SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1458

(SENATE AUTHORS: LOUREY)

DATE	D-PG	OFFICIAL STATUS
03/09/2015	599	Introduction and first reading Referred to Finance
04/23/2015	2165a 2546	Comm report: To pass as amended Second reading
04/24/2015	2783a 2801	Special Order: Amended Third reading Passed
04/29/2015		Returned from House with amendment Senate not concur, conference committee of 5 requested

A bill for an act

relating to state government; establishing the health and human services budget; modifying provisions governing children and family services, chemical and mental health services, withdrawal management programs, direct care and treatment, health care, continuing care, Department of Health programs, health care delivery, health licensing boards, and MNsure; making changes to medical assistance, general assistance, MFIP, Northstar Care for Children, MinnesotaCare, child care assistance, and group residential housing programs; establishing uniform requirements for public assistance programs related to income calculation, reporting income, and correcting overpayments and underpayments; creating the Department of MNsure; modifying requirements for reporting maltreatment of minors; establishing the Minnesota ABLE plan and accounts; modifying child support provisions; establishing standards for withdrawal management programs; modifying requirements for background studies; making changes to provisions governing the health information exchange; authorizing rulemaking; requiring reports; making technical changes; modifying certain fees for Department of Health programs; modifying fees of certain health-related licensing boards; making human services forecast adjustments; appropriating money; amending Minnesota Statutes 2014, sections 13.3806, subdivision 4; 13.46, subdivisions 2, 7; 13.461, by adding a subdivision; 15.01; 15A.0815, subdivision 2; 16A.724, subdivision 2; 43A.241; 62A.02, subdivision 2; 62A.045; 62J.497, subdivisions 1, 3, 4, 5; 62J.498; 62J.4981; 62J.4982, subdivisions 4, 5; 62J.692, subdivision 4; 62M.01, subdivision 2; 62M.02, subdivisions 12, 14, 15, 17, by adding subdivisions; 62M.05, subdivisions 3a, 3b, 4; 62M.06, subdivisions 2, 3; 62M.07; 62M.09, subdivision 3; 62M.10, subdivision 7; 62M.11; 62Q.02; 62U.02, subdivisions 1, 2, 3, 4; 62U.04, subdivision 11; 62V.02, subdivisions 2, 11, by adding a subdivision; 62V.03; 62V.05; 62V.06; 62V.07; 62V.08; 119B.011, subdivision 15; 119B.025, subdivision 1; 119B.035, subdivision 4; 119B.07; 119B.09, subdivision 4; 119B.10, subdivision 1; 119B.11, subdivision 2a; 119B.125, by adding a subdivision; 144.057, subdivision 1; 144.1501, subdivisions 1, 2, 3, 4; 144.215, by adding a subdivision; 144.225, subdivision 4; 144.291, subdivision 2; 144.293, subdivisions 6, 8; 144.298, subdivisions 2, 3; 144.3831, subdivision 1; 144.9501, subdivisions 6d, 22b, 26b, by adding subdivisions; 144.9505; 144.9508; 144A.70, subdivision 6, by adding a subdivision; 144A.71; 144A.72; 144A.73; 144D.01, by adding a subdivision; 144E.001, by adding a subdivision; 144E.275, subdivision 1, by adding a subdivision; 144E.50; 144F.01, subdivision 5; 145.928, by adding a subdivision; 145A.131, subdivision 1; 148.57, subdivisions 1, 2; 148.59; 148E.075; 148E.080, subdivisions 1, 2; 148E.180, subdivisions 2,

5; 149A.20, subdivisions 5, 6; 149A.40, subdivision 11; 149A.65; 149A.92, subdivision 1; 149A.97, subdivision 7; 150A.091, subdivisions 4, 5, 11, by adding subdivisions; 150A.31; 151.065, subdivisions 1, 2, 3, 4; 151.58, subdivisions 2, 5; 157.16; 169.686, subdivision 3; 174.29, subdivision 1; 174.30, subdivisions 3, 4, by adding subdivisions; 245.4661, subdivisions 5, 6, by adding subdivisions; 245.467, subdivision 6; 245.469, by adding a subdivision; 245.4876, subdivision 7; 245.4889, subdivision 1, by adding a subdivision; 245C.03, by adding a subdivision; 245C.08, subdivision 1; 245C.10, by adding subdivisions; 245C.12; 246.18, subdivision 8; 246.54, subdivision 1; 246B.01, subdivision 2b; 246B.10; 253B.18, subdivisions 4c, 5; 254B.05, subdivision 5; 254B.12, subdivision 2; 256.01, by adding subdivisions; 256.015, subdivision 7; 256.017, subdivision 1; 256.478; 256.741, subdivisions 1, 2; 256.962, subdivision 5, by adding a subdivision; 256.969, subdivisions 1, 2b, 3a, 3c, 9; 256.975, subdivision 8; 256B.056, subdivision 5c; 256B.057, subdivision 9; 256B.059, subdivision 5; 256B.06, by adding a subdivision; 256B.0615, subdivision 3; 256B.0622, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, by adding a subdivision; 256B.0624, subdivision 7; 256B.0625, subdivisions 3b, 9, 13, 13e, 13h, 14, 17, 17a, 18a, 18e, 31, 48, 57, 58, by adding subdivisions; 256B.0631; 256B.072; 256B.0757; 256B.0916, subdivisions 2, 11, by adding a subdivision; 256B.441, by adding a subdivision; 256B.49, subdivision 26, by adding a subdivision; 256B.4913, subdivisions 4a, 5; 256B.4914, subdivisions 2, 8, 10, 14, 15; 256B.69, subdivisions 5a, 5i, 6, 9c, 9d, by adding a subdivision; 256B.75; 256B.76, subdivisions 2, 4, 7; 256B.767; 256D.01, subdivision 1a; 256D.02, subdivision 8, by adding subdivisions; 256D.06, subdivision 1; 256D.405, subdivision 3; 256E.35, subdivision 2, by adding a subdivision; 256I.03, subdivisions 3, 7, by adding subdivisions; 256I.04; 256I.05, subdivisions 1c, 1g; 256I.06, subdivisions 2, 6, 7, 8; 256J.08, subdivisions 26, 86; 256J.24, subdivisions 5, 5a; 256J.30, subdivisions 1, 9; 256J.35; 256J.40; 256J.95, subdivision 19; 256K.45, subdivisions 1a, 6; 256L.01, subdivisions 3a, 5; 256L.03, subdivision 5; 256L.04, subdivisions 1a, 1c, 7b; 256L.05, subdivisions 3, 3a, 4, by adding a subdivision; 256L.06, subdivision 3; 256L.11, by adding a subdivision; 256L.121, subdivision 1; 256L.15, subdivision 2; 256N.22, subdivisions 9, 10; 256N.24, subdivision 4; 256N.25, subdivision 1; 256N.27, subdivision 2; 256P.001; 256P.01, subdivision 3, by adding subdivisions; 256P.02, by adding a subdivision; 256P.03, subdivision 1; 256P.04, subdivisions 1, 4; 256P.05, subdivision 1; 257.0755, subdivisions 1, 2; 257.0761, subdivision 1; 257.0766, subdivision 1; 257.0769, subdivision 1; 257.75, subdivisions 3, 5; 259A.75; 260C.007, subdivisions 27, 32; 260C.203; 260C.212, subdivision 1, by adding subdivisions; 260C.221; 260C.331, subdivision 1; 260C.451, subdivisions 2, 6; 260C.515, subdivision 5; 260C.521, subdivisions 1, 2; 260C.607, subdivision 4; 282.241, subdivision 1; 290.0671, subdivision 6; 297A.70, subdivision 7; 514.73; 514.981, subdivision 2; 518A.26, subdivision 14; 518A.32, subdivision 2; 518A.39, subdivision 1, by adding a subdivision; 518A.41, subdivisions 1, 3, 4, 14, 15; 518A.43, by adding a subdivision; 518A.46, subdivision 3, by adding a subdivision; 518A.51; 518A.53, subdivisions 1, 4, 10; 518A.60; 518C.802; 580.032, subdivision 1; 626.556, subdivisions 1, as amended, 2, 3, 6a, 7, as amended, 10, 10e, 10j, 10m, 11c, by adding subdivisions; Laws 2008, chapter 363, article 18, section 3, subdivision 5; Laws 2013, chapter 108, article 14, section 12, as amended; Laws 2014, chapter 189, sections 5; 10; 11; 16; 17; 18; 19; 23; 24; 27; 28; 29; 31; 43; 50; 51; 73; Laws 2014, chapter 312, article 24, section 45, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 15; 62A; 62M; 62Q; 62V; 144; 144D; 245; 246B; 256B; 256E; 256M; 256P; 518A; proposing coding for new law as Minnesota Statutes, chapters 245F; 256Q; repealing Minnesota Statutes 2014, sections 62V.04; 62V.09; 62V.11; 144E.52; 148E.060, subdivision 12; 256.969, subdivisions 23, 30; 256B.69, subdivision 32; 256D.0513; 256D.06, subdivision 8; 256D.09, subdivision 6; 256D.49; 256J.38; 256L.02, subdivision 3; 256L.05, subdivisions 1b, 1c, 3c, 5;

256L.11, subdivision 7; 257.0768; 290.0671, subdivision 6a; Minnesota Rules, parts 3400.0170, subparts 5, 6, 12, 13; 8840.5900, subparts 12, 14.

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

ARTICLE 1

CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2014, section 119B.07, is amended to read:

119B.07 USE OF MONEY.

Subdivision 1. **Uses of money.** ~~(a)~~ Money for persons listed in sections 119B.03, subdivision 3, and 119B.05, subdivision 1, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employment plan in the case of an MFIP participant, and county policies included in the child care fund plan. The maximum length of time a student is eligible for child care assistance under the child care fund for education and training is no more than the time necessary to complete the credit requirements for an associate or baccalaureate degree as determined by the educational institution, excluding basic or remedial education programs needed to prepare for postsecondary education or employment.

Subd. 2. **Eligibility.** ~~(b)~~ To be eligible, the student must be in good standing and be making satisfactory progress toward the degree. Time limitations for child care assistance do not apply to basic or remedial educational programs needed to prepare for postsecondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a postsecondary program. If an MFIP participant who is receiving MFIP child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employment plans, and continues to be eligible for MFIP child care assistance under this chapter, the MFIP participant must receive continued child care assistance from the county responsible for their current employment plan, under section 256G.07.

Subd. 3. **Amount of child care assistance authorized.** (a) If the student meets the conditions of subdivisions 1 and 2, child care assistance must be authorized for all hours of actual class time and credit hours, including independent study and internships; up to two hours of travel time per day; and, for postsecondary students, two hours per week

per credit hour for study time and academic appointments. For an MFIP or DWP student whose employment plan specifies a different time frame, child care assistance must be authorized according to the time frame specified in the employment plan.

(b) The amount of child care assistance authorized must take into consideration the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in the parent's authorized activity.

(c) When the conditions in paragraph (d) do not apply, the applicant's or participant's activity schedule does not need to be verified. The amount of child care assistance authorized may be used during the applicant's or participant's activity or at other times, as determined by the family, to meet the developmental needs of the child.

(d) Care must be authorized based on the applicant's or participant's verified activity schedule when:

(1) the family requests to regularly receive care from more than one provider per child;

(2) the family requests a legal nonlicensed provider;

(3) the family includes more than one applicant or participant; or

(4) an applicant or participant is employed by a provider that is licensed by the Department of Human Services or enrolled as a medical assistance provider in the Minnesota health care program's provider directory.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 2. Minnesota Statutes 2014, section 119B.10, subdivision 1, is amended to read:

Subdivision 1. **Assistance for persons seeking and retaining employment.** (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year.

(b) Employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. Child care assistance ~~during employment~~ for employed participants must be authorized as provided in paragraphs (c) ~~and~~, (d), (e), (f), and (g).

(c) When the person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the actual hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the person does not work for an hourly wage, child care assistance must be provided for the lesser of:

(1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time; or

(2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.

(e) The amount of child care assistance authorized must take into consideration the amount of time the parent reports on the application or redetermination form that the child attends preschool, a Head Start program, or school while the parent is participating in the parent's authorized activity.

(f) When the conditions in paragraph (g) do not apply, the applicant's or participant's activity schedule does not need to be verified. The amount of child care assistance authorized may be used during the applicant's or participant's activity or at other times, as determined by the family, to meet the developmental needs of the child.

(g) Care must be authorized based on the applicant's or participant's verified activity schedule when:

(1) the family requests to regularly receive care from more than one provider per child;

(2) the family requests a legal nonlicensed provider;

(3) the family includes more than one applicant or participant; or

(4) an applicant or participant is employed by a provider that is licensed by the Department of Human Services or enrolled as a medical assistance provider in the Minnesota health care program's provider directory.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 3. Minnesota Statutes 2014, section 119B.11, subdivision 2a, is amended to read:

Subd. 2a. **Recovery of overpayments.** (a) An amount of child care assistance paid to a recipient in excess of the payment due is recoverable by the county agency under paragraphs (b) and (c), even when the overpayment was caused by ~~agency error or~~ circumstances outside the responsibility and control of the family or provider.

(b) An overpayment must be recouped or recovered from the family if the overpayment benefited the family by causing the family to pay less for child care expenses than the family otherwise would have been required to pay under child care assistance program requirements. Family overpayments must be established and recovered in accordance with clauses (1) to (5).

(1) If the overpayment is estimated to be less than $500, the overpayment must not be established or collected. Any portion of the overpayment that occurred more than one year prior to the date of the overpayment determination must not be established or collected.

(2) If the family remains eligible for child care assistance and an overpayment is established, the overpayment must be recovered through recoupment as identified in Minnesota Rules, part 3400.0187, except that the overpayments must be calculated and collected on a service period basis. ~~If the family no longer remains eligible for child care assistance, the county may choose to initiate efforts to recover overpayments from the family for overpayment less than $50.~~

(3) If the family is no longer eligible for child care assistance and an overpayment is ~~greater than or equal to $50~~ established, the county shall seek voluntary repayment of the overpayment from the family.

(4) If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment.

(5) A family with an outstanding debt under this subdivision is not eligible for child care assistance until:

~~(1)~~ (i) the debt is paid in full; or

~~(2)~~ (ii) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the family is in compliance with the arrangements.

(c) The county must recover an overpayment from a provider if the overpayment did not benefit the family by causing it to receive more child care assistance or to pay less for child care expenses than the family otherwise would have been eligible to receive or required to pay under child care assistance program requirements, and benefited the provider by causing the provider to receive more child care assistance than otherwise would have been paid on the family's behalf under child care assistance program requirements. If the provider continues to care for children receiving child care assistance, the overpayment must be recovered through reductions in child care assistance payments for services as described in an agreement with the county. The provider may not charge families using that provider more to cover the cost of recouping the overpayment. If the provider no longer cares for children receiving child care assistance, the county may choose to initiate efforts to recover overpayments of less than $50 from the provider. If the overpayment is greater than or equal to $50, the county shall seek voluntary repayment of the overpayment from the provider. If the county is unable to recoup the overpayment through voluntary repayment, the county shall initiate civil court proceedings to recover

the overpayment unless the county's costs to recover the overpayment will exceed the amount of the overpayment. A provider with an outstanding debt under this subdivision is not eligible to care for children receiving child care assistance until:

(1) the debt is paid in full; or

(2) satisfactory arrangements are made with the county to retire the debt consistent with the requirements of this chapter and Minnesota Rules, chapter 3400, and the provider is in compliance with the arrangements.

(d) When both the family and the provider acted together to intentionally cause the overpayment, both the family and the provider are jointly liable for the overpayment regardless of who benefited from the overpayment. The county must recover the overpayment as provided in paragraphs (b) and (c). When the family or the provider is in compliance with a repayment agreement, the party in compliance is eligible to receive child care assistance or to care for children receiving child care assistance despite the other party's noncompliance with repayment arrangements.

(e) A family overpayment designated solely as an agency error must not be established or collected. This paragraph does not apply: (1) to recipient families if the overpayment was caused in any part by wrongfully obtaining assistance under section 256.98; or (2) to benefits paid pending appeal under section 119B.16, to the extent that the commissioner finds on appeal that the appellant was not eligible for the amount of child care assistance paid.

(f) A provider overpayment designated as an agency error that results from an incorrect maximum rate being applied must not be established or collected. All other provider overpayments designated as agency error must be established and collected.

(g) Notwithstanding any provision to the contrary in this subdivision, an overpayment must be collected, regardless of amount or time period, if the overpayment was caused by wrongfully obtaining assistance under section 256.98, or benefits paid while an action is pending appeal under section 119B.16, to the extent the commissioner finds on appeal that the appellant was not eligible for the amount of child care assistance paid.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 4. Minnesota Statutes 2014, section 119B.125, is amended by adding a subdivision to read:

Subd. 7. **Failure to comply with attendance record requirements.** (a) In establishing an overpayment claim for failure to provide attendance records in compliance with section 119B.125, subdivision 6, the county or commissioner is limited to the six years prior to the date the county or the commissioner requested the attendance records.

(b) The commissioner may periodically audit child care providers to determine compliance with section 119B.125, subdivision 6.

(c) When the commissioner or county establishes an overpayment claim against a current or former provider, the commissioner or county must provide notice of the claim to the provider. A notice of overpayment claim must specify the reason for the overpayment, the authority for making the overpayment claim, the time period in which the overpayment occurred, the amount of the overpayment, and the provider's right to appeal.

(d) The commissioner or county shall seek to recoup or recover overpayments paid to a current or former provider.

(e) When a provider has been disqualified or convicted of fraud under section 256.98, theft under section 609.52, or a federal crime relating to theft of state funds or fraudulent billing for a program administered by the commissioner or a county, recoupment or recovery must be sought regardless of the amount of overpayment.

Sec. 5. Minnesota Statutes 2014, section 245C.03, is amended by adding a subdivision to read:

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

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

Sec. 6. Minnesota Statutes 2014, section 245C.10, is amended by adding a subdivision to read:

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

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

Sec. 7. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision to read:

Subd. 12a. **Department of Human Services child fatality and near fatality review team.** The commissioner shall establish a Department of Human Services child fatality and near fatality review team to review child fatalities and near fatalities due to

child maltreatment and child fatalities and near fatalities that occur in licensed facilities and are not due to natural causes. The review team shall assess the entire child protection services process from the point of a mandated reporter reporting the alleged maltreatment through the ongoing case management process. Department staff shall lead and conduct on-site local reviews and utilize supervisors from local county and tribal child welfare agencies as peer reviewers. The review process must focus on critical elements of the case and on the involvement of the child and family with the county or tribal child welfare agency. The review team shall identify necessary program improvement planning to address any practice issues identified and training and technical assistance needs of the local agency. Summary reports of each review shall be provided to the state child mortality review panel when completed.

Sec. 8. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision to read:

Subd. 14c. **Early intervention support and services for at-risk American Indian families.** (a) The commissioner shall authorize grants to tribal child welfare agencies and urban Indian organizations for the purpose of providing early intervention support and services to prevent child maltreatment for at-risk American Indian families.

(b) The commissioner is authorized to develop program eligibility criteria, early intervention service delivery procedures, and reporting requirements for agencies and organizations receiving grants.

Sec. 9. Minnesota Statutes 2014, section 256.017, subdivision 1, is amended to read:

Subdivision 1. **Authority and purpose.** The commissioner shall administer a compliance system for the Minnesota family investment program, the food stamp or food support program, emergency assistance, general assistance, medical assistance, emergency general assistance, Minnesota supplemental assistance, group residential housing, preadmission screening, alternative care grants, the child care assistance program, and all other programs administered by the commissioner or on behalf of the commissioner under the powers and authorities named in section 256.01, subdivision 2. The purpose of the compliance system is to permit the commissioner to supervise the administration of public assistance programs and to enforce timely and accurate distribution of benefits, completeness of service and efficient and effective program management and operations, to increase uniformity and consistency in the administration and delivery of public assistance programs throughout the state, and to reduce the possibility of sanctions and fiscal disallowances for noncompliance with federal regulations and state statutes. The

commissioner, or the commissioner's representative, may issue administrative subpoenas as needed in administering the compliance system.

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

Sec. 10. Minnesota Statutes 2014, section 256.741, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The term "direct support" as used in this chapter and chapters 257, 518, 518A, and 518C refers to an assigned support payment from an obligor which is paid directly to a recipient of public assistance.

(b) The term "public assistance" as used in this chapter and chapters 257, 518, 518A, and 518C, includes any form of assistance provided under the AFDC program formerly codified in sections 256.72 to 256.87, MFIP and MFIP-R formerly codified under chapter 256, MFIP under chapter 256J, work first program formerly codified under chapter 256K; child care assistance provided through the child care fund under chapter 119B; any form of medical assistance under chapter 256B; ~~MinnesotaCare under chapter 256L;~~ and foster care as provided under title IV-E of the Social Security Act. MinnesotaCare and health plans subsidized by federal premium tax credits or federal cost-sharing reductions are not considered public assistance for purposes of a child support referral.

(c) The term "child support agency" as used in this section refers to the public authority responsible for child support enforcement.

(d) The term "public assistance agency" as used in this section refers to a public authority providing public assistance to an individual.

(e) The terms "child support" and "arrears" as used in this section have the meanings provided in section 518A.26.

(f) The term "maintenance" as used in this section has the meaning provided in section 518.003.

Sec. 11. Minnesota Statutes 2014, section 256.741, subdivision 2, is amended to read:

Subd. 2. **Assignment of support and maintenance rights.** (a) An individual receiving public assistance in the form of assistance under any of the following programs: the AFDC program formerly codified in sections 256.72 to 256.87, MFIP under chapter 256J, MFIP-R and MFIP formerly codified under chapter 256, or work first program formerly codified under chapter 256K is considered to have assigned to the state at the time of application all rights to child support and maintenance from any other person the applicant or recipient may have in the individual's own behalf or in the behalf of any other

family member for whom application for public assistance is made. An assistance unit is ineligible for the Minnesota family investment program unless the caregiver assigns all rights to child support and maintenance benefits according to this section.

(1) The assignment is effective as to any current child support and current maintenance.

(2) Any child support or maintenance arrears that accrue while an individual is receiving public assistance in the form of assistance under any of the programs listed in this paragraph are permanently assigned to the state.

(3) The assignment of current child support and current maintenance ends on the date the individual ceases to receive or is no longer eligible to receive public assistance under any of the programs listed in this paragraph.

(b) An individual receiving public assistance in the form of medical assistance~~,~~ ~~including MinnesotaCare,~~ is considered to have assigned to the state at the time of application all rights to medical support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom medical assistance is provided.

(1) An assignment made after September 30, 1997, is effective as to any medical support accruing after the date of medical assistance ~~or MinnesotaCare~~ eligibility.

(2) Any medical support arrears that accrue while an individual is receiving public assistance in the form of medical assistance~~, including MinnesotaCare,~~ are permanently assigned to the state.

(3) The assignment of current medical support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of medical assistance ~~or MinnesotaCare~~.

(c) An individual receiving public assistance in the form of child care assistance under the child care fund pursuant to chapter 119B is considered to have assigned to the state at the time of application all rights to child care support from any other person the individual may have in the individual's own behalf or in the behalf of any other family member for whom child care assistance is provided.

(1) The assignment is effective as to any current child care support.

(2) Any child care support arrears that accrue while an individual is receiving public assistance in the form of child care assistance under the child care fund in chapter 119B are permanently assigned to the state.

(3) The assignment of current child care support ends on the date the individual ceases to receive or is no longer eligible to receive public assistance in the form of child care assistance under the child care fund under chapter 119B.

Sec. 12. **[256E.345] HEALTHY EATING, HERE AT HOME.**

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use Supplemental Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers' markets.

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the commissioner to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP.

Subd. 3. **Grants.** The commissioner shall award grant funds to nonprofit organizations that work with Minnesota-based farmers' markets to provide up to $10 vouchers to SNAP participants who use electronic benefits transfer (EBT) cards for healthy purchases. Funds may also be provided for vouchers distributed through nonprofit organizations engaged in healthy cooking and food education outreach to eligible households for use at farmers' markets. Funds appropriated under this section may not be used for healthy cooking classes or food education outreach. When awarding grants, the commissioner must consider how the nonprofit organizations will achieve geographic balance, including specific efforts to reach eligible households across the state, and the organizations' capacity to manage the programming and outreach.

Subd. 4. **Household eligibility; participation.** To be eligible for a healthy eating, here at home voucher, an eligible household must meet the SNAP eligibility requirements in state or federal law.

