with a capacity of up to 48
11.20 beds that has been licensed since 1978 as a board and lodging facility and that until August
11.21 1, 2007, operated as a licensed chemical dependency treatment program.

11.22 (b) ~~A county~~ An agency may enter into a group residential housing agreement for
11.23 beds with rates in excess of the MSA equivalent rate in addition to those currently covered
11.24 under a group residential housing agreement if the additional beds are only a replacement
11.25 of beds with rates in excess of the MSA equivalent rate which have been made available
11.26 due to closure of a setting, a change of licensure or certification which removes the beds
11.27 from group residential housing payment, or as a result of the downsizing of a group
11.28 residential housing setting. The transfer of available beds from one ~~county~~ agency to
11.29 another can only occur by the agreement of both ~~counties~~ agencies.

11.30 Subd. 4. **Rental assistance.** For participants in the Minnesota supportive housing
11.31 demonstration program under subdivision 3, paragraph (a), clause (5), notwithstanding
11.32 the provisions of section 256I.06, subdivision 8, the amount of the group residential
11.33 housing payment for room and board must be calculated by subtracting 30 percent of the
11.34 recipient's adjusted income as defined by the United States Department of Housing and
11.35 Urban Development for the Section 8 program from the fair market rent established for the
11.36 recipient's living unit by the federal Department of Housing and Urban Development. This

12.1 payment shall be regarded as a state housing subsidy for the purposes of subdivision 3.
12.2 Notwithstanding the provisions of section 256I.06, subdivision 6, the recipient's countable
12.3 income will only be adjusted when a change of greater than \$100 in a month occurs or
12.4 upon annual redetermination of eligibility, whichever is sooner. ~~The commissioner is~~
12.5 ~~directed to study the feasibility of developing a rental assistance program to serve persons~~
12.6 ~~traditionally served in group residential housing settings and report to the legislature by~~
12.7 ~~February 15, 1999.~~

12.8 **EFFECTIVE DATE.** Subdivision 1, paragraph (b), is effective September 1, 2015.

12.9 Sec. 14. Minnesota Statutes 2014, section 256I.05, subdivision 1c, is amended to read:

12.10 Subd. 1c. **Rate increases.** ~~A county~~ An agency may not increase the rates
12.11 negotiated for group residential housing above those in effect on June 30, 1993, except as
12.12 provided in paragraphs (a) to (f).

12.13 (a) ~~A county~~ An agency may increase the rates for group residential housing settings
12.14 to the MSA equivalent rate for those settings whose current rate is below the MSA
12.15 equivalent rate.

12.16 (b) ~~A county~~ An agency may increase the rates for residents in adult foster care
12.17 whose difficulty of care has increased. The total group residential housing rate for these
12.18 residents must not exceed the maximum rate specified in subdivisions 1 and 1a. ~~County~~
12.19 Agencies must not include nor increase group residential housing difficulty of care rates
12.20 for adults in foster care whose difficulty of care is eligible for funding by home and
12.21 community-based waiver programs under title XIX of the Social Security Act.

12.22 (c) The room and board rates will be increased each year when the MSA equivalent
12.23 rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase,
12.24 less the amount of the increase in the medical assistance personal needs allowance under
12.25 section 256B.35.

12.26 (d) When a group residential housing rate is used to pay for an individual's room
12.27 and board, or other costs necessary to provide room and board, the rate payable to
12.28 the residence must continue for up to 18 calendar days per incident that the person is
12.29 temporarily absent from the residence, not to exceed 60 days in a calendar year, if the
12.30 absence or absences have received the prior approval of the county agency's social service
12.31 staff. Prior approval is not required for emergency absences due to crisis, illness, or injury.

12.32 (e) For facilities meeting substantial change criteria within the prior year. Substantial
12.33 change criteria exists if the group residential housing establishment experiences a 25
12.34 percent increase or decrease in the total number of its beds, if the net cost of capital
12.35 additions or improvements is in excess of 15 percent of the current market value of the

13.1 residence, or if the residence physically moves, or changes its licensure, and incurs a
 13.2 resulting increase in operation and property costs.

13.3 (f) Until June 30, 1994, ~~a county~~ an agency may increase by up to five percent the
 13.4 total rate paid for recipients of assistance under sections 256D.01 to 256D.21 or 256D.33
 13.5 to 256D.54 who reside in residences that are licensed by the commissioner of health as
 13.6 a boarding care home, but are not certified for the purposes of the medical assistance
 13.7 program. However, an increase under this clause must not exceed an amount equivalent to
 13.8 65 percent of the 1991 medical assistance reimbursement rate for nursing home resident
 13.9 class A, in the geographic grouping in which the facility is located, as established under
 13.10 Minnesota Rules, parts 9549.0050 to 9549.0058.