Subd. 5. **Permissible uses; information provided.** An eligible household may use the voucher toward healthy purchases at Minnesota-based farmers' markets. Every eligible household that receives a voucher must be informed of the allowable uses of the voucher.

Subd. 6. **Program reporting.** The nonprofit organizations that receive grant funds must report annually to the commissioner with information regarding the operation of the program, including the number of vouchers issued and the number of people served. To the extent practicable, the nonprofit organizations must report on the usage of the vouchers and evaluate the program's effectiveness.

Subd. 7. **Grocery inclusion.** The commissioner must submit a waiver request to the federal United States Department of Agriculture seeking approval for the inclusion of Minnesota grocery stores in this program so that SNAP participants may use the vouchers for healthy produce at grocery stores. Grocery store participation is voluntary and a grocery store's associated administrative costs will not be reimbursed.

Sec. 13. Minnesota Statutes 2014, section 256E.35, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Eligible educational institution" means the following:

(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or

(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.

~~(b)~~ (c) "Family asset account" means a savings account opened by a household participating in the Minnesota family assets for independence initiative.

~~(c)~~ (d) "Fiduciary organization" means:

(1) a community action agency that has obtained recognition under section 256E.31;

(2) a federal community development credit union serving the seven-county metropolitan area; or

(3) a women-oriented economic development agency serving the seven-county metropolitan area.

(e) "Financial coach" means a person who:

(1) has completed an intensive financial literacy training workshop that includes curriculum on budgeting to increase savings, debt reduction and asset building, building a good credit rating, and consumer protection;

(2) participates in ongoing statewide family assets for independence in Minnesota (FAIM) network training meetings under FAIM program supervision; and

(3) provides financial coaching to program participants under subdivision 4a.

~~(d)~~ (f) "Financial institution" means a bank, bank and trust, savings bank, savings association, or credit union, the deposits of which are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(g) "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

~~(e)~~ (h) "Permissible use" means:

(1) postsecondary educational expenses at an eligible educational institution as defined in paragraph ~~(g)~~ (b), including books, supplies, and equipment required for courses of instruction;

(2) acquisition costs of acquiring, constructing, or reconstructing a residence, including any usual or reasonable settlement, financing, or other closing costs;

(3) business capitalization expenses for expenditures on capital, plant, equipment, working capital, and inventory expenses of a legitimate business pursuant to a business plan approved by the fiduciary organization; and

(4) acquisition costs of a principal residence within the meaning of section 1034 of the Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase price applicable to the residence determined according to section 143(e)(2) and (3) of the Internal Revenue Code of 1986.

~~(f) "Household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.~~

~~(g) "Eligible educational institution" means the following:~~

~~(1) an institution of higher education described in section 101 or 102 of the Higher Education Act of 1965; or~~

~~(2) an area vocational education school, as defined in subparagraph (C) or (D) of United States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and Applied Technology Education Act), which is located within any state, as defined in United States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the extent section 2302 is in effect on August 1, 2008.~~

Sec. 14. Minnesota Statutes 2014, section 256E.35, is amended by adding a subdivision to read:

Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program participants:

(1) financial education relating to budgeting, debt reduction, asset-specific training, and financial stability activities;

(2) asset-specific training related to buying a home, acquiring postsecondary education, or starting or expanding a small business; and

(3) financial stability education and training to improve and sustain financial security.

Sec. 15. Minnesota Statutes 2014, section 256I.03, subdivision 3, is amended to read:

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

Sec. 16. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

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

Sec. 17. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

Sec. 18. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

Sec. 19. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

(1) continuously for one year or more; or

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

Sec. 20. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 21. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

Sec. 22. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

Sec. 23. Minnesota Statutes 2014, section 256I.03, is amended by adding a subdivision to read:

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

Sec. 24. Minnesota Statutes 2014, section 256I.04, is amended to read:

256I.04 ELIGIBILITY FOR GROUP RESIDENTIAL HOUSING PAYMENT.

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

(a) The individual is aged, blind, or is over 18 years of age and disabled as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of section 256P.02, and the individual's countable income after deducting the (1) exclusions and disregards of the SSI program, (2) the medical assistance personal needs allowance under section 256B.35, and (3) an amount equal to the income actually made available to a community spouse by an elderly waiver participant under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's agreement with the provider of group residential housing in which the individual resides.

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

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

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

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

~~The plan must be signed or countersigned by any of the following employees of the county of financial responsibility: the director of human services or a designee of the~~

~~director; a social worker; or a case aide~~ professional statement of need under section 256I.03, subdivision 12.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) have skills and knowledge acquired through:

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

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

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

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

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

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

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

Subd. 2b. **Group residential housing agreements.** (a) Agreements between ~~county~~ agencies and providers of group residential housing or supplementary services must be in writing on a form developed and approved by the commissioner and must specify the name and address under which the establishment subject to the agreement does business and

under which the establishment, or service provider, if different from the group residential housing establishment, is licensed by the Department of Health or the Department of Human Services; the specific license or registration from the Department of Health or the Department of Human Services held by the provider and the number of beds subject to that license; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing or supplementary service funds for each eligible resident at each location; the number of beds at each location which are subject to the ~~group residential housing~~ agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

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

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

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

(3) the provision of group residential housing;

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2d. **Conditions of payment; commissioner's right to suspend or terminate agreement.** (a) Group residential housing or supplementary services must be provided to the satisfaction of the commissioner, as determined at the sole discretion of the commissioner's authorized representative, and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations, including business registration requirements of the Office of the Secretary of State. A provider shall not receive payment for services or housing found by the commissioner to be performed or provided in violation of federal, state, or local law, ordinance, rule, or regulation.

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) notwithstanding the provisions of subdivision 2a, for up to 190 supportive housing units in Anoka, Dakota, Hennepin, or Ramsey County for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person who is living on the street or in a shelter or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, has been discharged from a regional treatment center, or a state-contracted psychiatric bed in a community hospital, or a residential mental health or chemical dependency treatment program. If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the group residential housing

rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the group residential housing supplementary rate. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a group residential housing payment in an amount determined under section 256I.06, subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a;

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

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

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

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

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

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

Subd. 4. **Rental assistance.** For participants in the Minnesota supportive housing demonstration program under subdivision 3, paragraph (a), clause (5), notwithstanding the provisions of section 256I.06, subdivision 8, the amount of the group residential housing payment for room and board must be calculated by subtracting 30 percent of the recipient's adjusted income as defined by the United States Department of Housing and Urban Development for the Section 8 program from the fair market rent established for the recipient's living unit by the federal Department of Housing and Urban Development. This payment shall be regarded as a state housing subsidy for the purposes of subdivision 3. Notwithstanding the provisions of section 256I.06, subdivision 6, the recipient's countable income will only be adjusted when a change of greater than $100 in a month occurs or upon annual redetermination of eligibility, whichever is sooner. ~~The commissioner is directed to study the feasibility of developing a rental assistance program to serve persons traditionally served in group residential housing settings and report to the legislature by February 15, 1999.~~

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

Sec. 25. Minnesota Statutes 2014, section 256I.05, subdivision 1c, is amended to read:

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

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

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

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

(d) When a group residential housing rate is used to pay for an individual's room and board, or other costs necessary to provide room and board, the rate payable to the residence must continue for up to 18 calendar days per incident that the person is

temporarily absent from the residence, not to exceed 60 days in a calendar year, if the absence or absences have received the prior approval of the county agency's social service staff. Prior approval is not required for emergency absences due to crisis, illness, or injury.

(e) For facilities meeting substantial change criteria within the prior year. Substantial change criteria exists if the group residential housing establishment experiences a 25 percent increase or decrease in the total number of its beds, if the net cost of capital additions or improvements is in excess of 15 percent of the current market value of the residence, or if the residence physically moves, or changes its licensure, and incurs a resulting increase in operation and property costs.

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

Sec. 26. Minnesota Statutes 2014, section 256I.05, subdivision 1g, is amended to read:

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

Sec. 27. Minnesota Statutes 2014, section 256I.06, subdivision 2, is amended to read:

Subd. 2. **Time of payment.** A county agency may make payments to a group residence in advance for an individual whose stay in the group residence is expected to last beyond the calendar month for which the payment is made ~~and who does not expect to receive countable earned income during the month for which the payment is made~~. Group residential housing payments made by a county agency on behalf of an individual who is not expected to remain in the group residence beyond the month for

which payment is made must be made subsequent to the individual's departure from the group residence. ~~Group residential housing payments made by a county agency on behalf of an individual with countable earned income must be made subsequent to receipt of a monthly household report form.~~

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

Sec. 28. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

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

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

Sec. 29. Minnesota Statutes 2014, section 256I.06, subdivision 7, is amended to read:

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

Sec. 30. Minnesota Statutes 2014, section 256I.06, subdivision 8, is amended to read:

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

(b) For an individual with earned income under paragraph (a), prospective budgeting must be used to determine the amount of the individual's payment for the following

six-month period. An increase in income shall not affect an individual's eligibility or payment amount until the month following the reporting month. A decrease in income shall be effective the first day of the month after the month in which the decrease is reported.

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

Sec. 31. Minnesota Statutes 2014, section 256J.24, subdivision 5, is amended to read:

Subd. 5. **MFIP transitional standard.** (a) The MFIP transitional standard is based on the number of persons in the assistance unit eligible for both food and cash assistance. The amount of the transitional standard is published annually by the Department of Human Services.

(b) The commissioner shall increase the cash assistance portion of the transitional standard under paragraph (a) by $100.

EFFECTIVE DATE. This section is effective October 1, 2015.

Sec. 32. Minnesota Statutes 2014, section 256J.24, subdivision 5a, is amended to read:

Subd. 5a. **Food portion of MFIP transitional standard.** The commissioner shall adjust the food portion of the MFIP transitional standard as needed to reflect adjustments to the Supplemental Nutrition Assistance Program and maintain compliance with federal waivers related to the Supplemental Nutrition Assistance Program under the United States Department of Agriculture. The commissioner shall publish the transitional standard including a breakdown of the cash and food portions for an assistance unit of sizes one to ten in the State Register whenever an adjustment is made.

Sec. 33. Minnesota Statutes 2014, section 256K.45, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of human services.

(c) "Homeless youth" means a person ~~21~~ 24 years of age or younger who is unaccompanied by a parent or guardian and is without shelter where appropriate care and supervision are available, whose parent or legal guardian is unable or unwilling to provide shelter and care, or who lacks a fixed, regular, and adequate nighttime residence. The following are not fixed, regular, or adequate nighttime residences:

(1) a supervised publicly or privately operated shelter designed to provide temporary living accommodations;

(2) an institution or a publicly or privately operated shelter designed to provide temporary living accommodations;

(3) transitional housing;

(4) a temporary placement with a peer, friend, or family member that has not offered permanent residence, a residential lease, or temporary lodging for more than 30 days; or

(5) a public or private place not designed for, nor ordinarily used as, a regular sleeping accommodation for human beings.

Homeless youth does not include persons incarcerated or otherwise detained under federal or state law.

(d) "Youth at risk of homelessness" means a person ~~21~~ 24 years of age or younger whose status or circumstances indicate a significant danger of experiencing homelessness in the near future. Status or circumstances that indicate a significant danger may include: (1) youth exiting out-of-home placements; (2) youth who previously were homeless; (3) youth whose parents or primary caregivers are or were previously homeless; (4) youth who are exposed to abuse and neglect in their homes; (5) youth who experience conflict with parents due to chemical or alcohol dependency, mental health disabilities, or other disabilities; and (6) runaways.

(e) "Runaway" means an unmarried child under the age of 18 years who is absent from the home of a parent or guardian or other lawful placement without the consent of the parent, guardian, or lawful custodian.

Sec. 34. Minnesota Statutes 2014, section 256K.45, subdivision 6, is amended to read:

Subd. 6. **Funding.** Funds appropriated for this section may be expended on programs described under subdivisions 3 to 5, technical assistance, and capacity building to meet the greatest need on a statewide basis. The commissioner will provide outreach, technical assistance, and program development support to increase capacity to new and existing service providers to better meet needs statewide, particularly in areas where services for homeless youth have not been established, especially in greater Minnesota.

Sec. 35. **[256M.41] CHILD PROTECTION GRANT ALLOCATION TO ADDRESS STAFFING.**

Subdivision 1. **Formula for county staffing funds.** (a) The commissioner shall allocate state funds appropriated under this section to each county board on a calendar year basis in an amount determined according to the following formula:

(1) 50 percent must be distributed on the basis of the child population residing in the county as determined by the most recent data of the state demographer;

(2) 25 percent must be distributed on the basis of the number of screened-in reports of child maltreatment under sections 626.556 and 626.5561, and in the county as determined by the most recent data of the commissioner; and

(3) 25 percent must be distributed on the basis of the number of open child protection case management cases in the county as determined by the most recent data of the commissioner.

(b) Notwithstanding this subdivision, no county shall be awarded an allocation of less than $75,000.

Subd. 2. **Prohibition on supplanting existing funds.** Funds received under this section must be used to address staffing for child protection or expand child protection services. Funds must not be used to supplant current county expenditures for these purposes.

Subd. 3. **Payments based on performance.** (a) The commissioner shall make payments under this section to each county board on a calendar year basis in an amount determined under paragraph (b).

(b) Calendar year allocations under subdivision 1 shall be paid to counties in the following manner:

(1) 80 percent of the allocation as determined in subdivision 1 must be paid to counties on or before July 10 of each year;

(2) ten percent of the allocation shall be withheld until the commissioner determines if the county has met the performance outcome threshold of 90 percent based on face-to-face contact with alleged child victims. In order to receive the performance allocation, the county child protection workers must have a timely face-to-face contact with at least 90 percent of all alleged child victims of screened-in maltreatment reports. The standard requires that each initial face-to-face contact occur consistent with timelines defined in section 626.556, subdivision 10, paragraph (i). The commissioner shall make threshold determinations in January of each year and payments to counties meeting the performance outcome threshold shall occur in February of each year. Any withheld funds from this appropriation for counties that do not meet this requirement shall be reallocated by the commissioner to those counties meeting the requirement; and

(3) ten percent of the allocation shall be withheld until the commissioner determines that the county has met the performance outcome threshold of 90 percent based on face-to-face visits by the case manager. In order to receive the performance allocation, the total number of visits made by caseworkers on a monthly basis to children in foster care and children receiving child protection services while residing in their home must be at least 90 percent of the total number of such visits that would occur if every child were

visited once per month. The commissioner shall make such determinations in January of each year and payments to counties meeting the performance outcome threshold shall occur in February of each year. Any withheld funds from this appropriation for counties that do not meet this requirement shall be reallocated by the commissioner to those counties meeting the requirement.

(c) The commissioner shall work with stakeholders and the Human Services Performance Council under section 402A.16 to develop recommendations for specific outcome measures that counties should meet in order to receive funds withheld under paragraph (b), and include in those recommendations a determination as to whether the performance measures under paragraph (b) should be modified or phased out. The commissioner shall report the recommendations to the legislative committees having jurisdiction over child protection issues by January 1, 2018.

Sec. 36. **[256M.42] CHILD PROTECTION GRANT ALLOCATION FOR COUNTY SERVICES.**

Subdivision 1. **Formula.** (a) The commissioner shall allocate state funds appropriated under this section to each county board on a calendar year basis in an amount determined according to the following formula:

(1) 50 percent must be distributed on the basis of the child population residing in the county as determined by the most recent data of the state demographer;

(2) 25 percent must be distributed on the basis of the number of screened-in reports of child maltreatment under sections 626.556 and 626.5561, and in the county as determined by the most recent data of the commissioner; and

(3) 25 percent must be distributed on the basis of the number of open child protection case management cases in the county as determined by the most recent data of the commissioner.

(b) Notwithstanding paragraph (a), no county shall be awarded an allocation of less than $10,000.

Subd. 2. **Supplantation of existing funds.** Funds received by counties under this section must be used for additional child protection services and must not be used to supplant current county expenditures for these purposes.

Subd. 3. **Eligible services.** (a) Funds received under this section must be used for additional child protection services to support children and their families who have been identified to the child welfare system through the intake process. Examples of eligible services include, but are not limited to: family-based counseling; family-based life management; individual counseling; group counseling; family group decision-making;

parent support outreach; family-based crisis; family assessment response; concurrent permanency planning; social and recreational; home-based support; homemaking; respite care; legal; court-related; transportation; health-related; mental health screening; and interpreter services.

(b) Funds may also be used for prioritized services in child care, Head Start, Early Head Start, or home visiting for children in the child protection system to remove these children from waiting lists in these programs.

(c) Services provided under this section shall be culturally affirming in access and delivery for the recipient.

(d) The commissioner shall instruct counties on the eligible services and procedures for claiming reimbursement.

Subd. 4. **American Indian child welfare projects.** Of the amount appropriated under this section, $75,000 shall be awarded to each tribe authorized under section 256.01, subdivision 14b, to address child protection staffing and services.

Sec. 37. Minnesota Statutes 2014, section 256N.22, subdivision 9, is amended to read:

Subd. 9. **Death or incapacity of relative custodian or ~~dissolution~~ modification of custody.** The Northstar kinship assistance agreement ends upon death or ~~dissolution~~ incapacity of the relative custodian or modification of the order for permanent legal and physical custody ~~of both relative custodians in the case of assignment of custody to two individuals, or the sole relative custodian in the case of assignment of custody to one individual~~ in which legal or physical custody is removed from the relative custodian. In the case of a relative custodian's death or incapacity, Northstar kinship assistance eligibility may be continued according to subdivision 10.

Sec. 38. Minnesota Statutes 2014, section 256N.22, subdivision 10, is amended to read:

Subd. 10. **Assigning a successor relative custodian for a child's Northstar kinship assistance ~~to a court-appointed guardian or custodian.~~** (a) ~~Northstar kinship assistance may be continued with the written consent of the commissioner to~~ In the event of the death or incapacity of the relative custodian, eligibility for Northstar kinship assistance and title IV-E assistance, if applicable, is not affected if the relative custodian is replaced by a successor named in the Northstar kinship assistance benefit agreement. Northstar kinship assistance shall be paid to a named successor who is not the child's legal parent, biological parent or stepparent, or other adult living in the home of the legal parent, biological parent, or stepparent.

(b) In order to receive Northstar kinship assistance, a named successor must:

(1) meet the background study requirements in subdivision 4;

(2) renegotiate the agreement consistent with section 256N.25, subdivision 2, including cooperating with an assessment under section 256N.24;

(3) be ordered by the court to be the child's legal relative custodian in a modification proceeding under section 260C.521, subdivision 2; and

(4) satisfy the requirements in this paragraph within one year of the relative custodian's death or incapacity unless the commissioner certifies that the named successor made reasonable attempts to satisfy the requirements within one year and failure to satisfy the requirements was not the responsibility of the named successor.

(c) Payment of Northstar kinship assistance to the successor guardian may be temporarily approved through the policies, procedures, requirements, and deadlines under section 256N.28, subdivision 2. Ongoing payment shall begin in the month when all the requirements in paragraph (b) are satisfied.

(d) Continued payment of Northstar kinship assistance may occur in the event of the death or incapacity of the relative custodian when no successor has been named in the benefit agreement when the commissioner gives written consent to an individual who is a guardian or custodian appointed by a court for the child upon the death of both relative custodians in the case of assignment of custody to two individuals, or the sole relative custodian in the case of assignment of custody to one individual, unless the child is under the custody of a county, tribal, or child-placing agency.

~~(b)~~ (e) Temporary assignment of Northstar kinship assistance may be approved for a maximum of six consecutive months from the death or incapacity of the relative custodian or custodians as provided in paragraph (a) and must adhere to the policies ~~and~~, procedures, requirements, and deadlines under section 256N.28, subdivision 2, that are prescribed by the commissioner. If a court has not appointed a permanent legal guardian or custodian within six months, the Northstar kinship assistance must terminate and must not be resumed.

~~(c)~~ (f) Upon assignment of assistance payments under ~~this subdivision~~ paragraphs (d) and (e), assistance must be provided from funds other than title IV-E.

Sec. 39. Minnesota Statutes 2014, section 256N.24, subdivision 4, is amended to read:

Subd. 4. **Extraordinary levels.** (a) The assessment tool established under subdivision 2 must provide a mechanism through which up to five levels can be added to the supplemental difficulty of care for a particular child under section 256N.26, subdivision 4. In establishing the assessment tool, the commissioner must design the tool

so that the levels applicable to the portions of the assessment other than the extraordinary levels can accommodate the requirements of this subdivision.

(b) These extraordinary levels are available when all of the following circumstances apply:

(1) the child has extraordinary needs as determined by the assessment tool provided for under subdivision 2, and the child meets other requirements established by the commissioner, such as a minimum score on the assessment tool;

(2) the child's extraordinary needs require extraordinary care and intense supervision that is provided by the child's caregiver as part of the parental duties as described in the supplemental difficulty of care rate, section 256N.02, subdivision 21. This extraordinary care provided by the caregiver is required so that the child can be safely cared for in the home and community, and prevents residential placement;

(3) the child is physically living in a foster family setting, as defined in Minnesota Rules, part 2960.3010, subpart 23, in a foster residence setting, or physically living in the home with the adoptive parent or relative custodian; and

(4) the child is receiving the services for which the child is eligible through medical assistance programs or other programs that provide necessary services for children with disabilities or other medical and behavioral conditions to live with the child's family, but the agency with caregiver's input has identified a specific support gap that cannot be met through home and community support waivers or other programs that are designed to provide support for children with special needs.

(c) The agency completing an assessment, under subdivision 2, that suggests an extraordinary level must document as part of the assessment, the following:

(1) the assessment tool that determined that the child's needs or disabilities require extraordinary care and intense supervision;

(2) a summary of the extraordinary care and intense supervision that is provided by the caregiver as part of the parental duties as described in the supplemental difficulty of care rate, section 256N.02, subdivision 21;

(3) confirmation that the child is currently physically residing in the foster family setting or in the home with the adoptive parent or relative custodian;

(4) the efforts of the agency, caregiver, parents, and others to request support services in the home and community that would ease the degree of parental duties provided by the caregiver for the care and supervision of the child. This would include documentation of the services provided for the child's needs or disabilities, and the services that were denied or not available from the local social service agency, community agency, the local school district, local public health department, the parent, or child's medical insurance provider;

(5) the specific support gap identified that places the child's safety and well-being at risk in the home or community and is necessary to prevent residential placement; and

(6) the extraordinary care and intense supervision provided by the foster, adoptive, or guardianship caregivers to maintain the child safely in the child's home and prevent residential placement that cannot be supported by medical assistance or other programs that provide services, necessary care for children with disabilities, or other medical or behavioral conditions in the home or community.

(d) An agency completing an assessment under subdivision 2 that suggests an extraordinary level is appropriate must forward the assessment and required documentation to the commissioner. If the commissioner approves, the extraordinary levels must be retroactive to the date the assessment was forwarded.

Sec. 40. Minnesota Statutes 2014, section 256N.25, subdivision 1, is amended to read:

Subdivision 1. **Agreement; Northstar kinship assistance; adoption assistance.** (a) In order to receive Northstar kinship assistance or adoption assistance benefits on behalf of an eligible child, a written, binding agreement between the caregiver or caregivers, the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, and the commissioner must be established prior to finalization of the adoption or a transfer of permanent legal and physical custody. The agreement must be negotiated with the caregiver or caregivers under subdivision 2 and renegotiated under subdivision 3, if applicable.

(b) The agreement must be on a form approved by the commissioner and must specify the following:

(1) duration of the agreement;

(2) the nature and amount of any payment, services, and assistance to be provided under such agreement;

(3) the child's eligibility for Medicaid services;

(4) the terms of the payment, including any child care portion as specified in section 256N.24, subdivision 3;

(5) eligibility for reimbursement of nonrecurring expenses associated with adopting or obtaining permanent legal and physical custody of the child, to the extent that the total cost does not exceed $2,000 per child;

(6) that the agreement must remain in effect regardless of the state of which the adoptive parents or relative custodians are residents at any given time;

(7) provisions for modification of the terms of the agreement, including renegotiation of the agreement; ~~and~~

(8) the effective date of the agreement; and

(9) the successor relative custodian or custodians for Northstar kinship assistance, when applicable. The successor relative custodian or custodians may be added or changed by mutual agreement under subdivision 3.

(c) The caregivers, the commissioner, and the financially responsible agency, or, if there is no financially responsible agency, the agency designated by the commissioner, must sign the agreement. A copy of the signed agreement must be given to each party. Once signed by all parties, the commissioner shall maintain the official record of the agreement.

(d) The effective date of the Northstar kinship assistance agreement must be the date of the court order that transfers permanent legal and physical custody to the relative. The effective date of the adoption assistance agreement is the date of the finalized adoption decree.

(e) Termination or disruption of the preadoptive placement or the foster care placement prior to assignment of custody makes the agreement with that caregiver void.

Sec. 41. Minnesota Statutes 2014, section 256N.27, subdivision 2, is amended to read:

Subd. 2. **State share.** The commissioner shall pay the state share of the maintenance payments as determined under subdivision 4, and an identical share of the pre-Northstar Care foster care program under section 260C.4411, subdivision 1, the relative custody assistance program under section 257.85, and the pre-Northstar Care for Children adoption assistance program under chapter 259A. ~~The commissioner may transfer funds into the account if a deficit occurs.~~

Sec. 42. Minnesota Statutes 2014, section 257.0755, subdivision 1, is amended to read:

Subdivision 1. **Creation.** ~~Each ombudsperson shall operate independently from but in collaboration with the community-specific board that appointed the ombudsperson under section 257.0768: the Indian Affairs Council, the Council on Affairs of Chicano/Latino people, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans~~ The Office of Ombudspersons is organized under the Department of Human Services.

Sec. 43. Minnesota Statutes 2014, section 257.0755, subdivision 2, is amended to read:

Subd. 2. **Selection; qualifications.** The ombudsperson for each community shall be ~~selected by the applicable community-specific board established in section 257.0768~~ appointed by the governor. Each ombudsperson serves in the unclassified service at the pleasure of the ~~community-specific board~~ governor and may be removed only for just cause. Each ombudsperson must be selected without regard to political

affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children from families of color. In addition, the ombudsperson must be experienced in dealing with communities of color and knowledgeable about the needs of those communities. No individual may serve as ombudsperson while holding any other public office.

Sec. 44. Minnesota Statutes 2014, section 257.0761, subdivision 1, is amended to read:

Subdivision 1. **Staff; unclassified status; retirement.** The ombudsperson for each ~~group~~ community of color specified in section ~~257.0755~~ 257.076 may select, appoint, and compensate out of available funds the assistants and employees as deemed necessary to discharge responsibilities. All employees, except the secretarial and clerical staff, shall serve at the pleasure of the ombudsperson in the unclassified service. The ombudsperson and full-time staff shall be members of the Minnesota State Retirement Association.

Sec. 45. Minnesota Statutes 2014, section 257.0766, subdivision 1, is amended to read:

Subdivision 1. **Specific reports.** An ombudsperson may send conclusions and suggestions concerning any matter reviewed to the governor ~~and shall provide copies of all reports to the advisory board and to the groups specified in section 257.0768, subdivision 1~~. Before making public a conclusion or recommendation that expressly or implicitly criticizes an agency, facility, program, or any person, the ombudsperson shall inform the governor and the affected agency, facility, program, or person concerning the conclusion or recommendation. When sending a conclusion or recommendation to the governor that is adverse to an agency, facility, program, or any person, the ombudsperson shall include any statement of reasonable length made by that agency, facility, program, or person in defense or mitigation of the ombudsperson's conclusion or recommendation.

Sec. 46. Minnesota Statutes 2014, section 257.0769, subdivision 1, is amended to read:

Subdivision 1. **Appropriations.** ~~(a)~~ Money ~~is appropriated from~~ in the special fund authorized by section 256.01, subdivision 2, paragraph (o), ~~to the Indian Affairs Council~~ is appropriated for the purposes of sections 257.0755 to 257.0768.

~~(b) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, paragraph (o), to the council on affairs of Chicano/Latino people for the purposes of sections 257.0755 to 257.0768.~~

~~(c) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, paragraph (o), to the Council of Black Minnesotans for the purposes of sections 257.0755 to 257.0768.~~

~~(d) Money is appropriated from the special fund authorized by section 256.01, subdivision 2, paragraph (o), to the Council on Asian-Pacific Minnesotans for the purposes of sections 257.0755 to 257.0768.~~

Sec. 47. Minnesota Statutes 2014, section 257.75, subdivision 3, is amended to read:

Subd. 3. **Effect of recognition.** (a) Subject to subdivision 2 and section 257.55, subdivision 1, paragraph (g) or (h), the recognition has the force and effect of a judgment or order determining the existence of the parent and child relationship under section 257.66. If the conditions in section 257.55, subdivision 1, paragraph (g) or (h), exist, the recognition creates only a presumption of paternity for purposes of sections 257.51 to 257.74. Once a recognition has been properly executed and filed with the state registrar of vital statistics, if there are no competing presumptions of paternity, a judicial or administrative court may not allow further action to determine parentage regarding the signator of the recognition. An action to determine custody and parenting time may be commenced pursuant to chapter 518 without an adjudication of parentage. Until ~~an~~ a temporary or permanent order is entered granting custody to another, the mother has sole custody.

(b) Following commencement of an action to determine custody or parenting time under chapter 518, the court may, pursuant to section 518.131, grant temporary parenting time rights and temporary custody to either parent.

(c) The recognition is:

(1) a basis for bringing an action for the following:

(i) to award temporary custody or parenting time pursuant to section 518.131;

(ii) to award permanent custody or parenting time to either parent~~,~~;

(iii) establishing a child support obligation which may include up to the two years immediately preceding the commencement of the action~~,~~;

(iv) ordering a contribution by a parent under section 256.87~~, or~~;

(v) ordering a contribution to the reasonable expenses of the mother's pregnancy and confinement, as provided under section 257.66, subdivision 3~~,~~; or

(vi) ordering reimbursement for the costs of blood or genetic testing, as provided under section 257.69, subdivision 2;

(2) determinative for all other purposes related to the existence of the parent and child relationship; and

(3) entitled to full faith and credit in other jurisdictions.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 48. Minnesota Statutes 2014, section 257.75, subdivision 5, is amended to read:

Subd. 5. **Recognition form.** (a) The commissioner of human services shall prepare a form for the recognition of parentage under this section. In preparing the form, the commissioner shall consult with the individuals specified in subdivision 6. The recognition form must be drafted so that the force and effect of the recognition, the alternatives to executing a recognition, ~~and~~ the benefits and responsibilities of establishing paternity, and the limitations of the recognition of parentage for purposes of exercising and enforcing custody or parenting time are clear and understandable. ~~The form must include a notice regarding the finality of a recognition and the revocation procedure under subdivision 2. The form must include a provision for each parent to verify that the parent has read or viewed the educational materials prepared by the commissioner of human services describing the recognition of paternity. The individual providing the form to the parents for execution shall provide oral notice of the rights, responsibilities, and alternatives to executing the recognition. Notice may be provided by audiotape, videotape, or similar means. Each parent must receive a copy of the recognition.~~

(b) The form must include the following:

(1) a notice regarding the finality of a recognition and the revocation procedure under subdivision 2;

(2) a notice, in large print, that the recognition does not establish an enforceable right to legal custody, physical custody, or parenting time until such rights are awarded pursuant to a court action to establish custody and parenting time;

(3) a notice stating that when a court awards custody and parenting time under chapter 518, there is no presumption for or against joint physical custody, except when domestic abuse, as defined in section 518B.01, subdivision 2, paragraph (a), has occurred between the parties;

(4) a notice that the recognition of parentage is a basis for:

(i) bringing a court action to award temporary or permanent custody or parenting time;

(ii) establishing a child support obligation that may include the two years immediately preceding the commencement of the action;

(iii) ordering a contribution by a parent under section 256.87;

(iv) ordering a contribution to the reasonable expenses of the mother's pregnancy and confinement, as provided under section 257.66, subdivision 3; and

(v) ordering reimbursement for the costs of blood or genetic testing, as provided under section 257.69, subdivision 2; and

(5) a provision for each parent to verify that the parent has read or viewed the educational materials prepared by the commissioner of human services describing the recognition of paternity.

(c) The individual providing the form to the parents for execution shall provide oral notice of the rights, responsibilities, and alternatives to executing the recognition. Notice may be provided in audio or video format, or by other similar means. Each parent must receive a copy of the recognition.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 49. Minnesota Statutes 2014, section 259A.75, is amended to read:

259A.75 REIMBURSEMENT OF CERTAIN AGENCY COSTS; PURCHASE OF SERVICE CONTRACTS AND TRIBAL CUSTOMARY ADOPTIONS.

Subdivision 1. **General information.** (a) Subject to the procedures required by the commissioner and the provisions of this section, a Minnesota county ~~or tribal social services agency~~ shall receive a reimbursement from the commissioner equal to 100 percent of the reasonable and appropriate cost for contracted adoption placement services identified for a specific child that are not reimbursed under other federal or state funding sources.

(b) The commissioner may spend up to $16,000 for each purchase of service contract. Only one contract per child per adoptive placement is permitted. Funds encumbered and obligated under the contract for the child remain available until the terms of the contract are fulfilled or the contract is terminated.

(c) The commissioner shall set aside an amount not to exceed five percent of the total amount of the fiscal year appropriation from the state for the adoption assistance program to reimburse a Minnesota county or tribal social services placing ~~agencies~~ agency for child-specific adoption placement services. When adoption assistance payments for children's needs exceed 95 percent of the total amount of the fiscal year appropriation from the state for the adoption assistance program, the amount of reimbursement available to placing agencies for adoption services is reduced correspondingly.

Subd. 2. **Purchase of service contract child eligibility criteria.** (a) A child who is the subject of a purchase of service contract must:

(1) have the goal of adoption, which may include an adoption in accordance with tribal law;

(2) be under the guardianship of the commissioner of human services or be a ward of tribal court pursuant to section 260.755, subdivision 20; and

(3) meet all of the special needs criteria according to section 259A.10, subdivision 2.

(b) A child under the guardianship of the commissioner must have an identified adoptive parent and a fully executed adoption placement agreement according to section 260C.613, subdivision 1, paragraph (a).

Subd. 3. **Agency eligibility criteria.** (a) A Minnesota county ~~or tribal~~ social services agency shall receive reimbursement for child-specific adoption placement services for an eligible child that it purchases from a private adoption agency licensed in Minnesota or any other state or tribal social services agency.

(b) Reimbursement for adoption services is available only for services provided prior to the date of the adoption decree.

Subd. 4. **Application and eligibility determination.** (a) A county ~~or tribal~~ social services agency may request reimbursement of costs for adoption placement services by submitting a complete purchase of service application, according to the requirements and procedures and on forms prescribed by the commissioner.

(b) The commissioner shall determine eligibility for reimbursement of adoption placement services. If determined eligible, the commissioner of human services shall sign the purchase of service agreement, making this a fully executed contract. No reimbursement under this section shall be made to an agency for services provided prior to the fully executed contract.

(c) Separate purchase of service agreements shall be made, and separate records maintained, on each child. Only one agreement per child per adoptive placement is permitted. For siblings who are placed together, services shall be planned and provided to best maximize efficiency of the contracted hours.

Subd. 5. **Reimbursement process.** (a) The agency providing adoption services is responsible to track and record all service activity, including billable hours, on a form prescribed by the commissioner. The agency shall submit this form to the state for reimbursement after services have been completed.

(b) The commissioner shall make the final determination whether or not the requested reimbursement costs are reasonable and appropriate and if the services have been completed according to the terms of the purchase of service agreement.

Subd. 6. **Retention of purchase of service records.** Agencies entering into purchase of service contracts shall keep a copy of the agreements, service records, and all applicable billing and invoicing according to the department's record retention schedule. Agency records shall be provided upon request by the commissioner.

Subd. 7. **Tribal customary adoptions.** (a) The commissioner shall enter into grant contracts with Minnesota tribal social services agencies to provide child-specific recruitment and adoption placement services for Indian children under the jurisdiction of tribal court.

(b) Children served under these grant contracts must meet the child eligibility criteria in subdivision 2.

Sec. 50. Minnesota Statutes 2014, section 260C.007, subdivision 27, is amended to read:

Subd. 27. **Relative.** "Relative" means a person related to the child by blood, marriage, or adoption~~,~~; the legal parent, guardian, or custodian of the child's siblings; or an individual who is an important friend with whom the child has resided or had significant contact. For an Indian child, relative includes members of the extended family as defined by the law or custom of the Indian child's tribe or, in the absence of law or custom, nieces, nephews, or first or second cousins, as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1903.

Sec. 51. Minnesota Statutes 2014, section 260C.007, subdivision 32, is amended to read:

Subd. 32. **Sibling.** "Sibling" means one of two or more individuals who have one or both parents in common through blood, marriage, or adoption~~, including~~. This includes siblings as defined by the child's tribal code or custom. Sibling also includes an individual who would have been considered a sibling but for a termination of parental rights of one or both parents, suspension of parental rights under tribal code, or other disruption of parental rights such as the death of a parent.

Sec. 52. Minnesota Statutes 2014, section 260C.203, is amended to read:

260C.203 ADMINISTRATIVE OR COURT REVIEW OF PLACEMENTS.

(a) Unless the court is conducting the reviews required under section 260C.202, there shall be an administrative review of the out-of-home placement plan of each child placed in foster care no later than 180 days after the initial placement of the child in foster care and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The out-of-home placement plan must be monitored and updated at each administrative review. The administrative review shall be conducted by the responsible social services agency using a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review. The administrative review shall be open to participation by the parent or guardian of the child and the child, as appropriate.

(b) As an alternative to the administrative review required in paragraph (a), the court may, as part of any hearing required under the Minnesota Rules of Juvenile Protection Procedure, conduct a hearing to monitor and update the out-of-home placement plan pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph (d). The party requesting review of the out-of-home placement plan shall give parties to the proceeding notice of the request to review and update the out-of-home placement plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193;

260C.201, subdivision 1; 260C.202; 260C.204; 260C.317; or 260D.06 shall satisfy the requirement for the review so long as the other requirements of this section are met.

(c) As appropriate to the stage of the proceedings and relevant court orders, the responsible social services agency or the court shall review:

(1) the safety, permanency needs, and well-being of the child;

(2) the continuing necessity for and appropriateness of the placement;

(3) the extent of compliance with the out-of-home placement plan;

(4) the extent of progress that has been made toward alleviating or mitigating the causes necessitating placement in foster care;

(5) the projected date by which the child may be returned to and safely maintained in the home or placed permanently away from the care of the parent or parents or guardian; and

(6) the appropriateness of the services provided to the child.

(d) When a child is age ~~16~~ 14 or older, in addition to any administrative review conducted by the agency, at the in-court review required under section 260C.317, subdivision 3, clause (3), or 260C.515, subdivision 5 or 6, the court shall review the independent living plan required under section 260C.212, subdivision 1, paragraph (c), clause ~~(11)~~ (12), and the provision of services to the child related to the well-being of the child as the child prepares to leave foster care. The review shall include the actual plans related to each item in the plan necessary to the child's future safety and well-being when the child is no longer in foster care.

(e) At the court review required under paragraph (d) for a child age ~~16~~ 14 or older, the following procedures apply:

(1) six months before the child is expected to be discharged from foster care, the responsible social services agency shall give the written notice required under section 260C.451, subdivision 1, regarding the right to continued access to services for certain children in foster care past age 18 and of the right to appeal a denial of social services under section 256.045. The agency shall file a copy of the notice, including the right to appeal a denial of social services, with the court. If the agency does not file the notice by the time the child is age 17-1/2, the court shall require the agency to give it;

(2) consistent with the requirements of the independent living plan, the court shall review progress toward or accomplishment of the following goals:

(i) the child has obtained a high school diploma or its equivalent;

(ii) the child has completed a driver's education course or has demonstrated the ability to use public transportation in the child's community;

(iii) the child is employed or enrolled in postsecondary education;

(iv) the child has applied for and obtained postsecondary education financial aid for which the child is eligible;

(v) the child has health care coverage and health care providers to meet the child's physical and mental health needs;

(vi) the child has applied for and obtained disability income assistance for which the child is eligible;

(vii) the child has obtained affordable housing with necessary supports, which does not include a homeless shelter;

(viii) the child has saved sufficient funds to pay for the first month's rent and a damage deposit;

(ix) the child has an alternative affordable housing plan, which does not include a homeless shelter, if the original housing plan is unworkable;

(x) the child, if male, has registered for the Selective Service; and

(xi) the child has a permanent connection to a caring adult; and

(3) the court shall ensure that the responsible agency in conjunction with the placement provider assists the child in obtaining the following documents prior to the child's leaving foster care: a Social Security card; the child's birth certificate; a state identification card or driver's license, tribal enrollment identification card, green card, or school visa; the child's school, medical, and dental records; a contact list of the child's medical, dental, and mental health providers; and contact information for the child's siblings, if the siblings are in foster care.

(f) For a child who will be discharged from foster care at age 18 or older, the responsible social services agency is required to develop a personalized transition plan as directed by the youth. The transition plan must be developed during the 90-day period immediately prior to the expected date of discharge. The transition plan must be as detailed as the child may elect and include specific options on housing, health insurance, education, local opportunities for mentors and continuing support services, and work force supports and employment services. The agency shall ensure that the youth receives, at no cost to the youth, a copy of the youth's consumer credit report as defined in section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report. The plan must include information on the importance of designating another individual to make health care treatment decisions on behalf of the child if the child becomes unable to participate in these decisions and the child does not have, or does not want, a relative who would otherwise be authorized to make these decisions. The plan must provide the child with the option to execute a health care directive as provided under chapter 145C.

The agency shall also provide the youth with appropriate contact information if the youth needs more information or needs help dealing with a crisis situation through age 21.

Sec. 53. Minnesota Statutes 2014, section 260C.212, subdivision 1, is amended to read:

Subdivision 1. **Out-of-home placement; plan.** (a) An out-of-home placement plan shall be prepared within 30 days after any child is placed in foster care by court order or a voluntary placement agreement between the responsible social services agency and the child's parent pursuant to section 260C.227 or chapter 260D.

(b) An out-of-home placement plan means a written document which is prepared by the responsible social services agency jointly with the parent or parents or guardian of the child and in consultation with the child's guardian ad litem, the child's tribe, if the child is an Indian child, the child's foster parent or representative of the foster care facility, and, where appropriate, the child. When a child is age 14 or older, the child may include two other individuals on the team preparing the child's out-of-home placement plan. For a child in voluntary foster care for treatment under chapter 260D, preparation of the out-of-home placement plan shall additionally include the child's mental health treatment provider. As appropriate, the plan shall be:

(1) submitted to the court for approval under section 260C.178, subdivision 7;

(2) ordered by the court, either as presented or modified after hearing, under section 260C.178, subdivision 7, or 260C.201, subdivision 6; and

(3) signed by the parent or parents or guardian of the child, the child's guardian ad litem, a representative of the child's tribe, the responsible social services agency, and, if possible, the child.

(c) The out-of-home placement plan shall be explained to all persons involved in its implementation, including the child who has signed the plan, and shall set forth:

(1) a description of the foster care home or facility selected, including how the out-of-home placement plan is designed to achieve a safe placement for the child in the least restrictive, most family-like, setting available which is in close proximity to the home of the parent or parents or guardian of the child when the case plan goal is reunification, and how the placement is consistent with the best interests and special needs of the child according to the factors under subdivision 2, paragraph (b);

(2) the specific reasons for the placement of the child in foster care, and when reunification is the plan, a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home and the changes the parent or parents must make in order for the child to safely return home;

(3) a description of the services offered and provided to prevent removal of the child from the home and to reunify the family including:

(i) the specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (2), and the time period during which the actions are to be taken; and

(ii) the reasonable efforts, or in the case of an Indian child, active efforts to be made to achieve a safe and stable home for the child including social and other supportive services to be provided or offered to the parent or parents or guardian of the child, the child, and the residential facility during the period the child is in the residential facility;

(4) a description of any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of the child's placement in the residential facility, and whether those services or resources were provided and if not, the basis for the denial of the services or resources;

(5) the visitation plan for the parent or parents or guardian, other relatives as defined in section 260C.007, subdivision 27, and siblings of the child if the siblings are not placed together in foster care, and whether visitation is consistent with the best interest of the child, during the period the child is in foster care;

(6) when a child cannot return to or be in the care of either parent, documentation of steps to finalize adoption as the permanency plan for the child~~, including: (i)~~ through reasonable efforts to place the child for adoption. At a minimum, the documentation must include consideration of whether adoption is in the best interests of the child, child-specific recruitment efforts such as relative search and the use of state, regional, and national adoption exchanges to facilitate orderly and timely placements in and outside of the state. A copy of this documentation shall be provided to the court in the review required under section 260C.317, subdivision 3, paragraph (b); ~~and~~

~~(ii) documentation necessary to support the requirements of the kinship placement agreement under section 256N.22 when adoption is determined not to be in the child's best interests;~~ (7) when a child cannot return to or be in the care of either parent, documentation of steps to finalize the transfer of permanent legal and physical custody to a relative as the permanency plan for the child. This documentation must support the requirements of the kinship placement agreement under section 256N.22 and must include the reasonable efforts used to determine that it is not appropriate for the child to return home or be adopted, and reasons why permanent placement with a relative through a Northstar kinship assistance arrangement is in the child's best interest; how the child meets the eligibility requirements for Northstar kinship assistance payments; agency efforts to discuss adoption with the child's relative foster parent and reasons why the relative foster

parent chose not to pursue adoption, if applicable; and agency efforts to discuss with the child's parent or parents the permanent transfer of permanent legal and physical custody or the reasons why these efforts were not made;

~~(7)~~ (8) efforts to ensure the child's educational stability while in foster care, including:

(i) efforts to ensure that the child remains in the same school in which the child was enrolled prior to placement or upon the child's move from one placement to another, including efforts to work with the local education authorities to ensure the child's educational stability; or

(ii) if it is not in the child's best interest to remain in the same school that the child was enrolled in prior to placement or move from one placement to another, efforts to ensure immediate and appropriate enrollment for the child in a new school;

~~(8)~~ (9) the educational records of the child including the most recent information available regarding:

(i) the names and addresses of the child's educational providers;

(ii) the child's grade level performance;

(iii) the child's school record;

(iv) a statement about how the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement; and

(v) any other relevant educational information;

~~(9)~~ (10) the efforts by the local agency to ensure the oversight and continuity of health care services for the foster child, including:

(i) the plan to schedule the child's initial health screens;

(ii) how the child's known medical problems and identified needs from the screens, including any known communicable diseases, as defined in section 144.4172, subdivision 2, will be monitored and treated while the child is in foster care;

(iii) how the child's medical information will be updated and shared, including the child's immunizations;

(iv) who is responsible to coordinate and respond to the child's health care needs, including the role of the parent, the agency, and the foster parent;

(v) who is responsible for oversight of the child's prescription medications;

(vi) how physicians or other appropriate medical and nonmedical professionals will be consulted and involved in assessing the health and well-being of the child and determine the appropriate medical treatment for the child; and

(vii) the responsibility to ensure that the child has access to medical care through either medical insurance or medical assistance;

~~(10)~~ (11) the health records of the child including information available regarding:

(i) the names and addresses of the child's health care and dental care providers;

(ii) a record of the child's immunizations;

(iii) the child's known medical problems, including any known communicable diseases as defined in section 144.4172, subdivision 2;

(iv) the child's medications; and

(v) any other relevant health care information such as the child's eligibility for medical insurance or medical assistance;

~~(11)~~ (12) an independent living plan for a child age ~~16~~ 14 or older. The plan should include, but not be limited to, the following objectives:

(i) educational, vocational, or employment planning;

(ii) health care planning and medical coverage;

(iii) transportation including, where appropriate, assisting the child in obtaining a driver's license;

(iv) money management, including the responsibility of the agency to ensure that the youth annually receives, at no cost to the youth, a consumer report as defined under section 13C.001 and assistance in interpreting and resolving any inaccuracies in the report;

(v) planning for housing;

(vi) social and recreational skills; ~~and~~

(vii) establishing and maintaining connections with the child's family and community; and

(viii) regular opportunities to engage in age-appropriate or developmentally appropriate activities typical for the child's age group, taking into consideration the capacities of the individual child; and

~~(12)~~ (13) for a child in voluntary foster care for treatment under chapter 260D, diagnostic and assessment information, specific services relating to meeting the mental health care needs of the child, and treatment outcomes.

(d) The parent or parents or guardian and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social services agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved or approved or ordered by the court, the foster parents shall be fully informed of the provisions of the case plan and shall be provided a copy of the plan.