13.11 Sec. 15. Minnesota Statutes 2014, section 256I.05, subdivision 1g, is amended to read:

13.12 Subd. 1g. **Supplementary service rate for certain facilities.** ~~On or after July 1,~~
 13.13 ~~2005, a county~~ An agency may negotiate a supplementary service rate for recipients of
 13.14 assistance under section 256I.04, subdivision 1, paragraph (a) or (b), who ~~relocate from a~~
 13.15 ~~homeless shelter licensed and registered prior to December 31, 1996, by the Minnesota~~
 13.16 ~~Department of Health under section 157.17, to~~ have experienced long-term homelessness
 13.17 and who live in a supportive housing establishment developed and funded in whole or in
 13.18 part with funds provided specifically as part of the plan to end long-term homelessness
 13.19 required under Laws 2003, chapter 128, article 15, section 9, not to exceed \$456.75 under
 13.20 section 256I.04, subdivision 2a, paragraph (b), clause (2).

13.21 Sec. 16. Minnesota Statutes 2014, section 256I.06, subdivision 2, is amended to read:

13.22 Subd. 2. **Time of payment.** A county agency may make payments to a group
 13.23 residence in advance for an individual whose stay in the group residence is expected
 13.24 to last beyond the calendar month for which the payment is made ~~and who does not~~
 13.25 ~~expect to receive countable earned income during the month for which the payment is~~
 13.26 ~~made.~~ Group residential housing payments made by a county agency on behalf of an
 13.27 individual who is not expected to remain in the group residence beyond the month for
 13.28 which payment is made must be made subsequent to the individual's departure from the
 13.29 group residence. ~~Group residential housing payments made by a county agency on behalf~~
 13.30 ~~of an individual with countable earned income must be made subsequent to receipt of a~~
 13.31 ~~monthly household report form.~~

13.32 **EFFECTIVE DATE.** This section is effective April 1, 2016.

13.33 Sec. 17. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

14.1 Subd. 6. **Reports.** Recipients must report changes in circumstances that affect
14.2 eligibility or group residential housing payment amounts, other than changes in earned
14.3 income, within ten days of the change. Recipients with countable earned income must
14.4 complete a ~~monthly~~ household report form at least once every six months. If the report
14.5 form is not received before the end of the month in which it is due, the county agency
14.6 must terminate eligibility for group residential housing payments. The termination shall
14.7 be effective on the first day of the month following the month in which the report was due.
14.8 If a complete report is received within the month eligibility was terminated, the individual
14.9 is considered to have continued an application for group residential housing payment
14.10 effective the first day of the month the eligibility was terminated.

14.11 **EFFECTIVE DATE.** This section is effective April 1, 2016.

14.12 Sec. 18. Minnesota Statutes 2014, section 256I.06, subdivision 7, is amended to read:

14.13 Subd. 7. **Determination of rates.** The agency in the county in which a group
14.14 residence is located ~~will~~ shall determine the amount of group residential housing rate to
14.15 be paid on behalf of an individual in the group residence regardless of the individual's
14.16 ~~county agency~~ agency of financial responsibility.

14.17 Sec. 19. Minnesota Statutes 2014, section 256I.06, subdivision 8, is amended to read:

14.18 Subd. 8. **Amount of group residential housing payment.** (a) The amount of
14.19 a group residential housing payment to be made on behalf of an eligible individual is
14.20 determined by subtracting the individual's countable income under section 256I.04,
14.21 subdivision 1, for a whole calendar month from the group residential housing charge for
14.22 that same month. The group residential housing charge is determined by multiplying the
14.23 group residential housing rate times the period of time the individual was a resident or
14.24 temporarily absent under section 256I.05, subdivision 1c, paragraph (d).

14.25 (b) For an individual with earned income under paragraph (a), prospective budgeting
14.26 must be used to determine the amount of the individual's payment for the following
14.27 six-month period. An increase in income shall not affect an individual's eligibility or
14.28 payment amount until the month following the reporting month. A decrease in income shall
14.29 be effective the first day of the month after the month in which the decrease is reported.

14.30 **EFFECTIVE DATE.** Paragraph (b) is effective April 1, 2016.