Upon discharge from foster care, the parent, adoptive parent, or permanent legal and physical custodian, as appropriate, and the child, if appropriate, must be provided with a current copy of the child's health and education record.

Sec. 54. Minnesota Statutes 2014, section 260C.212, is amended by adding a subdivision to read:

Subd. 13. **Protecting missing and runaway children and youth at risk of sex trafficking.** (a) The local social services agency shall expeditiously locate any child missing from foster care.

(b) The local social services agency shall report immediately, but no later than 24 hours, after receiving information on a missing or abducted child to the local law enforcement agency for entry into the National Crime Information Center (NCIC) database of the Federal Bureau of Investigation, and to the National Center for Missing and Exploited Children.

(c) The local social services agency shall not discharge a child from foster care or close the social services case until diligent efforts have been exhausted to locate the child and the court terminates the agency's jurisdiction.

(d) The local social services agency shall determine the primary factors that contributed to the child's running away or otherwise being absent from care and, to the extent possible and appropriate, respond to those factors in current and subsequent placements.

(e) The local social services agency shall determine what the child experienced while absent from care, including screening the child to determine if the child is a possible sex trafficking victim as defined in section 609.321, subdivision 7b.

(f) The local social services agency shall report immediately, but no later than 24 hours, to the local law enforcement agency any reasonable cause to believe a child is, or is at risk of being, a sex trafficking victim.

(g) The local social services agency shall determine appropriate services as described in section 145.4717 with respect to any child for whom the local social services agency has responsibility for placement, care, or supervision when the local social services agency has reasonable cause to believe the child is, or is at risk of being, a sex trafficking victim.

Sec. 55. Minnesota Statutes 2014, section 260C.212, is amended by adding a subdivision to read:

Subd. 14. **Support age-appropriate and developmentally appropriate activities for foster children.** Responsible social services agencies and child-placing agencies shall

support a foster child's emotional and developmental growth by permitting the child to participate in activities or events that are generally accepted as suitable for children of the same chronological age or are developmentally appropriate for the child. Foster parents and residential facility staff are permitted to allow foster children to participate in extracurricular, social, or cultural activities that are typical for the child's age by applying reasonable and prudent parenting standards. Reasonable and prudent parenting standards are characterized by careful and sensible parenting decisions that maintain the child's health and safety, and are made in the child's best interest.

Sec. 56. Minnesota Statutes 2014, section 260C.221, is amended to read:

260C.221 RELATIVE SEARCH.

(a) The responsible social services agency shall exercise due diligence to identify and notify adult relatives prior to placement or within 30 days after the child's removal from the parent. The county agency shall consider placement with a relative under this section without delay and whenever the child must move from or be returned to foster care. The relative search required by this section shall be comprehensive in scope. After a finding that the agency has made reasonable efforts to conduct the relative search under this paragraph, the agency has the continuing responsibility to appropriately involve relatives, who have responded to the notice required under this paragraph, in planning for the child and to continue to consider relatives according to the requirements of section 260C.212, subdivision 2. At any time during the course of juvenile protection proceedings, the court may order the agency to reopen its search for relatives when it is in the child's best interest to do so.

(b) The relative search required by this section shall include both maternal ~~relatives~~ and paternal adult relatives of the child; all adult grandparents; all legal parents, guardians or custodians; the child's siblings; and any other adult relatives suggested by the child's parents, subject to the exceptions due to family violence in paragraph (c). The search shall also include getting information from the child in an age-appropriate manner about who the child considers to be family members and important friends with whom the child has resided or had significant contact. The relative search required under this section must fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the breakup of the Indian family under United States Code, title 25, section 1912(d), and to meet placement preferences under United States Code, title 25, section 1915. The relatives must be notified:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency and the court informed of their current address in order to receive notice in the event that a permanent placement is sought for the child and to receive notice of the permanency progress review hearing under section 260C.204. A relative who fails to provide a current address to the responsible social services agency and the court forfeits the right to receive notice of the possibility of permanent placement and of the permanency progress review hearing under section 260C.204. A decision by a relative not to be identified as a potential permanent placement resource or participate in planning for the child at the beginning of the case shall not affect whether the relative is considered for placement of the child with that relative later;

(3) that the relative may participate in the care and planning for the child, including that the opportunity for such participation may be lost by failing to respond to the notice sent under this subdivision. "Participate in the care and planning" includes, but is not limited to, participation in case planning for the parent and child, identifying the strengths and needs of the parent and child, supervising visits, providing respite and vacation visits for the child, providing transportation to appointments, suggesting other relatives who might be able to help support the case plan, and to the extent possible, helping to maintain the child's familiar and regular activities and contact with friends and relatives;

(4) of the family foster care licensing requirements, including how to complete an application and how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 245A.04 and supports that are available for relatives and children who reside in a family foster home; and

(5) of the relatives' right to ask to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right or opportunity to be heard by the court as required under section 260C.152, subdivision 5.

~~(b)~~ (c) A responsible social services agency may disclose private data, as defined in sections 13.02 and 626.556, to relatives of the child for the purpose of locating and assessing a suitable placement and may use any reasonable means of identifying and locating relatives including the Internet or other electronic means of conducting a search. The agency shall disclose data that is necessary to facilitate possible placement with relatives and to ensure that the relative is informed of the needs of the child so the relative can participate in planning for the child and be supportive of services to the child and family. If the child's parent refuses to give the responsible social services agency

information sufficient to identify the maternal and paternal relatives of the child, the agency shall ask the juvenile court to order the parent to provide the necessary information. If a parent makes an explicit request that a specific relative not be contacted or considered for placement due to safety reasons including past family or domestic violence, the agency shall bring the parent's request to the attention of the court to determine whether the parent's request is consistent with the best interests of the child and the agency shall not contact the specific relative when the juvenile court finds that contacting the specific relative would endanger the parent, guardian, child, sibling, or any family member.

~~(c)~~ (d) At a regularly scheduled hearing not later than three months after the child's placement in foster care and as required in section 260C.202, the agency shall report to the court:

(1) its efforts to identify maternal and paternal relatives of the child and to engage the relatives in providing support for the child and family, and document that the relatives have been provided the notice required under paragraph (a); and

(2) its decision regarding placing the child with a relative as required under section 260C.212, subdivision 2, and to ask relatives to visit or maintain contact with the child in order to support family connections for the child, when placement with a relative is not possible or appropriate.

~~(d)~~ (e) Notwithstanding chapter 13, the agency shall disclose data about particular relatives identified, searched for, and contacted for the purposes of the court's review of the agency's due diligence.

~~(e)~~ (f) When the court is satisfied that the agency has exercised due diligence to identify relatives and provide the notice required in paragraph (a), the court may find that reasonable efforts have been made to conduct a relative search to identify and provide notice to adult relatives as required under section 260.012, paragraph (e), clause (3). If the court is not satisfied that the agency has exercised due diligence to identify relatives and provide the notice required in paragraph (a), the court may order the agency to continue its search and notice efforts and to report back to the court.

~~(f)~~ (g) When the placing agency determines that permanent placement proceedings are necessary because there is a likelihood that the child will not return to a parent's care, the agency must send the notice provided in paragraph ~~(g)~~ (h), may ask the court to modify the duty of the agency to send the notice required in paragraph ~~(g)~~ (h), or may ask the court to completely relieve the agency of the requirements of paragraph ~~(g)~~ (h). The relative notification requirements of paragraph ~~(g)~~ (h) do not apply when the child is placed with an appropriate relative or a foster home that has committed to adopting the child or taking permanent legal and physical custody of the child and the agency approves

of that foster home for permanent placement of the child. The actions ordered by the court under this section must be consistent with the best interests, safety, permanency, and welfare of the child.

~~(g)~~ (h) Unless required under the Indian Child Welfare Act or relieved of this duty by the court under paragraph ~~(e)~~ (f), when the agency determines that it is necessary to prepare for permanent placement determination proceedings, or in anticipation of filing a termination of parental rights petition, the agency shall send notice to the relatives, any adult with whom the child is currently residing, any adult with whom the child has resided for one year or longer in the past, and any adults who have maintained a relationship or exercised visitation with the child as identified in the agency case plan. The notice must state that a permanent home is sought for the child and that the individuals receiving the notice may indicate to the agency their interest in providing a permanent home. The notice must state that within 30 days of receipt of the notice an individual receiving the notice must indicate to the agency the individual's interest in providing a permanent home for the child or that the individual may lose the opportunity to be considered for a permanent placement.

Sec. 57. Minnesota Statutes 2014, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated,

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency,

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency, or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

(b) The court shall order, and the responsible social services agency shall require, the parents or custodian of a child, while the child is under the age of 18, to use the total income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court shall order, and the responsible social services

agency shall require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over the age of 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause ~~(11)~~ (12), to transition from foster care, or the income and resources from sources other than Supplemental Security Income and child support that are needed to complete the requirements listed in section 260C.203.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court shall inquire into the ability of the parents to support the child and, after giving the parents a reasonable opportunity to be heard, the court shall order, and the responsible social services agency shall require, the parents to contribute to the cost of care, examination, or treatment of the child. When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the responsible social services agency and approved by the commissioner of human services. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section.

(d) The court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services.

(f) Notwithstanding paragraph (b), (c), or (d), a parent, custodian, or guardian of the child is not required to use income and resources attributable to the child to reimburse the county for costs of care and is not required to contribute to the cost of care of the child during any period of time when the child is returned to the home of that parent,

custodian, or guardian pursuant to a trial home visit under section 260C.201, subdivision 1, paragraph (a).

Sec. 58. Minnesota Statutes 2014, section 260C.451, subdivision 2, is amended to read:

Subd. 2. **Independent living plan.** Upon the request of any child in foster care immediately prior to the child's 18th birthday and who is in foster care at the time of the request, the responsible social services agency shall, in conjunction with the child and other appropriate parties, update the independent living plan required under section 260C.212, subdivision 1, paragraph (c), clause ~~(11)~~ (12), related to the child's employment, vocational, educational, social, or maturational needs. The agency shall provide continued services and foster care for the child including those services that are necessary to implement the independent living plan.

Sec. 59. Minnesota Statutes 2014, section 260C.451, subdivision 6, is amended to read:

Subd. 6. **Reentering foster care and accessing services after age 18.** (a) Upon request of an individual between the ages of 18 and 21 who had been under the guardianship of the commissioner and who has left foster care without being adopted, the responsible social services agency which had been the commissioner's agent for purposes of the guardianship shall develop with the individual a plan to increase the individual's ability to live safely and independently using the plan requirements of section 260C.212, subdivision 1, paragraph ~~(b)~~ (c), clause ~~(11)~~ (12), and to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if the individual wants to reenter foster care. The agency shall provide foster care as required to implement the plan. The agency shall enter into a voluntary placement agreement under section 260C.229 with the individual if the plan includes foster care.

(b) Individuals who had not been under the guardianship of the commissioner of human services prior to age 18 and are between the ages of 18 and 21 may ask to reenter foster care after age 18 and, to the extent funds are available, the responsible social services agency that had responsibility for planning for the individual before discharge from foster care may provide foster care or other services to the individual for the purpose of increasing the individual's ability to live safely and independently and to meet the eligibility criteria in subdivision 3a, if the individual:

(1) was in foster care for the six consecutive months prior to the person's 18th birthday and was not discharged home, adopted, or received into a relative's home under a transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

(2) was discharged from foster care while on runaway status after age 15.

(c) In conjunction with a qualifying and eligible individual under paragraph (b) and other appropriate persons, the responsible social services agency shall develop a specific plan related to that individual's vocational, educational, social, or maturational needs and, to the extent funds are available, provide foster care as required to implement the plan. The agency shall enter into a voluntary placement agreement with the individual if the plan includes foster care.

(d) Youth who left foster care while under guardianship of the commissioner of human services retain eligibility for foster care for placement at any time between the ages of 18 and 21.

Sec. 60. Minnesota Statutes 2014, section 260C.515, subdivision 5, is amended to read:

Subd. 5. **Permanent custody to agency.** The court may order permanent custody to the responsible social services agency for continued placement of the child in foster care but only if it approves the responsible social services agency's compelling reasons that no other permanency disposition order is in the child's best interests and:

(1) the child has reached age ~~12~~ 16 and has been asked about the child's desired permanency outcome;

~~(2) the child is a sibling of a child described in clause (1) and the siblings have a significant positive relationship and are ordered into the same foster home;~~

~~(3)~~ (2) the responsible social services agency has made reasonable efforts to locate and place the child with an adoptive family or a fit and willing relative who would either agree to adopt the child or to a transfer of permanent legal and physical custody of the child, but these efforts have not proven successful; and

~~(4)~~ (3) the parent will continue to have visitation or contact with the child and will remain involved in planning for the child.

Sec. 61. Minnesota Statutes 2014, section 260C.521, subdivision 1, is amended to read:

Subdivision 1. **Child in permanent custody of responsible social services agency.** (a) Court reviews of an order for permanent custody to the responsible social services agency for placement of the child in foster care must be conducted at least yearly at an in-court appearance hearing.

(b) The purpose of the review hearing is to ensure:

(1) the order for permanent custody to the responsible social services agency for placement of the child in foster care continues to be in the best interests of the child and that no other permanency disposition order is in the best interests of the child;

(2) that the agency is assisting the child to build connections to the child's family and community; and

(3) that the agency is appropriately planning with the child for development of independent living skills for the child and, as appropriate, for the orderly and successful transition to independent living that may occur if the child continues in foster care without another permanency disposition order.

(c) The court must review the child's out-of-home placement plan and the reasonable efforts of the agency to finalize an alternative permanent plan for the child including the agency's efforts to:

(1) ensure that permanent custody to the agency with placement of the child in foster care continues to be the most appropriate legal arrangement for meeting the child's need for permanency and stability or, if not, to identify and attempt to finalize another permanency disposition order under this chapter that would better serve the child's needs and best interests;

(2) identify a specific foster home for the child, if one has not already been identified;

(3) support continued placement of the child in the identified home, if one has been identified;

(4) ensure appropriate services are provided to address the physical health, mental health, and educational needs of the child during the period of foster care and also ensure appropriate services or assistance to maintain relationships with appropriate family members and the child's community; and

(5) plan for the child's independence upon the child's leaving foster care living as required under section 260C.212, subdivision 1.

(d) The court may find that the agency has made reasonable efforts to finalize the permanent plan for the child when:

(1) the agency has made reasonable efforts to identify a more legally permanent home for the child than is provided by an order for permanent custody to the agency for placement in foster care; ~~and~~

(2) the child has been asked about the child's desired permanency outcome; and

~~(2)~~ (3) the agency's engagement of the child in planning for independent living is reasonable and appropriate.

Sec. 62. Minnesota Statutes 2014, section 260C.521, subdivision 2, is amended to read:

Subd. 2. **Modifying order for permanent legal and physical custody to a relative.** (a) An order for a relative to have permanent legal and physical custody of a child may be modified using standards under sections 518.18 and 518.185.

(b) When a child is receiving Northstar kinship assistance under chapter 256N, if a relative named as permanent legal and physical custodian in an order made under this chapter becomes incapacitated or dies, a successor custodian named in the Northstar Care for Children kinship assistance benefit agreement under section 256N.25 may file a request to modify the order for permanent legal and physical custody to name the successor custodian as the permanent legal and physical custodian of the child. The court may modify the order to name the successor custodian as the permanent legal and physical custodian upon reviewing the background study required under section 245C.33 if the court finds the modification is in the child's best interests.

(c) The social services agency is a party to the proceeding and must receive notice.

Sec. 63. Minnesota Statutes 2014, section 260C.607, subdivision 4, is amended to read:

Subd. 4. **Content of review.** (a) The court shall review:

(1) the agency's reasonable efforts under section 260C.605 to finalize an adoption for the child as appropriate to the stage of the case; and

(2) the child's current out-of-home placement plan required under section 260C.212, subdivision 1, to ensure the child is receiving all services and supports required to meet the child's needs as they relate to the child's:

(i) placement;

(ii) visitation and contact with siblings;

(iii) visitation and contact with relatives;

(iv) medical, mental, and dental health; and

(v) education.

(b) When the child is age ~~16~~ 14 and older, and as long as the child continues in foster care, the court shall also review the agency's planning for the child's independent living after leaving foster care including how the agency is meeting the requirements of section 260C.212, subdivision 1, paragraph (c), clause ~~(11)~~ (12). The court shall use the review requirements of section 260C.203 in any review conducted under this paragraph.

Sec. 64. Minnesota Statutes 2014, section 290.0671, subdivision 6, is amended to read:

Subd. 6. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund. ~~This amount includes any amounts appropriated to the commissioner of human services from the federal Temporary Assistance for Needy Families (TANF) block grant funds for transfer to the commissioner of revenue.~~

EFFECTIVE DATE. This section is effective for fiscal year 2016 and thereafter.

Sec. 65. Minnesota Statutes 2014, section 518A.26, subdivision 14, is amended to read:

Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or support. ~~A person who has primary physical custody of a child is presumed not to be an obligor for purposes of a child support order under section 518A.34, unless section 518A.36, subdivision 3, applies or the court makes specific written findings to overcome this presumption.~~ For purposes of ordering medical support under section 518A.41, a parent who has primary physical custody of a child may be an obligor subject to a payment agreement under section 518A.69.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 66. Minnesota Statutes 2014, section 518A.32, subdivision 2, is amended to read:

Subd. 2. **Methods.** Determination of potential income must be made according to one of three methods, as appropriate:

(1) the parent's probable earnings level based on employment potential, recent work history, and occupational qualifications in light of prevailing job opportunities and earnings levels in the community;

(2) if a parent is receiving unemployment compensation or workers' compensation, that parent's income may be calculated using the actual amount of the unemployment compensation or workers' compensation benefit received; or

(3) the amount of income a parent could earn working ~~full time at 150~~ 30 hours per week at 100 percent of the current federal or state minimum wage, whichever is higher.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 67. Minnesota Statutes 2014, section 518A.39, subdivision 1, is amended to read:

Subdivision 1. **Authority.** After an order under this chapter or chapter 518 for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money or medical support, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided. A party or the public

authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 68. Minnesota Statutes 2014, section 518A.39, is amended by adding a subdivision to read:

Subd. 8. **Medical support-only modification.** (a) The medical support terms of a support order and determination of the child dependency tax credit may be modified without modification of the full order for support or maintenance, if the order has been established or modified in its entirety within three years from the date of the motion, and upon a showing of one or more of the following:

(1) a change in the availability of appropriate health care coverage or a substantial increase or decrease in health care coverage costs;

(2) a change in the eligibility for medical assistance under chapter 256B;

(3) a party's failure to carry court-ordered coverage, or to provide other medical support as ordered;

(4) the federal child dependency tax credit is not ordered for the same parent who is ordered to carry health care coverage; or

(5) the federal child dependency tax credit is not addressed in the order and the noncustodial parent is ordered to carry health care coverage.

(b) For a motion brought under this subdivision, a modification of the medical support terms of an order may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification, but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record.

(c) The court need not hold an evidentiary hearing on a motion brought under this subdivision for modification of medical support only.

(d) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions brought under this subdivision.

(e) The PICS originally stated in the order being modified shall be used to determine the modified medical support order under section 518A.41 for motions brought under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 69. Minnesota Statutes 2014, section 518A.41, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this chapter and chapter 518.

(a) "Health care coverage" means medical, dental, or other health care benefits that are provided by one or more health plans. Health care coverage does not include any form of public coverage.

(b) "Health carrier" means a carrier as defined in sections 62A.011, subdivision 2, and 62L.02, subdivision 16.

(c) "Health plan" means a plan, other than any form of public coverage, that provides medical, dental, or other health care benefits and is:

(1) provided on an individual or group basis;

(2) provided by an employer or union;

(3) purchased in the private market; or

(4) available to a person eligible to carry insurance for the joint child, including a party's spouse or parent.

Health plan includes, but is not limited to, a plan meeting the definition under section 62A.011, subdivision 3, except that the exclusion of coverage designed solely to provide dental or vision care under section 62A.011, subdivision 3, clause (6), does not apply to the definition of health plan under this section; a group health plan governed under the federal Employee Retirement Income Security Act of 1974 (ERISA); a self-insured plan under sections 43A.23 to 43A.317 and 471.617; and a policy, contract, or certificate issued by a community-integrated service network licensed under chapter 62N.

(d) "Medical support" means providing health care coverage for a joint child by carrying health care coverage for the joint child or by contributing to the cost of health care coverage, public coverage, unreimbursed medical expenses, and uninsured medical expenses of the joint child.

(e) "National medical support notice" means an administrative notice issued by the public authority to enforce health insurance provisions of a support order in accordance with Code of Federal Regulations, title 45, section 303.32, in cases where the public authority provides support enforcement services.

(f) "Public coverage" means health care benefits provided by any form of medical assistance under chapter 256B ~~or MinnesotaCare under chapter 256L~~. Public coverage does not include MinnesotaCare or health plans subsidized by federal premium tax credits or federal cost-sharing reductions.

(g) "Uninsured medical expenses" means a joint child's reasonable and necessary health-related expenses if the joint child is not covered by a health plan or public coverage when the expenses are incurred.

(h) "Unreimbursed medical expenses" means a joint child's reasonable and necessary health-related expenses if a joint child is covered by a health plan or public coverage and the plan or coverage does not pay for the total cost of the expenses when the expenses are incurred. Unreimbursed medical expenses do not include the cost of premiums. Unreimbursed medical expenses include, but are not limited to, deductibles, co-payments, and expenses for orthodontia, and prescription eyeglasses and contact lenses, but not over-the-counter medications if coverage is under a health plan.

Sec. 70. Minnesota Statutes 2014, section 518A.41, subdivision 3, is amended to read:

Subd. 3. **Determining appropriate health care coverage.** In determining whether a parent has appropriate health care coverage for the joint child, the court must consider the following factors:

(1) comprehensiveness of health care coverage providing medical benefits. Dependent health care coverage providing medical benefits is presumed comprehensive if it includes medical and hospital coverage and provides for preventive, emergency, acute, and chronic care; or if it meets the minimum essential coverage definition in United States Code, title 26, section 5000A(f). If both parents have health care coverage providing medical benefits that is presumed comprehensive under this paragraph, the court must determine which parent's coverage is more comprehensive by considering what other benefits are included in the coverage;

(2) accessibility. Dependent health care coverage is accessible if the covered joint child can obtain services from a health plan provider with reasonable effort by the parent with whom the joint child resides. Health care coverage is presumed accessible if:

(i) primary care is available within 30 minutes or 30 miles of the joint child's residence and specialty care is available within 60 minutes or 60 miles of the joint child's residence;

(ii) the health care coverage is available through an employer and the employee can be expected to remain employed for a reasonable amount of time; and

(iii) no preexisting conditions exist to unduly delay enrollment in health care coverage;

(3) the joint child's special medical needs, if any; and

(4) affordability. Dependent health care coverage is affordable if it is reasonable in cost. If both parents have health care coverage available for a joint child that is comparable with regard to comprehensiveness of medical benefits, accessibility, and the joint child's special needs, the least costly health care coverage is presumed to be the most appropriate health care coverage for the joint child.

Sec. 71. Minnesota Statutes 2014, section 518A.41, subdivision 4, is amended to read:

Subd. 4. **Ordering health care coverage.** (a) If a joint child is presently enrolled in health care coverage, the court must order that the parent who currently has the joint child enrolled continue that enrollment unless the parties agree otherwise or a party requests a change in coverage and the court determines that other health care coverage is more appropriate.

(b) If a joint child is not presently enrolled in health care coverage providing medical benefits, upon motion of a parent or the public authority, the court must determine whether one or both parents have appropriate health care coverage providing medical benefits for the joint child.

(c) If only one parent has appropriate health care coverage providing medical benefits available, the court must order that parent to carry the coverage for the joint child.

(d) If both parents have appropriate health care coverage providing medical benefits available, the court must order the parent with whom the joint child resides to carry the coverage for the joint child, unless:

(1) a party expresses a preference for health care coverage providing medical benefits available through the parent with whom the joint child does not reside;

(2) the parent with whom the joint child does not reside is already carrying dependent health care coverage providing medical benefits for other children and the cost of contributing to the premiums of the other parent's coverage would cause the parent with whom the joint child does not reside extreme hardship; or

(3) the parties agree as to which parent will carry health care coverage providing medical benefits and agree on the allocation of costs.

(e) If the exception in paragraph (d), clause (1) or (2), applies, the court must determine which parent has the most appropriate coverage providing medical benefits available and order that parent to carry coverage for the joint child.

(f) If neither parent has appropriate health care coverage available, the court must order the parents to:

(1) contribute toward the actual health care costs of the joint children based on a pro rata share; or

(2) if the joint child is receiving any form of public coverage, the parent with whom the joint child does not reside shall contribute a monthly amount toward the actual cost of public coverage. The amount of the noncustodial parent's contribution is determined by applying the noncustodial parent's PICS to the premium ~~schedule for public coverage~~ scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). If the noncustodial parent's PICS meets the eligibility requirements for ~~public coverage~~ MinnesotaCare, the

contribution is the amount the noncustodial parent would pay for the child's premium. If the noncustodial parent's PICS exceeds the eligibility requirements ~~for public coverage~~, the contribution is the amount of the premium for the highest eligible income on the ~~appropriate~~ premium ~~schedule for public coverage~~ scale for MinnesotaCare under section 256L.15, subdivision 2, paragraph (d). For purposes of determining the premium amount, the noncustodial parent's household size is equal to one parent plus the child or children who are the subject of the child support order. The custodial parent's obligation is determined under the requirements for public coverage as set forth in chapter 256B ~~or 256L.~~; or

(3) if the noncustodial parent's PICS meet the eligibility requirement for public coverage under chapter 256B or the noncustodial parent receives public assistance, the noncustodial parent must not be ordered to contribute toward the cost of public coverage.

(g) If neither parent has appropriate health care coverage available, the court may order the parent with whom the child resides to apply for public coverage for the child.

(h) The commissioner of human services must publish a table with the premium schedule for public coverage and update the chart for changes to the schedule by July 1 of each year.

(i) If a joint child is not presently enrolled in health care coverage providing dental benefits, upon motion of a parent or the public authority, the court must determine whether one or both parents have appropriate dental health care coverage for the joint child, and the court may order a parent with appropriate dental health care coverage available to carry the coverage for the joint child.

(j) If a joint child is not presently enrolled in available health care coverage providing benefits other than medical benefits or dental benefits, upon motion of a parent or the public authority, the court may determine whether that other health care coverage for the joint child is appropriate, and the court may order a parent with that appropriate health care coverage available to carry the coverage for the joint child.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 72. Minnesota Statutes 2014, section 518A.41, subdivision 14, is amended to read:

Subd. 14. **Child support enforcement services.** The public authority must take necessary steps to establish ~~and enforce~~, enforce, and modify an order for medical support if the joint child receives public assistance or a party completes an application for services from the public authority under section 518A.51.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 73. Minnesota Statutes 2014, section 518A.41, subdivision 15, is amended to read:

Subd. 15. **Enforcement.** (a) Remedies available for collecting and enforcing child support apply to medical support.

(b) For the purpose of enforcement, the following are additional support:

(1) the costs of individual or group health or hospitalization coverage;

(2) dental coverage;

(3) medical costs ordered by the court to be paid by either party, including health care coverage premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered; and

(4) liabilities established under this subdivision.

(c) A party who fails to carry court-ordered dependent health care coverage is liable for the joint child's uninsured medical expenses unless a court order provides otherwise. A party's failure to carry court-ordered coverage, or to provide other medical support as ordered, is a basis for modification of ~~a~~ medical support ~~order~~ under section 518A.39, subdivision ~~2~~ 8, unless it meets the presumption in section 518A.39, subdivision 2.

(d) Payments by the health carrier or employer for services rendered to the dependents that are directed to a party not owed reimbursement must be endorsed over to and forwarded to the vendor or appropriate party or the public authority. A party retaining insurance reimbursement not owed to the party is liable for the amount of the reimbursement.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 74. Minnesota Statutes 2014, section 518A.43, is amended by adding a subdivision to read:

Subd. 1a. **Income disparity between parties.** The court may deviate from the presumptive child support obligation under section 518A.34 and elect not to order a party who has between ten and 45 percent parenting time to pay basic support where such a significant disparity of income exists between the parties that an order directing payment of basic support would be detrimental to the parties' joint child.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 75. Minnesota Statutes 2014, section 518A.46, subdivision 3, is amended to read:

Subd. 3. **Contents of pleadings.** (a) In cases involving establishment or modification of a child support order, the initiating party shall include the following information, if known, in the pleadings:

(1) names, addresses, and dates of birth of the parties;

(2) Social Security numbers of the parties and the minor children of the parties, which information shall be considered private information and shall be available only to the parties, the court, and the public authority;

(3) other support obligations of the obligor;

(4) names and addresses of the parties' employers;

(5) gross income of the parties as calculated in section 518A.29;

(6) amounts and sources of any other earnings and income of the parties;

(7) health insurance coverage of parties;

(8) types and amounts of public assistance received by the parties, including Minnesota family investment plan, child care assistance, medical assistance, ~~MinnesotaCare,~~ title IV-E foster care, or other form of assistance as defined in section 256.741, subdivision 1; and

(9) any other information relevant to the computation of the child support obligation under section 518A.34.

(b) For all matters scheduled in the expedited process, whether or not initiated by the public authority, the nonattorney employee of the public authority shall file with the court and serve on the parties the following information:

(1) information pertaining to the income of the parties available to the public authority from the Department of Employment and Economic Development;

(2) a statement of the monthly amount of child support, medical support, child care, and arrears currently being charged the obligor on Minnesota IV-D cases;

(3) a statement of the types and amount of any public assistance, as defined in section 256.741, subdivision 1, received by the parties; and

(4) any other information relevant to the determination of support that is known to the public authority and that has not been otherwise provided by the parties.

The information must be filed with the court or child support magistrate at least five days before any hearing involving child support, medical support, or child care reimbursement issues.

Sec. 76. Minnesota Statutes 2014, section 518A.46, is amended by adding a subdivision to read:

Subd. 3a. **Contents of pleadings for medical support modifications.** (a) In cases involving modification of only the medical support portion of a child support order under section 518A.39, subdivision 8, the initiating party shall include the following information, if known, in the pleadings:

(1) names, addresses, and dates of birth of the parties;

(2) Social Security numbers of the parties and the minor children of the parties, which shall be considered private information and shall be available only to the parties, the court, and the public authority;

(3) names and addresses of the parties' employers;

(4) gross income of the parties as stated in the order being modified;

(5) health insurance coverage of the parties; and

(6) any other information relevant to the determination of the medical support obligation under section 518A.41.

(b) For all matters scheduled in the expedited process, whether or not initiated by the public authority, the nonattorney employee of the public authority shall file with the court and serve on the parties the following information:

(1) a statement of the monthly amount of child support, medical support, child care, and arrears currently being charged the obligor on Minnesota IV-D cases;

(2) a statement of the amount of medical assistance received by the parties; and

(3) any other information relevant to the determination of medical support that is known to the public authority and that has not been otherwise provided by the parties.

The information must be filed with the court or child support magistrate at least five days before the hearing on the motion to modify medical support.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 77. Minnesota Statutes 2014, section 518A.51, is amended to read:

518A.51 FEES FOR IV-D SERVICES.

(a) When a recipient of IV-D services is no longer receiving assistance under the state's title IV-A, IV-E foster care, or medical assistance~~, or MinnesotaCare~~ programs, the public authority responsible for child support enforcement must notify the recipient, within five working days of the notification of ineligibility, that IV-D services will be continued unless the public authority is notified to the contrary by the recipient. The notice must include the implications of continuing to receive IV-D services, including the available services and fees, cost recovery fees, and distribution policies relating to fees.

~~(b) An application fee of $25 shall be paid by the person who applies for child support and maintenance collection services, except persons who are receiving public assistance as defined in section 256.741 and the diversionary work program under section 256J.95, persons who transfer from public assistance to nonpublic assistance status, and minor parents and parents enrolled in a public secondary school, area learning center, or alternative learning program approved by the commissioner of education.~~

~~(c)~~ (b) In the case of an individual who has never received assistance under a state program funded under title IV-A of the Social Security Act and for whom the public authority has collected at least $500 of support, the public authority must impose an annual federal collections fee of $25 for each case in which services are furnished. This fee must be retained by the public authority from support collected on behalf of the individual, but not from the first $500 collected.

~~(d)~~ (c) When the public authority provides full IV-D services to an obligee who has applied for those services, upon written notice to the obligee, the public authority must charge a cost recovery fee of two percent of the amount collected. This fee must be deducted from the amount of the child support and maintenance collected and not assigned under section 256.741 before disbursement to the obligee. This fee does not apply to an obligee who:

(1) is currently receiving assistance under the state's title IV-A, IV-E foster care, or medical assistance~~, or MinnesotaCare~~ programs; or

(2) has received assistance under the state's title IV-A or IV-E foster care programs, until the person has not received this assistance for 24 consecutive months.

~~(e)~~ (d) When the public authority provides full IV-D services to an obligor who has applied for such services, upon written notice to the obligor, the public authority must charge a cost recovery fee of two percent of the monthly court-ordered child support and maintenance obligation. The fee may be collected through income withholding, as well as by any other enforcement remedy available to the public authority responsible for child support enforcement.

~~(f)~~ (e) Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided. The public authority upon written notice to the obligee shall assess a fee of $25 to the person not receiving public assistance for each successful federal tax interception. The fee must be withheld prior to the release of the funds received from each interception and deposited in the general fund.

~~(g)~~ (f) Federal collections fees collected under paragraph ~~(c)~~ (b) and cost recovery fees collected under paragraphs (c) and (d) ~~and (e)~~ retained by the commissioner of human services shall be considered child support program income according to Code of Federal Regulations, title 45, section 304.50, and shall be deposited in the special revenue fund account established under paragraph ~~(i)~~ (h). The commissioner of human services must elect to recover costs based on either actual or standardized costs.

~~(h)~~ (g) The limitations of this section on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the

programs under title IV-A and title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

~~(i)~~ (h) The commissioner of human services is authorized to establish a special revenue fund account to receive the federal collections fees collected under paragraph ~~(c)~~ (b) and cost recovery fees collected under paragraphs (c) and (d) ~~and (c)~~.

~~(j)~~ (i) The nonfederal share of the cost recovery fee revenue must be retained by the commissioner and distributed as follows:

(1) one-half of the revenue must be transferred to the child support system special revenue account to support the state's administration of the child support enforcement program and its federally mandated automated system;

(2) an additional portion of the revenue must be transferred to the child support system special revenue account for expenditures necessary to administer the fees; and

(3) the remaining portion of the revenue must be distributed to the counties to aid the counties in funding their child support enforcement programs.

~~(k)~~ (j) The nonfederal share of the federal collections fees must be distributed to the counties to aid them in funding their child support enforcement programs.

~~(l)~~ (k) The commissioner of human services shall distribute quarterly any of the funds dedicated to the counties under paragraphs (i) and (j) ~~and (k)~~ using the methodology specified in section 256.979, subdivision 11. The funds received by the counties must be reinvested in the child support enforcement program and the counties must not reduce the funding of their child support programs by the amount of the funding distributed.

EFFECTIVE DATE. This section is effective July 1, 2016, except that the amendments striking MinnesotaCare are effective July 1, 2015.

Sec. 78. Minnesota Statutes 2014, section 518A.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings provided in this subdivision unless otherwise stated.

(b) "Payor of funds" means any person or entity that provides funds to an obligor, including an employer as defined under chapter 24 of the Internal Revenue Code, section 3401(d), an independent contractor, payor of worker's compensation benefits or unemployment benefits, or a financial institution as defined in section 13B.06.

(c) "Business day" means a day on which state offices are open for regular business.

(d) "Arrears" ~~means amounts owed under a support order that are past due~~ has the meaning given in section 518A.26, subdivision 3.

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

Sec. 79. Minnesota Statutes 2014, section 518A.53, subdivision 4, is amended to read:

Subd. 4. **Collection services.** (a) The commissioner of human services shall prepare and make available to the courts a notice of services that explains child support and maintenance collection services available through the public authority, including income withholding, and the fees for such services. Upon receiving a petition for dissolution of marriage or legal separation, the court administrator shall promptly send the notice of services to the petitioner and respondent at the addresses stated in the petition.

(b) Either the obligee or obligor may at any time apply to the public authority for either full IV-D services or for income withholding only services.

(c) For those persons applying for income withholding only services, a monthly service fee of $15 must be charged to the obligor. This fee is in addition to the amount of the support order and shall be withheld through income withholding. The public authority shall explain the service options in this section to the affected parties and encourage the application for full child support collection services.

(d) If the obligee is not a current recipient of public assistance as defined in section 256.741, the person who applied for services may at any time choose to terminate either full IV-D services or income withholding only services regardless of whether income withholding is currently in place. The obligee or obligor may reapply for either full IV-D services or income withholding only services at any time. ~~Unless the applicant is a recipient of public assistance as defined in section 256.741, a $25 application fee shall be charged at the time of each application.~~

(e) When a person terminates IV-D services, if an arrearage for public assistance as defined in section 256.741 exists, the public authority may continue income withholding, as well as use any other enforcement remedy for the collection of child support, until all public assistance arrears are paid in full. Income withholding shall be in an amount equal to 20 percent of the support order in effect at the time the services terminated, unless the court has ordered a specific monthly payback amount to be applied toward the arrears. If a support order includes a specific monthly payback amount, income withholding shall be for the specific monthly payback amount ordered.

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

Sec. 80. Minnesota Statutes 2014, section 518A.53, subdivision 10, is amended to read:

Subd. 10. **Arrearage order.** (a) This section does not prevent the court from ordering the payor of funds to withhold amounts to satisfy the obligor's previous arrearage in support order payments. This remedy shall not operate to exclude availability of other remedies to enforce judgments. The employer or payor of funds shall withhold from

the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid, unless the court has ordered a specific monthly payback amount toward the arrears. If a support order includes a specific monthly payback amount, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to the specific monthly payback amount ordered until all arrearages are paid.

(b) Notwithstanding any law to the contrary, funds from income sources included in section 518A.26, subdivision 8, whether periodic or lump sum, are not exempt from attachment or execution upon a judgment for child support arrearage.

(c) Absent an order to the contrary, if an arrearage exists at the time a support order would otherwise terminate, income withholding shall continue in effect or may be implemented in an amount equal to the support order plus an additional 20 percent of the monthly child support obligation, until all arrears have been paid in full.

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

Sec. 81. Minnesota Statutes 2014, section 518A.60, is amended to read:

518A.60 COLLECTION; ARREARS ONLY.

(a) Remedies available for the collection and enforcement of support in this chapter and chapters 256, 257, 518, and 518C also apply to cases in which the child or children for whom support is owed are emancipated and the obligor owes past support or has an accumulated arrearage as of the date of the youngest child's emancipation. Child support arrearages under this section include arrearages for child support, medical support, child care, pregnancy and birth expenses, and unreimbursed medical expenses as defined in section 518A.41, subdivision 1, paragraph (h).

(b) This section applies retroactively to any support arrearage that accrued on or before June 3, 1997, and to all arrearages accruing after June 3, 1997.

(c) Past support or pregnancy and confinement expenses ordered for which the obligor has specific court ordered terms for repayment may not be enforced using drivers' and occupational or professional license suspension~~,~~ and credit bureau reporting, ~~and additional income withholding under section 518A.53, subdivision 10, paragraph (a),~~ unless the obligor fails to comply with the terms of the court order for repayment.

(d) If an arrearage exists at the time a support order would otherwise terminate and section 518A.53, subdivision 10, paragraph (c), does not apply to this section, the arrearage shall be repaid in an amount equal to the current support order until all arrears have been paid in full, absent a court order to the contrary.

(e) If an arrearage exists according to a support order which fails to establish a monthly support obligation in a specific dollar amount, the public authority, if it provides child support services, or the obligee, may establish a payment agreement which shall equal what the obligor would pay for current support after application of section 518A.34, plus an additional 20 percent of the current support obligation, until all arrears have been paid in full. If the obligor fails to enter into or comply with a payment agreement, the public authority, if it provides child support services, or the obligee, may move the district court or child support magistrate, if section 484.702 applies, for an order establishing repayment terms.

(f) If there is no longer a current support order because all of the children of the order are emancipated, the public authority may discontinue child support services and close its case under title IV-D of the Social Security Act if:

(1) the arrearage is under $500; or

(2) the arrearage is considered unenforceable by the public authority because there have been no collections for three years, and all administrative and legal remedies have been attempted or are determined by the public authority to be ineffective because the obligor is unable to pay, the obligor has no known income or assets, and there is no reasonable prospect that the obligor will be able to pay in the foreseeable future.

(g) At least 60 calendar days before the discontinuation of services under paragraph (f), the public authority must mail a written notice to the obligee and obligor at the obligee's and obligor's last known addresses that the public authority intends to close the child support enforcement case and explaining each party's rights. Seven calendar days after the first notice is mailed, the public authority must mail a second notice under this paragraph to the obligee.

(h) The case must be kept open if the obligee responds before case closure and provides information that could reasonably lead to collection of arrears. If the case is closed, the obligee may later request that the case be reopened by completing a new application for services, if there is a change in circumstances that could reasonably lead to the collection of arrears.

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

Sec. 82. **[518A.685] CONSUMER REPORTING AGENCY; REPORTING ARREARS.**

(a) If a public authority determines that an obligor has not paid the current monthly support obligation plus any required arrearage payment for three consecutive months, the public authority must report this information to a consumer reporting agency.

(b) Before reporting that an obligor is in arrears for court-ordered child support, the public authority must:

(1) provide written notice to the obligor that the public authority intends to report the arrears to a consumer agency; and

(2) mail the written notice to the obligor's last known mailing address 30 days before the public authority reports the arrears to a consumer reporting agency.

(c) The obligor may, within 21 days of receipt of the notice, do the following to prevent the public authority from reporting the arrears to a consumer reporting agency:

(1) pay the arrears in full; or

(2) request an administrative review. An administrative review is limited to issues of mistaken identity, a pending legal action involving the arrears, or an incorrect arrears balance.

(d) If a public authority has reported that an obligor is in arrears for court-ordered child support and subsequently determines that the obligor has paid the court-ordered child support arrears in full, or is paying the current monthly support obligation plus any required arrearage payment, the public authority must report to the consumer reporting agency that the obligor is currently paying child support as ordered by the court.

(e) A public authority that reports arrearage information under this section must make monthly reports to a consumer reporting agency. The monthly report must be consistent with credit reporting industry standards for child support.

(f) For purposes of this section, "consumer reporting agency" has the meaning given in section 13C.001, subdivision 4, and United States Code, title 15, section 1681a(f).

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

Sec. 83. Minnesota Statutes 2014, section 518C.802, is amended to read:

518C.802 CONDITIONS OF RENDITION.

(a) Before making demand that the governor of another state surrender an individual charged criminally in this state with having failed to provide for the support of an obligee, the governor of this state may require a prosecutor of this state to demonstrate that at least 60 days previously the obligee had initiated proceedings for support pursuant to this chapter or that the proceeding would be of no avail.

(b) If, under this chapter or a law substantially similar to this chapter, ~~the Uniform Reciprocal Enforcement of Support Act, or the Revised Uniform Reciprocal Enforcement of Support Act,~~ the governor of another state makes a demand that the governor of this state surrender an individual charged criminally in that state with having failed to

provide for the support of a child or other individual to whom a duty of support is owed, the governor may require a prosecutor to investigate the demand and report whether a proceeding for support has been initiated or would be effective. If it appears that a proceeding would be effective but has not been initiated, the governor may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

(c) If a proceeding for support has been initiated and the individual whose rendition is demanded prevails, the governor may decline to honor the demand. If the petitioner prevails and the individual whose rendition is demanded is subject to a support order, the governor may decline to honor the demand if the individual is complying with the support order.

Sec. 84. Minnesota Statutes 2014, section 626.556, subdivision 1, as amended by Laws 2015, chapter 4, section 1, is amended to read:

Subdivision 1. **Public policy.** (a) The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect, or sexual abuse. While it is recognized that most parents want to keep their children safe, sometimes circumstances or conditions interfere with their ability to do so. When this occurs, the health and safety of the children ~~shall~~ must be of paramount concern. Intervention and prevention efforts ~~shall~~ must address immediate concerns for child safety and the ongoing risk of abuse or neglect and should engage the protective capacities of families. In furtherance of this public policy, it is the intent of the legislature under this section to:

(1) protect children and promote child safety;

(2) strengthen the family;

(3) make the home, school, and community safe for children by promoting responsible child care in all settings; and

(4) provide, when necessary, a safe temporary or permanent home environment for physically or sexually abused or neglected children.

(b) In addition, it is the policy of this state to:

(1) require the reporting of neglect or physical or sexual abuse of children in the home, school, and community settings;

(2) provide for the voluntary reporting of abuse or neglect of children; ~~to require a family assessment, when appropriate, as the preferred response to reports not alleging substantial child endangerment;~~

(3) require an investigation when the report alleges sexual abuse or substantial child endangerment;

(4) provide a family assessment, if appropriate, when the report does not allege sexual abuse or substantial child endangerment; and

~~(4)~~ (5) provide protective, family support, and family preservation services when needed in appropriate cases.

Sec. 85. Minnesota Statutes 2014, section 626.556, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege sexual abuse or substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(b) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve sexual abuse or substantial child endangerment, and for reports of maltreatment in facilities required to be licensed under chapter 245A or 245D; under sections 144.50 to 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10; or in a nonlicensed personal care provider association as defined in section 256B.0625, subdivision 19a.

(c) "Substantial child endangerment" means a person responsible for a child's care, ~~and in the case of sexual abuse includes a person who has a significant relationship to the child as defined in section 609.341, or a person in a position of authority as defined in section 609.341, who~~ by act or omission, commits or attempts to commit an act against a child under their care that constitutes any of the following:

(1) egregious harm as defined in section 260C.007, subdivision 14;

(2) ~~sexual abuse as defined in paragraph (d);~~

~~(3)~~ abandonment under section 260C.301, subdivision 2;

~~(4)~~ (3) neglect as defined in paragraph (f), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

~~(5)~~ (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

~~(6)~~ (5) manslaughter in the first or second degree under section 609.20 or 609.205;

~~(7)~~ (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

~~(8)~~ (7) solicitation, inducement, and promotion of prostitution under section 609.322;

~~(9)~~ (8) criminal sexual conduct under sections 609.342 to 609.3451;

~~(10)~~ (9) solicitation of children to engage in sexual conduct under section 609.352;

~~(11)~~ (10) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

~~(12)~~ (11) use of a minor in sexual performance under section 617.246; or

~~(13)~~ (12) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.503, subdivision 2.

(d) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

(e) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(f) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (9), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(g) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental

means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 125A.0942 or 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following ~~that are done in anger or without regard to the safety of the child~~:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age ~~one~~ four on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(h) "Report" means any ~~report~~ communication received by the local welfare agency, police department, county sheriff, or agency responsible for ~~assessing or investigating maltreatment~~ child protection pursuant to this section that describes neglect or physical or sexual abuse of a child and contains sufficient content to identify the child and any person believed to be responsible for the neglect or abuse, if known.

(i) "Facility" means:

(1) a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245D;

(2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or

(3) a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

(j) "Operator" means an operator or agency as defined in section 245A.02.

(k) "Commissioner" means the commissioner of human services.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(n) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (e), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction.

A child is the subject of a report of threatened injury when the responsible social services agency receives birth match data under paragraph (o) from the Department of Human Services.

(o) Upon receiving data under section 144.225, subdivision 2b, contained in a birth record or recognition of parentage identifying a child who is subject to threatened injury under paragraph (n), the Department of Human Services shall send the data to the responsible social services agency. The data is known as "birth match" data. Unless the responsible social services agency has already begun an investigation or assessment of the

report due to the birth of the child or execution of the recognition of parentage and the parent's previous history with child protection, the agency shall accept the birth match data as a report under this section. The agency may use either a family assessment or investigation to determine whether the child is safe. All of the provisions of this section apply. If the child is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(p) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

(q) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:

(1) is not likely to occur and could not have been prevented by exercise of due care; and

(2) if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

(r) "Nonmaltreatment mistake" means:

(1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minnesota Rules, part 9503.0045;

(2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;

(3) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

(4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and

(5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident.

This definition only applies to child care centers licensed under Minnesota Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of

substantiated maltreatment by the individual, the commissioner of human services shall determine that a nonmaltreatment mistake was made by the individual.

Sec. 86. Minnesota Statutes 2014, section 626.556, subdivision 3, is amended to read:

Subd. 3. **Persons mandated to report; persons voluntarily reporting.** (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, correctional supervision, probation and correctional services, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

~~The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency, or agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency, agency responsible for assessing or investigating reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.~~

(b) Any person may voluntarily report to the local welfare agency, agency responsible for assessing or investigating the report, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. ~~The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency or agency responsible for assessing or investigating the report, orally and in writing. The local welfare agency or~~

~~agency responsible for assessing or investigating the report, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.~~

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245D; or a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b. A board or other entity whose licensees perform work within a school facility, upon receiving a complaint of alleged maltreatment, shall provide information about the circumstances of the alleged maltreatment to the commissioner of education. Section 13.03, subdivision 4, applies to data received by the commissioner of education from a licensing entity.

(d) ~~Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.~~ Notification requirements under subdivision 10 apply to all reports received under this section.

(e) For purposes of this section, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 87. Minnesota Statutes 2014, section 626.556, subdivision 6a, is amended to read:

Subd. 6a. **Failure to notify.** If a local welfare agency receives a report under subdivision 3, paragraph (a) or (b), and fails to notify the local police department or county sheriff as required by subdivision ~~3, paragraph (a) or (b)~~ 10, the person within the agency who is responsible for ensuring that notification is made shall be subject to disciplinary action in keeping with the agency's existing policy or collective bargaining agreement on discipline of employees. If a local police department or a county sheriff receives a report under subdivision 3, paragraph (a) or (b), and fails to notify the local welfare agency as required by subdivision ~~3, paragraph (a) or (b)~~ 10, the person within the police department or county sheriff's office who is responsible for ensuring that notification is made shall be subject to disciplinary action in keeping with the agency's existing policy or collective bargaining agreement on discipline of employees.

Sec. 88. Minnesota Statutes 2014, section 626.556, subdivision 7, as amended by Laws 2015, chapter 4, section 2, is amended to read:

Subd. 7. **Report; information provided to parent; reporter.** (a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) The local welfare agency shall determine if the report is ~~accepted for an assessment or investigation~~ to be screened in or out as soon as possible but in no event longer than 24 hours after the report is received. When determining whether a report will be screened in or out, the agency receiving the report must consider, when relevant, all previous history, including reports that were screened out. The agency may communicate with treating professionals and individuals specified under subdivision 10, paragraph (i), clause (3), item (iii).

~~(b)~~ (c) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the abuse or neglect of the child if the person is known, the nature and extent of the abuse or neglect and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under subdivision 3 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency or the agency responsible for assessing or investigating the report. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department or the agency responsible for assessing or investigating the report shall be forwarded immediately to the local police department or the county sheriff.

~~(c)~~ (d) When requested, the agency responsible for assessing or investigating a report shall inform the reporter within ten days after the report was made, either orally or in writing, whether the report was accepted or not. If the responsible agency determines the report does not constitute a report under this section, the agency shall advise the reporter the report was screened out. Any person mandated to report shall receive a summary of the disposition of any report made by that reporter, including whether the case has been opened for child protection or other services, or if a referral has been made to a community organization, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare

agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) Reports that are not screened in must be maintained in accordance with subdivision 11c, paragraph (a).

~~(d)~~ (f) Notwithstanding paragraph (a), the commissioner of education must inform the parent, guardian, or legal custodian of the child who is the subject of a report of alleged maltreatment in a school facility within ten days of receiving the report, either orally or in writing, whether the commissioner is assessing or investigating the report of alleged maltreatment.

~~(e)~~ (g) Regardless of whether a report is made under this subdivision, as soon as practicable after a school receives information regarding an incident that may constitute maltreatment of a child in a school facility, the school shall inform the parent, legal guardian, or custodian of the child that an incident has occurred that may constitute maltreatment of the child, when the incident occurred, and the nature of the conduct that may constitute maltreatment.

~~(f)~~ (h) A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 89. Minnesota Statutes 2014, section 626.556, is amended by adding a subdivision to read:

Subd. 7a. **Mandatory guidance for screening reports.** (a) Child protection intake workers, supervisors, and others involved with child protection screening shall, at a minimum, follow the guidance provided in the Minnesota Child Maltreatment Screening Guidelines when screening reports and, when notified by the commissioner of human services, shall immediately implement updated procedures and protocols.

(b) Any modifications to the screening guidelines by the county agency must be preapproved by the commissioner of human services and must not be less protective of children than is mandated by statute. The guidelines may provide additional protections for children but must not limit reports that are screened in or provide additional limits on consideration of reports that were screened out in making screening determinations.

Sec. 90. Minnesota Statutes 2014, section 626.556, subdivision 10, is amended to read:

Subd. 10. **Duties of local welfare agency and local law enforcement agency upon receipt of report; mandatory notification between police or sheriff and agency.** (a)

The police department or the county sheriff shall immediately notify the local welfare agency or agency responsible for child protection reports under this section orally and in writing when a report is received. The local welfare agency or agency responsible for child protection reports shall immediately notify the local police department or the county sheriff orally and in writing when a report is received. The county sheriff and the head of every local welfare agency, agency responsible for child protection reports, and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph are carried out.

(b) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment or an investigation as appropriate to prevent or provide a remedy for child maltreatment. The local welfare agency:

(1) shall conduct an investigation on reports involving sexual abuse or substantial child endangerment;

(2) shall begin an immediate investigation if, at any time when it is using a family assessment response, it determines that there is reason to believe that sexual abuse or substantial child endangerment or a serious threat to the child's safety exists;

(3) may conduct a family assessment for reports that do not allege sexual abuse or substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response; and

(4) may conduct a family assessment on a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation.

If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, or sexual abuse by a person with a significant relationship to the child when that person resides in the child's household or by a sibling, the local welfare agency shall immediately conduct a family assessment or investigation as identified in clauses (1) to (4). In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence and offer services for purposes of preventing future child maltreatment, safeguarding and enhancing the welfare of the abused or neglected minor, and supporting and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section

609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation or assessment. In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part 9530.6615.

~~(b)~~ (c) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97. The commissioner of education shall inform the ombudsman established under sections 245.91 to 245.97 of reports regarding a child defined as a client in section 245.91 that maltreatment occurred at a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10.

~~(c)~~ (d) Authority of the local welfare agency responsible for assessing or investigating the child abuse or neglect report, the agency responsible for assessing or investigating the report, and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged offender. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official. For family assessments, it is the preferred practice to request a parent or guardian's permission to interview the child prior to conducting the child interview, unless doing so would compromise the safety assessment. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of

the investigation or assessment that this interview has occurred. Notwithstanding rule 32 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

~~(d)~~ (e) When the local welfare, local law enforcement agency, or the agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the local social services agency or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until that time, the local welfare or law enforcement agency or the agency responsible for assessing or investigating a report of maltreatment shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged offender is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every

effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

~~(e)~~ (f) Where the alleged offender or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the alleged offender or any person responsible for the child's care at reasonable places and times as specified by court order.

~~(f)~~ (g) Before making an order under paragraph ~~(e)~~ (f), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

~~(g)~~ (h) The commissioner of human services, the ombudsman for mental health and developmental disabilities, the local welfare agencies responsible for investigating reports, the commissioner of education, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

~~(h)~~ (i) The local welfare agency responsible for conducting a family assessment or investigation shall collect available and relevant information to determine child safety, risk of subsequent child maltreatment, and family strengths and needs and share not public information with an Indian's tribal social services agency without violating any law of the state that may otherwise impose duties of confidentiality on the local welfare agency in order to implement the tribal state agreement. The local welfare agency or the agency responsible for investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed. Information collected includes, when relevant, information with regard to the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other

collateral sources having relevant information related to the alleged maltreatment. The local welfare agency or the agency responsible for investigating the report may make a determination of no maltreatment early in an investigation, and close the case and retain immunity, if the collected information shows no basis for a full investigation.

Information relevant to the assessment or investigation must be asked for, and may include:

(1) the child's sex and age, prior reports of maltreatment, information relating to developmental functioning, credibility of the child's statement, and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions. The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation;

(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child maintained by any facility, clinic, or health care professional and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

Nothing in this paragraph precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation. Notwithstanding sections 13.384 or 144.291 to 144.298, the local welfare agency has access to medical data and records for purposes of clause (3). Notwithstanding the data's classification in the possession of any other agency, data acquired by the local welfare agency or the agency responsible for assessing or investigating the report during the course of the assessment or investigation are private data on individuals and must be maintained in accordance with subdivision 11. Data of the commissioner of education collected or maintained during and for the purpose of an investigation of

alleged maltreatment in a school are governed by this section, notwithstanding the data's classification as educational, licensing, or personnel data under chapter 13.

In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (i), the commissioner of education shall collect investigative reports and data that are relevant to a report of maltreatment and are from local law enforcement and the school facility.

~~(i)~~ (j) Upon receipt of a report, the local welfare agency shall conduct a face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child. The face-to-face contact with the child and primary caregiver shall occur immediately if sexual abuse or substantial child endangerment is alleged and within five calendar days for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation. At the initial contact, the local child welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

~~(j)~~ (k) When conducting an investigation, the local welfare agency shall use a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. For investigations only, the following interviewing methods and procedures must be used whenever possible when collecting information:

(1) audio recordings of all interviews with witnesses and collateral sources; and

(2) in cases of alleged sexual abuse, audio-video recordings of each interview with the alleged victim and child witnesses.

~~(k)~~ (l) In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (i), the commissioner of education shall collect available and relevant information and use the procedures in paragraphs ~~(i)~~ (j), (k), and subdivision 3d, except that the requirement for face-to-face observation of the child and face-to-face interview of the alleged offender is to occur in the initial stages of the assessment or investigation provided that the commissioner may also base the assessment or investigation on investigative reports and data received from the school facility and local law enforcement, to the extent those investigations satisfy the requirements of paragraphs ~~(i) and~~ (j), (k), and subdivision 3d.

Sec. 91. Minnesota Statutes 2014, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. **Determinations.** (a) The local welfare agency shall conclude the family assessment or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

(b) After conducting a family assessment, the local welfare agency shall determine whether services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment.

(c) After conducting an investigation, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed. No determination of maltreatment shall be made when the alleged perpetrator is a child under the age of ten.

(d) If the commissioner of education conducts an assessment or investigation, the commissioner shall determine whether maltreatment occurred and what corrective or protective action was taken by the school facility. If a determination is made that maltreatment has occurred, the commissioner shall report to the employer, the school board, and any appropriate licensing entity the determination that maltreatment occurred and what corrective or protective action was taken by the school facility. In all other cases, the commissioner shall inform the school board or employer that a report was received, the subject of the report, the date of the initial report, the category of maltreatment alleged as defined in paragraph (f), the fact that maltreatment was not determined, and a summary of the specific reasons for the determination.

(e) When maltreatment is determined in an investigation involving a facility, the investigating agency shall also determine whether the facility or individual was responsible, or whether both the facility and the individual were responsible for the maltreatment using the mitigating factors in paragraph (i). Determinations under this subdivision must be made based on a preponderance of the evidence and are private data on individuals or nonpublic data as maintained by the commissioner of education.

(f) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions:

(1) physical abuse as defined in subdivision 2, paragraph (g);

(2) neglect as defined in subdivision 2, paragraph (f);

(3) sexual abuse as defined in subdivision 2, paragraph (d);

(4) mental injury as defined in subdivision 2, paragraph (m); or

(5) maltreatment of a child in a facility as defined in subdivision 2, paragraph (i).

(g) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(h) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.

(i) When determining whether the facility or individual is the responsible party, or whether both the facility and the individual are responsible for determined maltreatment in a facility, the investigating agency shall consider at least the following mitigating factors:

(1) whether the actions of the facility or the individual caregivers were according to, and followed the terms of, an erroneous physician order, prescription, individual care plan, or directive; however, this is not a mitigating factor when the facility or caregiver was responsible for the issuance of the erroneous order, prescription, individual care plan, or directive or knew or should have known of the errors and took no reasonable measures to correct the defect before administering care;

(2) comparative responsibility between the facility, other caregivers, and requirements placed upon an employee, including the facility's compliance with related regulatory standards and the adequacy of facility policies and procedures, facility training, an individual's participation in the training, the caregiver's supervision, and facility staffing levels and the scope of the individual employee's authority and discretion; and

(3) whether the facility or individual followed professional standards in exercising professional judgment.

The evaluation of the facility's responsibility under clause (2) must not be based on the completeness of the risk assessment or risk reduction plan required under section 245A.66, but must be based on the facility's compliance with the regulatory standards for policies and procedures, training, and supervision as cited in Minnesota Statutes and Minnesota Rules.

(j) Notwithstanding paragraph (i), when maltreatment is determined to have been committed by an individual who is also the facility license holder, both the individual and the facility must be determined responsible for the maltreatment, and both the background

study disqualification standards under section 245C.15, subdivision 4, and the licensing actions under sections 245A.06 or 245A.07 apply.

~~(k) Individual counties may implement more detailed definitions or criteria that indicate which allegations to investigate, as long as a county's policies are consistent with the definitions in the statutes and rules and are approved by the county board. Each local welfare agency shall periodically inform mandated reporters under subdivision 3 who work in the county of the definitions of maltreatment in the statutes and rules and any additional definitions or criteria that have been approved by the county board.~~

Sec. 92. Minnesota Statutes 2014, section 626.556, subdivision 10j, is amended to read:

Subd. 10j. **Release of data to mandated reporters.** (a) A local social services or child protection agency, or the agency responsible for assessing or investigating the report of maltreatment, ~~may~~ shall provide relevant private data on individuals obtained under this section to a mandated ~~reporters~~ reporter who made the report and who ~~have~~ has an ongoing responsibility for the health, education, or welfare of a child affected by the data, unless the agency determines that providing the data would not be in the best interests of the child. The agency may provide the data to other mandated reporters with ongoing responsibility for the health, education, or welfare of the child. Mandated reporters with ongoing responsibility for the health, education, or welfare of a child affected by the data include the child's teachers or other appropriate school personnel, foster parents, health care providers, respite care workers, therapists, social workers, child care providers, residential care staff, crisis nursery staff, probation officers, and court services personnel. Under this section, a mandated reporter need not have made the report to be considered a person with ongoing responsibility for the health, education, or welfare of a child affected by the data. Data provided under this section must be limited to data pertinent to the individual's responsibility for caring for the child.

(b) A reporter who receives private data on individuals under this subdivision must treat the data according to that classification, regardless of whether the reporter is an employee of a government entity. The remedies and penalties under sections 13.08 and 13.09 apply if a reporter releases data in violation of this section or other law.

Sec. 93. Minnesota Statutes 2014, section 626.556, subdivision 10m, is amended to read:

Subd. 10m. **Provision of child protective services; consultation with county attorney.** (a) The local welfare agency shall create a written plan, in collaboration with the family whenever possible, within 30 days of the determination that child protective

services are needed or upon joint agreement of the local welfare agency and the family that family support and preservation services are needed. Child protective services for a family are voluntary unless ordered by the court.

(b) The local welfare agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, if:

(1) the family does not accept or comply with a plan for child protective services;

(2) voluntary child protective services may not provide sufficient protection for the child; or

(3) the family is not cooperating with an investigation.

If the agency responsible for child protection under this section is an Indian tribe social service agency, the agency shall consult with the tribal authority that would be responsible for filing a petition.

Sec. 94. Minnesota Statutes 2014, section 626.556, subdivision 11c, is amended to read:

Subd. 11c. **Welfare, court services agency, and school records maintained; county duty to maintain reports.** Notwithstanding sections 138.163 and 138.17, records maintained or records derived from reports of abuse by local welfare agencies, agencies responsible for assessing or investigating the report, court services agencies, or schools under this section shall be destroyed as provided in paragraphs (a) to ~~(d)~~ (e) by the responsible authority.

(a) For reports that were not screened in, family assessment cases, and cases where an investigation results in no determination of maltreatment or the need for child protective services, the assessment or investigation records must be maintained by the local welfare agency for a period of ~~four~~ five years after the date of the final entry in the case record. Records under this paragraph may not be used for employment, background checks, or purposes other than to assist in future risk and safety assessments.

(b) All records relating to reports which, upon investigation, indicate either maltreatment or a need for child protective services shall be maintained for ten years after the date of the final entry in the case record.

(c) All records regarding a report of maltreatment, including any notification of intent to interview which was received by a school under subdivision 10, paragraph ~~(d)~~ (e), shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

(d) Private or confidential data released to a court services agency under subdivision 10h must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency or agency responsible for assessing or investigating the report shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.

(e) For reports alleging child maltreatment that were not accepted for assessment or investigation, counties shall:

(1) maintain sufficient information to identify repeat reports alleging maltreatment of the same child or children for ~~365 days~~ five years from the date the report was screened out~~.~~, and the commissioner of human services shall specify to the counties the minimum information needed to accomplish this purpose~~. Counties shall~~;

(2) document the reason as to why the report was not accepted for assessment or investigation; and

(3) enter ~~this~~ the data under clauses (1) and (2) into the state social services information system.

Sec. 95. Minnesota Statutes 2014, section 626.556, is amended by adding a subdivision to read:

Subd. 16. **Commissioner's duty to provide oversight; quality assurance reviews; annual summary results of reviews.** (a) The commissioner shall develop a plan to perform quality assurance reviews of county agency screening practices and decisions. The commissioner shall, during quality assurance reviews of county agency screening practices, assess for evidence that the screening practices and decisions have followed the guidelines for cultural competence issued by the Department of Human Services. The commissioner shall provide oversight and guidance to counties to ensure the consistent application of screening guidelines, thorough and appropriate screening decisions, and correct documentation and maintenance of reports.

(b) The commissioner shall produce an annual report of the summary results of the reviews. The report is public information and must be provided to the chairs and ranking minority members of the legislative committees having jurisdiction over child protection issues.

Sec. 96. Laws 2014, chapter 189, section 5, is amended to read:

Sec. 5. Minnesota Statutes 2012, section 518C.201, is amended to read:

518C.201 BASES FOR JURISDICTION OVER NONRESIDENT.

(a) In a proceeding to establish~~,~~ or enforce~~, or modify~~ a support order or to determine parentage of a child, a tribunal of this state may exercise personal jurisdiction over a nonresident individual or the individual's guardian or conservator if:

(1) the individual is personally served with a summons or comparable document within this state;

(2) the individual submits to the jurisdiction of this state by consent, by entering a general appearance, or by filing a responsive document having the effect of waiving any contest to personal jurisdiction;

(3) the individual resided with the child in this state;

(4) the individual resided in this state and provided prenatal expenses or support for the child;

(5) the child resides in this state as a result of the acts or directives of the individual;

(6) the individual engaged in sexual intercourse in this state and the child may have been conceived by that act of intercourse;

(7) the individual asserted parentage of a child under sections 257.51 to 257.75; or

(8) there is any other basis consistent with the constitutions of this state and the United States for the exercise of personal jurisdiction.

(b) The bases of personal jurisdiction in paragraph (a) or in any other law of this state may not be used to acquire personal jurisdiction for a tribunal of this state to modify a child support order of another state unless the requirements of section 518C.611 are met, or, in the case of a foreign support order, unless the requirements of section 518C.615 are met.

Sec. 97. Laws 2014, chapter 189, section 10, is amended to read:

Sec. 10. Minnesota Statutes 2012, section 518C.206, is amended to read:

518C.206 ~~ENFORCEMENT AND MODIFICATION OF SUPPORT ORDER BY TRIBUNAL HAVING~~ CONTINUING JURISDICTION TO ENFORCE CHILD SUPPORT ORDER.

(a) A tribunal of this state that has issued a child support order consistent with the law of this state may serve as an initiating tribunal to request a tribunal of another state to enforce:

(1) the order if the order is the controlling order and has not been modified by a tribunal of another state that assumed jurisdiction pursuant to ~~this chapter or a law substantially similar to this chapter~~ the Uniform Interstate Family Support Act; or

(2) a money judgment for arrears of support and interest on the order accrued before a determination that an order of a tribunal of another state is the controlling order.

(b) A tribunal of this state having continuing~~, exclusive~~ jurisdiction over a support order may act as a responding tribunal to enforce the order.

Sec. 98. Laws 2014, chapter 189, section 11, is amended to read:

Sec. 11. Minnesota Statutes 2012, section 518C.207, is amended to read:

518C.207 ~~RECOGNITION~~ DETERMINATION OF CONTROLLING CHILD SUPPORT ORDER.

(a) If a proceeding is brought under this chapter and only one tribunal has issued a child support order, the order of that tribunal ~~is controlling~~ controls and must be recognized.

(b) If a proceeding is brought under this chapter, and two or more child support orders have been issued by tribunals of this state, another state, or a foreign country with regard to the same obligor and child, a tribunal of this state having personal jurisdiction over both the obligor and the individual obligee shall apply the following rules and by order shall determine which order controls and must be recognized:

(1) If only one of the tribunals would have continuing, exclusive jurisdiction under this chapter, the order of that tribunal ~~is controlling~~ controls.

(2) If more than one of the tribunals would have continuing, exclusive jurisdiction under this chapter:

(i) an order issued by a tribunal in the current home state of the child controls; or

(ii) if an order has not been issued in the current home state of the child, the order most recently issued controls.

(3) If none of the tribunals would have continuing, exclusive jurisdiction under this chapter, the tribunal of this state shall issue a child support order, which controls.

(c) If two or more child support orders have been issued for the same obligor and child, upon request of a party who is an individual or that is a support enforcement agency, a tribunal of this state having personal jurisdiction over both the obligor and the obligee who is an individual shall determine which order controls under paragraph (b). The request may be filed with a registration for enforcement or registration for modification pursuant to sections 518C.601 to 518C.616, or may be filed as a separate proceeding.

(d) A request to determine which is the controlling order must be accompanied by a copy of every child support order in effect and the applicable record of payments. The requesting party shall give notice of the request to each party whose rights may be affected by the determination.

(e) The tribunal that issued the controlling order under paragraph (a), (b), or (c) has continuing jurisdiction to the extent provided in section 518C.205, or 518C.206.

(f) A tribunal of this state which determines by order which is the controlling order under paragraph (b), clause (1) or (2), or paragraph (c), or which issues a new controlling child support order under paragraph (b), clause (3), shall state in that order:

(1) the basis upon which the tribunal made its determination;

(2) the amount of prospective support, if any; and

(3) the total amount of consolidated arrears and accrued interest, if any, under all of the orders after all payments made are credited as provided by section 518C.209.

(g) Within 30 days after issuance of the order determining which is the controlling order, the party obtaining that order shall file a certified copy of it with each tribunal that issued or registered an earlier order of child support. A party or support enforcement agency obtaining the order that fails to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue of failure to file arises. The failure to file does not affect the validity or enforceability of the controlling order.

(h) An order that has been determined to be the controlling order, or a judgment for consolidated arrears of support and interest, if any, made pursuant to this section must be recognized in proceedings under this chapter.

Sec. 99. Laws 2014, chapter 189, section 16, is amended to read:

Sec. 16. Minnesota Statutes 2012, section 518C.301, is amended to read:

518C.301 PROCEEDINGS UNDER THIS CHAPTER.

(a) Except as otherwise provided in this chapter, sections 518C.301 to 518C.319 apply to all proceedings under this chapter.

~~(b) This chapter provides for the following proceedings:~~

~~(1) establishment of an order for spousal support or child support pursuant to section 518C.401;~~

~~(2) enforcement of a support order and income-withholding order of another state or a foreign country without registration pursuant to sections 518C.501 and 518C.502;~~

~~(3) registration of an order for spousal support or child support of another state or a foreign country for enforcement pursuant to sections 518C.601 to 518C.612;~~

~~(4) modification of an order for child support or spousal support issued by a tribunal of this state pursuant to sections 518C.203 to 518C.206;~~

~~(5) registration of an order for child support of another state or a foreign country for modification pursuant to sections 518C.601 to 518C.612;~~

~~(6) determination of parentage of a child pursuant to section 518C.701; and~~

~~(7) assertion of jurisdiction over nonresidents pursuant to sections 518C.201 and 518C.202.~~

~~(c)~~ (b) An individual petitioner or a support enforcement agency may commence a proceeding authorized under this chapter by filing a petition in an initiating tribunal for forwarding to a responding tribunal or by filing a petition or a comparable pleading directly in a tribunal of another state or a foreign country which has or can obtain personal jurisdiction over the respondent.

Sec. 100. Laws 2014, chapter 189, section 17, is amended to read:

Sec. 17. Minnesota Statutes 2012, section 518C.303, is amended to read:

518C.303 APPLICATION OF LAW OF THIS STATE.

Except as otherwise provided by this chapter, a responding tribunal of this state shall:

(1) apply the procedural and substantive law~~, including the rules on choice of law,~~ generally applicable to similar proceedings originating in this state and may exercise all powers and provide all remedies available in those proceedings; and

(2) determine the duty of support and the amount payable in accordance with the law and support guidelines of this state.

Sec. 101. Laws 2014, chapter 189, section 18, is amended to read:

Sec. 18. Minnesota Statutes 2012, section 518C.304, is amended to read:

518C.304 DUTIES OF INITIATING TRIBUNAL.

(a) Upon the filing of a petition authorized by this chapter, an initiating tribunal of this state shall forward the petition and its accompanying documents:

(1) to the responding tribunal or appropriate support enforcement agency in the responding state; or

(2) if the identity of the responding tribunal is unknown, to the state information agency of the responding state with a request that they be forwarded to the appropriate tribunal and that receipt be acknowledged.

(b) If requested by the responding tribunal, a tribunal of this state shall issue a certificate or other documents and make findings required by the law of the responding state. If the responding tribunal is in a foreign country, upon request the tribunal of this state shall specify the amount of support sought, convert that amount into the equivalent amount in the foreign currency under applicable official or market exchange rate as publicly reported, and provide other documents necessary to satisfy the requirements of the responding foreign tribunal.

Sec. 102. Laws 2014, chapter 189, section 19, is amended to read:

Sec. 19. Minnesota Statutes 2012, section 518C.305, is amended to read:

518C.305 DUTIES AND POWERS OF RESPONDING TRIBUNAL.

(a) When a responding tribunal of this state receives a petition or comparable pleading from an initiating tribunal or directly pursuant to section 518C.301, paragraph ~~(c)~~ (b), it shall cause the petition or pleading to be filed and notify the petitioner where and when it was filed.

(b) A responding tribunal of this state, to the extent ~~otherwise authorized by~~ not prohibited by other law, may do one or more of the following:

(1) establish or enforce a support order, modify a child support order, determine the controlling child support order, or to determine parentage of a child;

(2) order an obligor to comply with a support order, specifying the amount and the manner of compliance;

(3) order income withholding;

(4) determine the amount of any arrearages, and specify a method of payment;

(5) enforce orders by civil or criminal contempt, or both;

(6) set aside property for satisfaction of the support order;

(7) place liens and order execution on the obligor's property;

(8) order an obligor to keep the tribunal informed of the obligor's current residential address, electronic mail address, telephone number, employer, address of employment, and telephone number at the place of employment;

(9) issue a bench warrant for an obligor who has failed after proper notice to appear at a hearing ordered by the tribunal and enter the bench warrant in any local and state computer systems for criminal warrants;

(10) order the obligor to seek appropriate employment by specified methods;

(11) award reasonable attorney's fees and other fees and costs; and

(12) grant any other available remedy.

(c) A responding tribunal of this state shall include in a support order issued under this chapter, or in the documents accompanying the order, the calculations on which the support order is based.

(d) A responding tribunal of this state may not condition the payment of a support order issued under this chapter upon compliance by a party with provisions for visitation.

(e) If a responding tribunal of this state issues an order under this chapter, the tribunal shall send a copy of the order to the petitioner and the respondent and to the initiating tribunal, if any.

(f) If requested to enforce a support order, arrears, or judgment or modify a support order stated in a foreign currency, a responding tribunal of this state shall convert the

amount stated in the foreign currency to the equivalent amount in dollars under the applicable official or market exchange rate as publicly reported.

Sec. 103. Laws 2014, chapter 189, section 23, is amended to read:

Sec. 23. Minnesota Statutes 2012, section 518C.310, is amended to read:

518C.310 DUTIES OF STATE INFORMATION AGENCY.

(a) The unit within the Department of Human Services that receives and disseminates incoming interstate actions under title IV-D of the Social Security Act is the State Information Agency under this chapter.

(b) The State Information Agency shall:

(1) compile and maintain a current list, including addresses, of the tribunals in this state which have jurisdiction under this chapter and any support enforcement agencies in this state and transmit a copy to the state information agency of every other state;

(2) maintain a register of names and addresses of tribunals and support enforcement agencies received from other states;

(3) forward to the appropriate tribunal in the place in this state in which the individual obligee or the obligor resides, or in which the obligor's property is believed to be located, all documents concerning a proceeding under this chapter received from another state or a foreign country; and

(4) obtain information concerning the location of the obligor and the obligor's property within this state not exempt from execution, by such means as postal verification and federal or state locator services, examination of telephone directories, requests for the obligor's address from employers, and examination of governmental records, including, to the extent not prohibited by other law, those relating to real property, vital statistics, law enforcement, taxation, motor vehicles, driver's licenses, and Social Security.

Sec. 104. Laws 2014, chapter 189, section 24, is amended to read:

Sec. 24. Minnesota Statutes 2012, section 518C.311, is amended to read:

518C.311 PLEADINGS AND ACCOMPANYING DOCUMENTS.

(a) A petitioner seeking to establish or modify a support order, determine parentage of a child, or register and modify a support order of a tribunal of another state or a foreign country, in a proceeding under this chapter must file a petition. Unless otherwise ordered under section 518C.312, the petition or accompanying documents must provide, so far as known, the name, residential address, and Social Security numbers of the obligor and the obligee or parent and alleged parent, and the name, sex, residential address, Social Security number, and date of birth of each child for whom support is sought or whose

~~parenthood~~ parentage is to be determined. Unless filed at the time of registration, the petition must be accompanied by a ~~certified~~ copy of any support order ~~in effect~~ known to have been issued by another tribunal. The petition may include any other information that may assist in locating or identifying the respondent.

(b) The petition must specify the relief sought. The petition and accompanying documents must conform substantially with the requirements imposed by the forms mandated by federal law for use in cases filed by a support enforcement agency.

Sec. 105. Laws 2014, chapter 189, section 27, is amended to read:

Sec. 27. Minnesota Statutes 2012, section 518C.314, is amended to read:

518C.314 LIMITED IMMUNITY OF PETITIONER.

(a) Participation by a petitioner in a proceeding under this chapter before a responding tribunal, whether in person, by private attorney, or through services provided by the support enforcement agency, does not confer personal jurisdiction over the petitioner in another proceeding.

(b) A petitioner is not amenable to service of civil process while physically present in this state to participate in a proceeding under this chapter.

(c) The immunity granted by this section does not extend to civil litigation based on acts unrelated to a proceeding under this chapter committed by a party while physically present in this state to participate in the proceeding.

Sec. 106. Laws 2014, chapter 189, section 28, is amended to read:

Sec. 28. Minnesota Statutes 2012, section 518C.316, is amended to read:

518C.316 SPECIAL RULES OF EVIDENCE AND PROCEDURE.

(a) The physical presence of ~~the petitioner~~ a nonresident party who is an individual in a ~~responding~~ tribunal of this state is not required for the establishment, enforcement, or modification of a support order or the rendition of a judgment determining parentage of a child.

(b) ~~A verified petition,~~ An affidavit, a document substantially complying with federally mandated forms, ~~and~~ or a document incorporated by reference in any of them, not excluded under the hearsay rule if given in person, is admissible in evidence if given under ~~oath~~ penalty of perjury by a party or witness residing outside this state.

(c) A copy of the record of child support payments certified as a true copy of the original by the custodian of the record may be forwarded to a responding tribunal. The copy is evidence of facts asserted in it, and is admissible to show whether payments were made.

(d) Copies of bills for testing for parentage of a child, and for prenatal and postnatal health care of the mother and child, furnished to the adverse party at least ten days before trial, are admissible in evidence to prove the amount of the charges billed and that the charges were reasonable, necessary, and customary.

(e) Documentary evidence transmitted from outside this state to a tribunal of this state by telephone, telecopier, or other electronic means that do not provide an original record may not be excluded from evidence on an objection based on the means of transmission.

(f) In a proceeding under this chapter, a tribunal of this state shall permit a party or witness residing outside this state to be deposed or to testify under penalty of perjury by telephone, audiovisual means, or other electronic means at a designated tribunal or other location. A tribunal of this state shall cooperate with other tribunals in designating an appropriate location for the deposition or testimony.

(g) If a party called to testify at a civil hearing refuses to answer on the ground that the testimony may be self-incriminating, the trier of fact may draw an adverse inference from the refusal.

(h) A privilege against disclosure of communications between spouses does not apply in a proceeding under this chapter.

(i) The defense of immunity based on the relationship of husband and wife or parent and child does not apply in a proceeding under this chapter.

(j) A voluntary acknowledgment of paternity, certified as a true copy, is admissible to establish parentage of a child.

Sec. 107. Laws 2014, chapter 189, section 29, is amended to read:

Sec. 29. Minnesota Statutes 2012, section 518C.317, is amended to read:

518C.317 COMMUNICATIONS BETWEEN TRIBUNALS.

A tribunal of this state may communicate with a tribunal outside this state in ~~writing, by e-mail, or~~ a record, or by telephone, electronic mail, or other means, to obtain information concerning the laws of that state, the legal effect of a judgment, decree, or order of that tribunal, and the status of a proceeding. A tribunal of this state may furnish similar information by similar means to a tribunal outside this state.

Sec. 108. Laws 2014, chapter 189, section 31, is amended to read:

Sec. 31. Minnesota Statutes 2012, section 518C.319, is amended to read:

518C.319 RECEIPT AND DISBURSEMENT OF PAYMENTS.

(a) A support enforcement agency or tribunal of this state shall disburse promptly any amounts received pursuant to a support order, as directed by the order. The agency

or tribunal shall furnish to a requesting party or tribunal of another state or a foreign country a certified statement by the custodian of the record of the amounts and dates of all payments received.

(b) If neither the obligor, ~~not~~ nor the obligee who is an individual, nor the child resides in this state, upon request from the support enforcement agency of this state or another state, the support enforcement agency of this state or a tribunal of this state shall:

(1) direct that the support payment be made to the support enforcement agency in the state in which the obligee is receiving services; and

(2) issue and send to the obligor's employer a conforming income-withholding order or an administrative notice of change of payee, reflecting the redirected payments.

(c) The support enforcement agency of this state receiving redirected payments from another state pursuant to a law similar to paragraph (b) shall furnish to a requesting party or tribunal of the other state a certified statement by the custodian of the record of the amount and dates of all payments received.

Sec. 109. Laws 2014, chapter 189, section 43, is amended to read:

Sec. 43. Minnesota Statutes 2012, section 518C.604, is amended to read:

518C.604 CHOICE OF LAW.

(a) Except as otherwise provided in paragraph (d), the law of the issuing state or foreign country governs:

(1) the nature, extent, amount, and duration of current payments under a registered support order;

(2) the computation and payment of arrearages and accrual of interest on the arrearages under the support order; and

(3) the existence and satisfaction of other obligations under the support order.

(b) In a proceeding for arrearages under a registered support order, the statute of limitation under the laws of this state or of the issuing state or foreign country, whichever is longer, applies.

(c) A responding tribunal of this state shall apply the procedures and remedies of this state to enforce current support and collect arrears and interest due on a support order of another state or a foreign country registered in this state.

(d) After a tribunal of this state or another state determines which is the controlling order and issues an order consolidating arrears, if any, a tribunal of this state shall prospectively apply the law of the state or foreign country issuing the controlling order, including its law on interest on arrears, on current and future support, and on consolidated arrears.

Sec. 110. Laws 2014, chapter 189, section 50, is amended to read:

Sec. 50. Minnesota Statutes 2012, section 518C.611, is amended to read:

518C.611 MODIFICATION OF CHILD SUPPORT ORDER OF ANOTHER STATE.

(a) If section 518C.613 does not apply, upon petition a tribunal of this state may modify a child support order issued in another state that is registered in this state if, after notice and hearing, it finds that:

(1) the following requirements are met:

(i) neither the child, nor the obligee who is an individual, nor the obligor resides in the issuing state;

(ii) a petitioner who is a nonresident of this state seeks modification; and

(iii) the respondent is subject to the personal jurisdiction of the tribunal of this state; or

(2) this state is the residence of the child, or a party who is an individual is subject to the personal jurisdiction of the tribunal of this state and all of the parties who are individuals have filed ~~written~~ consents in a record in the issuing tribunal for a tribunal of this state to modify the support order and assume continuing, exclusive jurisdiction ~~over the order~~.

(b) Modification of a registered child support order is subject to the same requirements, procedures, and defenses that apply to the modification of an order issued by a tribunal of this state and the order may be enforced and satisfied in the same manner.

(c) A tribunal of this state may not modify any aspect of a child support order that may not be modified under the law of the issuing state, including the duration of the obligation of support. If two or more tribunals have issued child support orders for the same obligor and child, the order that controls and must be recognized under section 518C.207 establishes the aspects of the support order which are nonmodifiable.

(d) In a proceeding to modify a child support order, the law of the state that is determined to have issued the initial controlling order governs the duration of the obligation of support. The obligor's fulfillment of the duty of support established by that order precludes imposition of a further obligation of support by a tribunal of this state.

(e) On issuance of an order by a tribunal of this state modifying a child support order issued in another state, a tribunal of this state becomes the tribunal having continuing, exclusive jurisdiction.

(f) Notwithstanding paragraphs (a) to ~~(d)~~ (e) and section 518C.201, paragraph (b), a tribunal of this state retains jurisdiction to modify an order issued by a tribunal of this state if:

(1) one party resides in another state; and

(2) the other party resides outside the United States.

Sec. 111. Laws 2014, chapter 189, section 51, is amended to read:

Sec. 51. Minnesota Statutes 2012, section 518C.612, is amended to read:

518C.612 RECOGNITION OF ORDER MODIFIED IN ANOTHER STATE.

If a child support order issued by a tribunal of this state is modified by a tribunal of another state which assumed jurisdiction ~~according to this chapter or a law substantially similar to this chapter~~ pursuant to the Uniform Interstate Family Support Act, a tribunal of this state:

(1) may enforce its order that was modified only as to arrears and interest accruing before the modification;

(2) may provide appropriate relief for violations of its order which occurred before the effective date of the modification; and

(3) shall recognize the modifying order of the other state, upon registration, for the purpose of enforcement.

Sec. 112. Laws 2014, chapter 189, section 73, is amended to read:

Sec. 73. **EFFECTIVE DATE.**

This act ~~becomes~~ is effective ~~on the date that the United States deposits the instrument of ratification for the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance with the Hague Conference on Private International Law~~ July 1, 2015.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 113. **GROUP RESIDENTIAL HOUSING REPORT ON PROGRAM IMPROVEMENTS.**

(a) The commissioner shall, in coordination with stakeholders and advocates, build on the group residential housing (GRH) reforms made in the 2015 legislative session related to program integrity and uniformity, by restructuring the payment rates, exploring assessment tools, and proposing any other necessary modifications that will result in a more cost-effective program, and report to the members of the legislative committees having jurisdiction over GRH issues by December 15, 2015.

(b) The working group, consisting of the commissioner, stakeholders, and advocates, shall examine the feasibility and fiscal implications of restructuring service rates by eliminating the supplemental service rates, and developing a plan to fund only those services, based on individual need, that are not covered by medical assistance, other insurance, or other programs. In addition, the working group shall analyze the payment

structure, and explore different options, including tiered rates for services, and provide the plan and analysis under this paragraph in the report under paragraph (a).

(c) To determine individual need, the working group shall explore assessment tools, and determine the appropriate assessment tool for the different populations served by the GRH program, which include homeless individuals, individuals with mental illness, and individuals who are chemically dependent. The working group shall coordinate efforts with agency staff who have expertise related to these populations, and use relevant information and data that is available, to determine the most appropriate and effective assessment tool or tools, and provide the analysis and an assessment recommendation in the report under paragraph (a).

Sec. 114. **PARENTING EXPENSE ADJUSTMENT REVIEW.**

The commissioner of human services shall review the parenting expense adjustment in Minnesota Statutes, section 518A.36, and identify and recommend changes to the parenting expense adjustment. The commissioner is authorized to retain the services of an economist to help create an equitable parenting expense adjustment formula. The commissioner may hire an economist by use of a sole-source contract.

Sec. 115. **INSTRUCTIONS TO THE COMMISSIONER; CHILD MALTREATMENT SCREENING GUIDELINES.**

(a) No later than August 1, 2015, the commissioner of human services shall update the child maltreatment screening guidelines to require agencies to consider prior reports that were not screened in when determining whether a new report will or will not be screened in. The updated guidelines must emphasize that intervention and prevention efforts are to focus on child safety and the ongoing risk of child abuse or neglect, and that the health and safety of children are of paramount concern. The commissioner shall work with a diverse group of community representatives who are experts on limiting cultural and ethnic bias when developing the updated guidelines. The guidelines must be developed with special sensitivity to reducing system bias with regard to screening and assessment tools.

(b) No later than September 30, 2015, the commissioner shall publish and distribute the updated guidelines and ensure that all agency staff have received training on the updated guidelines.

(c) Agency staff must implement the guidelines by October 1, 2015.

Sec. 116. **COMMISSIONER'S DUTY TO PROVIDE TRAINING TO CHILD PROTECTION SUPERVISORS.**

The commissioner shall establish requirements for competency-based initial training, support, and continuing education for child protection supervisors. This would include developing a set of competencies specific to child protection supervisor knowledge, skills, and attitudes based on the Minnesota Child Welfare Practice Model. Competency-based training of supervisors must advance continuous emphasis and improvement in skills that promote the use of the client's culture as a resource and the ability to integrate the client's traditions, customs, values, and faith into service delivery.

Sec. 117. **CHILD PROTECTION UPDATED FORMULA.**

The commissioner of human services shall evaluate the formulas in Minnesota Statutes, sections 256M.41 and 256M.42, and recommend an updated equitable distribution formula beginning in fiscal year 2018, for funding child protection services and staffing to counties and tribes, taking into consideration any relief to counties and tribes for child welfare and foster care costs, additional tribes delivering social services, and any other relevant information that should be considered in developing a new distribution formula. The commissioner shall report to the legislative committees having jurisdiction over child protection issues by December 15, 2016.

Sec. 118. **TRANSFER.**

Minnesota Statutes, section 15.039, applies to the transfer from the Office of Ombudspersons for Families to the Department of Human Services.

Sec. 119. **REVISOR'S INSTRUCTION.**

The revisor shall alphabetize the definitions in Minnesota Statutes, section 626.556, subdivision 2, and correct related cross-references.

Sec. 120. **REPEALER.**

(a) Minnesota Statutes 2014, section 290.0671, subdivision 6a, is repealed.

(b) Minnesota Statutes 2014, section 257.0768, is repealed.

EFFECTIVE DATE. This section is effective for fiscal year 2016 and thereafter.

ARTICLE 2

CHEMICAL AND MENTAL HEALTH SERVICES

Section 1. Minnesota Statutes 2014, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated by the welfare system are private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system and an investigator acting on behalf of a county, the state, or the federal government, including a law enforcement person or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; coordinate services for an individual or family; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to assess parental contribution amounts for purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Employment and Economic Development, and when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions;

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; ~~or~~

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law~~.~~; or

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services, provided that a health record may be disclosed only as provided under section 144.293.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 2. Minnesota Statutes 2014, section 13.46, subdivision 7, is amended to read:

Subd. 7. **Mental health data.** (a) Mental health data are private data on individuals and shall not be disclosed, except:

(1) pursuant to section 13.05, as determined by the responsible authority for the community mental health center, mental health division, or provider;

(2) pursuant to court order;

(3) pursuant to a statute specifically authorizing access to or disclosure of mental health data or as otherwise provided by this subdivision; ~~or~~

(4) to personnel of the welfare system working in the same program or providing services to the same individual or family to the extent necessary to coordinate services, provided that a health record may be disclosed only as provided under section 144.293;

(5) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services, provided that a health record may be disclosed only as provided under section 144.293; or

(6) with the consent of the client or patient.

(b) An agency of the welfare system may not require an individual to consent to the release of mental health data as a condition for receiving services or for reimbursing a community mental health center, mental health division of a county, or provider under contract to deliver mental health services.

(c) Notwithstanding section 245.69, subdivision 2, paragraph (f), or any other law to the contrary, the responsible authority for a community mental health center, mental health division of a county, or a mental health provider must disclose mental health data to a law enforcement agency if the law enforcement agency provides the name of a client or patient and communicates that the:

(1) client or patient is currently involved in an emergency interaction with the law enforcement agency; and

(2) data is necessary to protect the health or safety of the client or patient or of another person.

The scope of disclosure under this paragraph is limited to the minimum necessary for law enforcement to respond to the emergency. Disclosure under this paragraph may include, but is not limited to, the name and telephone number of the psychiatrist, psychologist, therapist, mental health professional, practitioner, or case manager of the client or patient. A law enforcement agency that obtains mental health data under this paragraph shall maintain a record of the requestor, the provider of the information, and the client or patient name. Mental health data obtained by a law enforcement agency under this paragraph are private data on individuals and must not be used by the law enforcement agency for any other purpose. A law enforcement agency that obtains mental health data under this paragraph shall inform the subject of the data that mental health data was obtained.

(d) In the event of a request under paragraph (a), clause (4), a community mental health center, county mental health division, or provider must release mental health data to Criminal Mental Health Court personnel in advance of receiving a copy of a consent if the Criminal Mental Health Court personnel communicate that the:

(1) client or patient is a defendant in a criminal case pending in the district court;

(2) data being requested is limited to information that is necessary to assess whether the defendant is eligible for participation in the Criminal Mental Health Court; and

(3) client or patient has consented to the release of the mental health data and a copy of the consent will be provided to the community mental health center, county mental health division, or provider within 72 hours of the release of the data.

For purposes of this paragraph, "Criminal Mental Health Court" refers to a specialty criminal calendar of the Hennepin County District Court for defendants with mental illness and brain injury where a primary goal of the calendar is to assess the treatment needs of

the defendants and to incorporate those treatment needs into voluntary case disposition plans. The data released pursuant to this paragraph may be used for the sole purpose of determining whether the person is eligible for participation in mental health court. This paragraph does not in any way limit or otherwise extend the rights of the court to obtain the release of mental health data pursuant to court order or any other means allowed by law.

Sec. 3. Minnesota Statutes 2014, section 144.293, subdivision 6, is amended to read:

Subd. 6. **Consent does not expire.** Notwithstanding subdivision 4, if a patient explicitly gives informed consent to the release of health records for the purposes and restrictions in ~~clauses~~ clause (1) ~~and~~, (2), or (3), the consent does not expire after one year for:

(1) the release of health records to a provider who is being advised or consulted with in connection with the releasing provider's current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; or

(3) the release of health records to a program in the welfare system, as defined in section 13.46, to the extent necessary to coordinate services for the patient.

Sec. 4. Minnesota Statutes 2014, section 245.4661, subdivision 5, is amended to read:

Subd. 5. **Planning for pilot projects.** (a) Each local plan for a pilot project, with the exception of the placement of a Minnesota specialty treatment facility as defined in paragraph (c), must be developed under the direction of the county board, or multiple county boards acting jointly, as the local mental health authority. The planning process for each pilot shall include, but not be limited to, mental health consumers, families, advocates, local mental health advisory councils, local and state providers, representatives of state and local public employee bargaining units, and the department of human services. As part of the planning process, the county board or boards shall designate a managing entity responsible for receipt of funds and management of the pilot project.

(b) For Minnesota specialty treatment facilities, the commissioner shall issue a request for proposal for regions in which a need has been identified for services.

(c) For purposes of this section, "Minnesota specialty treatment facility" is defined as an intensive ~~rehabilitative mental health~~ residential treatment service under section 256B.0622, subdivision 2, paragraph (b).

Sec. 5. Minnesota Statutes 2014, section 245.4661, subdivision 6, is amended to read:

Subd. 6. **Duties of commissioner.** (a) For purposes of the pilot projects, the commissioner shall facilitate integration of funds or other resources as needed and requested by each project. These resources may include:

(1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(2) other mental health special project funds;

(3) medical assistance, general assistance medical care, MinnesotaCare and group residential housing if requested by the project's managing entity, and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and

(4) regional treatment center resources consistent with section 246.0136, subdivision 1~~; and~~.

~~(5) funds transferred from section 246.18, subdivision 8, for grants to providers to participate in mental health specialty treatment services, awarded to providers through a request for proposal process.~~

(b) The commissioner shall consider the following criteria in awarding start-up and implementation grants for the pilot projects:

(1) the ability of the proposed projects to accomplish the objectives described in subdivision 2;

(2) the size of the target population to be served; and

(3) geographical distribution.

(c) The commissioner shall review overall status of the projects initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.

(d) The commissioner may waive administrative rule requirements which are incompatible with the implementation of the pilot project.

(e) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules which are incompatible with the implementation of the pilot project.

(f) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the pilot project.

Sec. 6. Minnesota Statutes 2014, section 245.4661, is amended by adding a subdivision to read:

Subd. 9. **Services and programs.** (a) The following three distinct grant programs are funded under this section:

(1) mental health crisis services;

(2) housing with supports for adults with serious mental illness; and

(3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

(1) community education and prevention;

(2) client outreach;

(3) early identification and intervention;

(4) adult outpatient diagnostic assessment and psychological testing;

(5) peer support services;

(6) community support program services (CSP);

(7) adult residential crisis stabilization;

(8) supported employment;

(9) assertive community treatment (ACT);

(10) housing subsidies;

(11) basic living, social skills, and community intervention;

(12) emergency response services;

(13) adult outpatient psychotherapy;

(14) adult outpatient medication management;

(15) adult mobile crisis services;

(16) adult day treatment;

(17) partial hospitalization;

(18) adult residential treatment;

(19) adult mental heath targeted case management;

(20) intensive community residential services (IRCS); and

(21) transportation.

Sec. 7. Minnesota Statutes 2014, section 245.4661, is amended by adding a subdivision to read:

Subd. 10. **Commissioner duty to report on use of grant funds biennially.** By November 1, 2016, and biennially thereafter, the commissioner of human services shall provide sufficient information to the members of the legislative committees having jurisdiction over mental health funding and policy issues to evaluate the use of funds appropriated under this section of law. The commissioner shall provide, at a minimum, the following information:

(1) the amount of funding to mental health initiatives, what programs and services were funded in the previous two years, gaps in services that each initiative brought to the attention of the commissioner, and outcome data for the programs and services that were funded; and

(2) the amount of funding for other targeted services and the location of services.

Sec. 8. Minnesota Statutes 2014, section 245.467, subdivision 6, is amended to read:

Subd. 6. **Restricted access to data.** The county board shall establish procedures to ensure that the names and addresses of persons receiving mental health services are disclosed only to:

(1) county employees who are specifically responsible for determining county of financial responsibility or making payments to providers; ~~and~~

(2) staff who provide treatment services or case management and their clinical supervisors~~.~~; and

(3) personnel of the welfare system or health care providers who have access to the data under section 13.46, subdivision 7.

Release of mental health data on individuals submitted under subdivisions 4 and 5, to persons other than those specified in this subdivision, or use of this data for purposes other than those stated in subdivisions 4 and 5, results in civil or criminal liability under the standards in section 13.08 or 13.09.

Sec. 9. Minnesota Statutes 2014, section 245.469, is amended by adding a subdivision to read:

Subd. 3. **Commissioner duties.** By July 1, 2016, unless otherwise specified, the commissioner shall:

(1) enhance oversight and training of the state's mobile crisis services to ensure consistency throughout the state, including the development and implementation of a certification process for mental health emergency telephone lines;

(2) develop standards for crisis services to ensure uniformity in the services that crisis response providers are delivering to clients;

(3) provide specialty telephone consultation 24 hours per day to mobile crisis teams serving persons with traumatic brain injury or an intellectual disability who are experiencing a mental health crisis;

(4) establish a single statewide mental health crisis phone number to immediately connect the person in crisis with the closest crisis response provider; and

(5) by July 1, 2018, provide 24/7 availability of mobile crisis teams throughout the state.

Sec. 10. Minnesota Statutes 2014, section 245.4876, subdivision 7, is amended to read:

Subd. 7. **Restricted access to data.** The county board shall establish procedures to ensure that the names and addresses of children receiving mental health services and their families are disclosed only to:

(1) county employees who are specifically responsible for determining county of financial responsibility or making payments to providers; ~~and~~

(2) staff who provide treatment services or case management and their clinical supervisors~~.~~; and

(3) personnel of the welfare system or health care providers who have access to the data under section 13.46, subdivision 7.

Release of mental health data on individuals submitted under subdivisions 5 and 6, to persons other than those specified in this subdivision, or use of this data for purposes other than those stated in subdivisions 5 and 6, results in civil or criminal liability under section 13.08 or 13.09.

Sec. 11. Minnesota Statutes 2014, section 245.4889, subdivision 1, is amended to read:

Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to make grants from available appropriations to assist:

(1) counties;

(2) Indian tribes;

(3) children's collaboratives under section 124D.23 or 245.493; or

(4) mental health service providers

~~for providing services to children with emotional disturbances as defined in section 245.4871, subdivision 15, and their families. The commissioner may also authorize grants to young adults meeting the criteria for transition services in section 245.4875, subdivision 8, and their families~~.

(b) The following services are eligible for grants under this section:

(1) services to children with emotional disturbances as defined in section 245.4871, subdivision 15, and their families;

(2) transition services under section 245.4875, subdivision 8, for young adults under age 21 and their families;

(3) respite care services for children with severe emotional disturbances who are at risk of out-of-home placement;

(4) children's mental health crisis services;

(5) mental health services for people from cultural and ethnic minorities;

(6) children's mental health screening and follow-up diagnostic assessment and treatment;

(7) services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services;

(8) school-linked mental health services;

(9) building evidence-based mental health intervention capacity for children birth to age five;

(10) suicide prevention and counseling services that use text messaging statewide;

(11) mental health first aid training;

(12) training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma and development of an interactive Web site to share information and strategies to promote resilience and prevent trauma;

(13) transition age services to develop or expand mental health treatment and supports for adolescents and young adults 26 years of age or younger;

(14) early childhood mental health consultation;

(15) evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis, and a public awareness campaign on the signs and symptoms of psychosis; and

(16) psychiatric consultation for primary care practitioners.

(c) Services under paragraph ~~(a)~~ (b) must be designed to help each child to function and remain with the child's family in the community and delivered consistent with the child's treatment plan. Transition services to eligible young adults under paragraph ~~(a)~~ (b) must be designed to foster independent living in the community.

Sec. 12. Minnesota Statutes 2014, section 245.4889, is amended by adding a subdivision to read:

Subd. 3. **Commissioner duty to report on use of grant funds biennially.** By November 1, 2016, and biennially thereafter, the commissioner of human services shall

provide sufficient information to the members of the legislative committees having jurisdiction over mental health funding and policy issues to evaluate the use of funds appropriated under this section. The commissioner shall provide, at a minimum, the following information:

(1) the amount of funding for children's mental health grants, what programs and services were funded in the previous two years, and outcome data for the programs and services that were funded; and

(2) the amount of funding for other targeted services and the location of services.

Sec. 13. **[245.735] EXCELLENCE IN MENTAL HEALTH DEMONSTRATION PROJECT.**

Subdivision 1. **Excellence in Mental Health demonstration project.** The commissioner shall develop and execute projects to reform the mental health system by participating in the Excellence in Mental Health demonstration project.

Subd. 2. **Federal proposal.** The commissioner shall develop and submit to the United States Department of Health and Human Services a proposal for the Excellence in Mental Health demonstration project. The proposal shall include any necessary state plan amendments, waivers, requests for new funding, realignment of existing funding, and other authority necessary to implement the projects specified in subdivision 4.

Subd. 3. **Rules.** By January 15, 2017, the commissioner shall adopt rules that meet the criteria in subdivision 4, paragraph (a), to establish standards for state certification of community behavioral health clinics, and rules that meet the criteria in subdivision 4, paragraph (b), to implement a prospective payment system for medical assistance payment of mental health services delivered in certified community behavioral health clinics. These rules shall comply with federal requirements for certification of community behavioral health clinics and the prospective payment system and shall apply to community mental health centers, mental health clinics, mental health residential treatment centers, essential community providers, federally qualified health centers, and rural health clinics. The commissioner may adopt rules under this subdivision using the expedited process in section 14.389.

Subd. 4. **Reform projects.** (a) The commissioner shall establish standards for state certification of clinics as certified community behavioral health clinics, in accordance with the criteria published on or before September 1, 2015, by the United States Department of Health and Human Services. Certification standards established by the commissioner shall require that:

(1) clinic staff have backgrounds in diverse disciplines, include licensed mental health professionals, and are culturally and linguistically trained to serve the needs of the clinic's patient population;

(2) clinic services are available and accessible and that crisis management services are available 24 hours per day;

(3) fees for clinic services are established using a sliding fee scale and services to patients are not denied or limited due to a patient's inability to pay for services;

(4) clinics provide coordination of care across settings and providers to ensure seamless transitions for patients across the full spectrum of health services, including acute, chronic, and behavioral needs. Care coordination may be accomplished through partnerships or formal contracts with federally qualified health centers, inpatient psychiatric facilities, substance use and detoxification facilities, community-based mental health providers, and other community services, supports, and providers including schools, child welfare agencies, juvenile and criminal justice agencies, Indian Health Services clinics, tribally licensed health care and mental health facilities, urban Indian health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop-in centers, acute care hospitals, and hospital outpatient clinics;

(5) services provided by clinics include crisis mental health services, emergency crisis intervention services, and stabilization services; screening, assessment, and diagnosis services, including risk assessments and level of care determinations; patient-centered treatment planning; outpatient mental health and substance use services; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family support services; and intensive community-based mental health services, including mental health services for members of the armed forces and veterans; and

(6) clinics comply with quality assurance reporting requirements and other reporting requirements, including any required reporting of encounter data, clinical outcomes data, and quality data.

(b) The commissioner shall establish standards and methodologies for a prospective payment system for medical assistance payments for mental health services delivered by certified community behavioral health clinics, in accordance with guidance issued on or before September 1, 2015, by the Centers for Medicare and Medicaid Services. During the operation of the demonstration project, payments shall comply with federal requirements for a 90 percent enhanced federal medical assistance percentage.

Subd. 5. **Public participation.** In developing the projects under subdivision 4, the commissioner shall consult with mental health providers, advocacy organizations, licensed

mental health professionals, and Minnesota public health care program enrollees who receive mental health services and their families.

Subd. 6. **Information systems support.** The commissioner and the state chief information officer shall provide information systems support to the projects as necessary to comply with federal requirements and the deadlines in subdivision 3.

Sec. 14. Minnesota Statutes 2014, section 246.18, subdivision 8, is amended to read:

Subd. 8. **State-operated services account.** (a) The state-operated services account is established in the special revenue fund. Revenue generated by new state-operated services listed under this section established after July 1, 2010, that are not enterprise activities must be deposited into the state-operated services account, unless otherwise specified in law:

(1) intensive residential treatment services;

(2) foster care services; and

(3) psychiatric extensive recovery treatment services.

(b) Funds deposited in the state-operated services account are ~~available~~ appropriated to the commissioner of human services for the purposes of:

(1) providing services needed to transition individuals from institutional settings within state-operated services to the community when those services have no other adequate funding source; and

(2) ~~grants to providers participating in mental health specialty treatment services under section 245.4661; and~~

~~(3)~~ to fund the operation of the intensive residential treatment service program in Willmar.

Sec. 15. Minnesota Statutes 2014, section 253B.18, subdivision 4c, is amended to read:

Subd. 4c. **Special review board.** (a) The commissioner shall establish one or more panels of a special review board. The board shall consist of three members experienced in the field of mental illness. One member of each special review board panel shall be a psychiatrist or a doctoral level psychologist with forensic experience and one member shall be an attorney. No member shall be affiliated with the Department of Human Services. The special review board shall meet at least every six months and at the call of the commissioner. It shall hear and consider all petitions for a reduction in custody or to appeal a revocation of provisional discharge. A "reduction in custody" means transfer from a secure treatment facility, discharge, and provisional discharge. Patients may be transferred by the commissioner between secure treatment facilities without a special review board hearing.

Members of the special review board shall receive compensation and reimbursement for expenses as established by the commissioner.

(b) The special review board must review each denied petition under subdivision 5 for barriers and obstacles preventing the patient from progressing in treatment. Based on the cases before the board in the previous year, the special review board shall provide to the commissioner an annual summation of the barriers to treatment progress, and recommendations to achieve the common goal of making progress in treatment.

(c) A petition filed by a person committed as mentally ill and dangerous to the public under this section must be heard as provided in subdivision 5 and, as applicable, subdivision 13. A petition filed by a person committed as a sexual psychopathic personality or as a sexually dangerous person under chapter 253D, or committed as both mentally ill and dangerous to the public under this section and as a sexual psychopathic personality or as a sexually dangerous person must be heard as provided in section 253D.27.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 16. Minnesota Statutes 2014, section 253B.18, subdivision 5, is amended to read:

Subd. 5. **Petition; notice of hearing; attendance; order.** (a) A petition for a reduction in custody or revocation of provisional discharge shall be filed with the commissioner and may be filed by the patient or by the head of the treatment facility. A patient may not petition the special review board for six months following commitment under subdivision 3 or following the final disposition of any previous petition and subsequent appeal by the patient. The head of the treatment facility must schedule a hearing before the special review board for any patient who has not appeared before the special review board in the previous three years, and schedule a hearing at least every three years thereafter. The medical director may petition at any time.

(b) Fourteen days prior to the hearing, the committing court, the county attorney of the county of commitment, the designated agency, interested person, the petitioner, and the petitioner's counsel shall be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The patient may designate interested persons to receive notice by providing the names and addresses to the commissioner at least 21 days before the hearing. The board shall provide the commissioner with written findings of fact and recommendations within 21 days of the hearing. The commissioner shall issue an order no later than 14 days after receiving the recommendation of the special review board. A copy of the order shall be mailed to every person entitled to statutory notice of the hearing within five days after it

is signed. No order by the commissioner shall be effective sooner than 30 days after the order is signed, unless the county attorney, the patient, and the commissioner agree that it may become effective sooner.

(c) The special review board shall hold a hearing on each petition prior to making its recommendation to the commissioner. The special review board proceedings are not contested cases as defined in chapter 14. Any person or agency receiving notice that submits documentary evidence to the special review board prior to the hearing shall also provide copies to the patient, the patient's counsel, the county attorney of the county of commitment, the case manager, and the commissioner.

(d) Prior to the final decision by the commissioner, the special review board may be reconvened to consider events or circumstances that occurred subsequent to the hearing.

(e) In making their recommendations and order, the special review board and commissioner must consider any statements received from victims under subdivision 5a.

EFFECTIVE DATE. This section is effective January 1, 2016, with hearings starting no later than February 1, 2016.

Sec. 17. Minnesota Statutes 2014, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for chemical dependency services and service enhancements funded under this chapter.

(b) Eligible chemical dependency treatment services include:

(1) outpatient treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license;

(2) medication-assisted therapy services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

(3) medication-assisted therapy plus enhanced treatment services that meet the requirements of clause (2) and provide nine hours of clinical services each week;

(4) high, medium, and low intensity residential treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(5) hospital-based treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(6) adolescent treatment programs that are licensed as outpatient treatment programs according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment

programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license; ~~and~~

(7) high-intensity residential treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license, which provide 30 hours of clinical services each week provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(8) room and board facilities that meet the requirements of section 254B.05, subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during hours of treatment activity that meets the requirements in Minnesota Rules, part 9530.6490, or section 245A.03, subdivision 2; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific programs as defined in section 254B.01, subdivision 8, if the program meets the requirements in Minnesota Rules, part 9530.6605, subpart 13;

(3) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; and

(4) programs that offer services to individuals with co-occurring mental health and chemical dependency problems if:

(i) the program meets the co-occurring requirements in Minnesota Rules, part 9530.6495;

(ii) 25 percent of the counseling staff are licensed mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance abuse disorders and the interaction between the two; and

(vi) co-occurring counseling staff will receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the chemical dependency facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in Minnesota Rules, part 9530.6490.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

Sec. 18. Minnesota Statutes 2014, section 254B.12, subdivision 2, is amended to read:

Subd. 2. **Payment methodology for highly specialized vendors.** ~~(a)~~ Notwithstanding subdivision 1, the commissioner shall seek federal authority to develop separate payment methodologies for chemical dependency treatment services provided under the consolidated chemical dependency treatment fund: (1) by a state-operated vendor; or (2) for persons who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community. A payment methodology under this subdivision is effective for services provided on or after October 1, 2015, or on or after the receipt of federal approval, whichever is later.

~~(b) Before implementing an approved payment methodology under paragraph (a), the commissioner must also receive any necessary legislative approval of required changes to state law or funding.~~

Sec. 19. Minnesota Statutes 2014, section 256B.0615, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Peer support services may be made available to consumers of (1) intensive ~~rehabilitative mental health~~ residential treatment services under section 256B.0622; (2) adult rehabilitative mental health services under section 256B.0623; and

(3) crisis stabilization and mental health mobile crisis intervention services under section 256B.0624.

Sec. 20. Minnesota Statutes 2014, section 256B.0622, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Subject to federal approval, medical assistance covers medically necessary, ~~intensive nonresidential~~ assertive community treatment and intensive residential ~~rehabilitative mental health~~ treatment services as defined in subdivision 2, for recipients as defined in subdivision 3, when the services are provided by an entity meeting the standards in this section.

Sec. 21. Minnesota Statutes 2014, section 256B.0622, subdivision 2, is amended to read:

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

(a) ~~"Intensive nonresidential rehabilitative mental health services" means adult rehabilitative mental health services as defined in section 256B.0623, subdivision 2, paragraph (a), except that these services are provided by a multidisciplinary staff using a total team approach consistent with assertive community treatment, the Fairweather Lodge treatment model, as defined by the standards established by the National Coalition for Community Living, and other evidence-based practices, and directed to recipients with a serious mental illness who require intensive services.~~ "Assertive community treatment" means intensive nonresidential rehabilitative mental health services provided according to the evidence-based practice of assertive community treatment. Core elements of this service include, but are not limited to:

(1) a multidisciplinary staff who utilize a total team approach and who serve as a fixed point of responsibility for all service delivery;

(2) providing services 24 hours per day and 7 days per week;

(3) providing the majority of services in a community setting;

(4) offering a low ratio of recipients to staff; and

(5) providing service that is not time-limited.

(b) "Intensive residential ~~rehabilitative mental health~~ treatment services" means short-term, time-limited services provided in a residential setting to recipients who are in need of more restrictive settings and are at risk of significant functional deterioration if they do not receive these services. Services are designed to develop and enhance psychiatric stability, personal and emotional adjustment, self-sufficiency, and skills to live in a more independent setting. Services must be directed toward a targeted discharge

date with specified client outcomes ~~and must be consistent with the Fairweather Lodge treatment model as defined in paragraph (a), and other evidence-based practices~~.

(c) "Evidence-based practices" are nationally recognized mental health services that are proven by substantial research to be effective in helping individuals with serious mental illness obtain specific treatment goals.

(d) "Overnight staff" means a member of the intensive residential rehabilitative mental health treatment team who is responsible during hours when recipients are typically asleep.

(e) "Treatment team" means all staff who provide services under this section to recipients. At a minimum, this includes the clinical supervisor, mental health professionals as defined in section 245.462, subdivision 18, clauses (1) to (6); mental health practitioners as defined in section 245.462, subdivision 17; mental health rehabilitation workers under section 256B.0623, subdivision 5, clause (3); and certified peer specialists under section 256B.0615.

Sec. 22. Minnesota Statutes 2014, section 256B.0622, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** An eligible recipient is an individual who:

(1) is age 18 or older;

(2) is eligible for medical assistance;

(3) is diagnosed with a mental illness;

(4) because of a mental illness, has substantial disability and functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced;

(5) has one or more of the following: a history of ~~two or more~~ recurring or prolonged inpatient hospitalizations in the past year, significant independent living instability, homelessness, or very frequent use of mental health and related services yielding poor outcomes; and

(6) in the written opinion of a licensed mental health professional, has the need for mental health services that cannot be met with other available community-based services, or is likely to experience a mental health crisis or require a more restrictive setting if intensive rehabilitative mental health services are not provided.

Sec. 23. Minnesota Statutes 2014, section 256B.0622, subdivision 4, is amended to read:

Subd. 4. **Provider certification and contract requirements.** (a) The ~~intensive nonresidential rehabilitative mental health services~~ assertive community treatment provider must:

(1) have a contract with the host county to provide intensive adult rehabilitative mental health services; and

(2) be certified by the commissioner as being in compliance with this section and section 256B.0623.

(b) The intensive residential ~~rehabilitative mental health~~ treatment services provider must:

(1) be licensed under Minnesota Rules, parts 9520.0500 to 9520.0670;

(2) not exceed 16 beds per site;

(3) comply with the additional standards in this section; and

(4) have a contract with the host county to provide these services.

(c) The commissioner shall develop procedures for counties and providers to submit contracts and other documentation as needed to allow the commissioner to determine whether the standards in this section are met.

Sec. 24. Minnesota Statutes 2014, section 256B.0622, subdivision 5, is amended to read:

Subd. 5. **Standards applicable to both ~~nonresidential~~ assertive community treatment and residential providers.** (a) Services must be provided by qualified staff as defined in section 256B.0623, subdivision 5, who are trained and supervised according to section 256B.0623, subdivision 6, except that mental health rehabilitation workers acting as overnight staff are not required to comply with section 256B.0623, subdivision 5, clause ~~(3)~~ (4), item (iv).

(b) The clinical supervisor must be an active member of the treatment team. The treatment team must meet with the clinical supervisor at least weekly to discuss recipients' progress and make rapid adjustments to meet recipients' needs. The team meeting shall include recipient-specific case reviews and general treatment discussions among team members. Recipient-specific case reviews and planning must be documented in the individual recipient's treatment record.

(c) Treatment staff must have prompt access in person or by telephone to a mental health practitioner or mental health professional. The provider must have the capacity to promptly and appropriately respond to emergent needs and make any necessary staffing adjustments to assure the health and safety of recipients.

(d) The initial functional assessment must be completed within ten days of intake and updated at least every ~~three months~~ 30 days for intensive residential treatment services and every six months for assertive community treatment, or prior to discharge from the service, whichever comes first.

(e) The initial individual treatment plan must be completed within ten days of intake ~~and~~ for assertive community treatment and within 24 hours of admission for intensive residential treatment services. Within ten days of admission, the initial treatment plan must be refined and further developed for intensive residential treatment services, except for providers certified according to Minnesota Rules, parts 9533.0010 to 9533.0180. The individual treatment plan must be reviewed with the recipient and updated at least monthly ~~with the recipient~~ for intensive residential treatment services and at least every six months for assertive community treatment.

Sec. 25. Minnesota Statutes 2014, section 256B.0622, subdivision 7, is amended to read:

Subd. 7. **Additional standards for ~~nonresidential services~~ assertive community treatment.** The standards in this subdivision apply to ~~intensive nonresidential rehabilitative mental health~~ assertive community treatment services.

(1) The treatment team must use team treatment, not an individual treatment model.

(2) The clinical supervisor must function as a practicing clinician at least on a part-time basis.

(3) The staffing ratio must not exceed ten recipients to one full-time equivalent treatment team position.

(4) Services must be available at times that meet client needs.

(5) The treatment team must actively and assertively engage and reach out to the recipient's family members and significant others, after obtaining the recipient's permission.

(6) The treatment team must establish ongoing communication and collaboration between the team, family, and significant others and educate the family and significant others about mental illness, symptom management, and the family's role in treatment.

(7) The treatment team must provide interventions to promote positive interpersonal relationships.

Sec. 26. Minnesota Statutes 2014, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for intensive rehabilitative mental health services.** (a) Payment for intensive residential ~~and nonresidential~~ treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible recipient in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each recipient for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each ~~nonresidential~~ assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

~~(1) the cost for similar services in the local trade area;~~

~~(2)~~ (1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) ~~in situations where a provider of intensive residential services can demonstrate actual program-related physical plant costs in excess of the group residential housing reimbursement, the commissioner may include these costs in the program rate, so long as the additional reimbursement does not subsidize the room and board expenses of the program~~ physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) ~~intensive nonresidential services~~ assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate ~~must~~ may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

~~(3)~~ (2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal

Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

~~(4)~~ (3) the number of service units;

~~(5)~~ (4) the degree to which recipients will receive services other than services under this section; and

~~(6)~~ (5) the costs of other services that will be separately reimbursed~~; and~~.

~~(7) input from the local planning process authorized by the adult mental health initiative under section 245.4661, regarding recipients' service needs.~~

(d) The rate for intensive ~~rehabilitative mental health~~ residential treatment services and assertive community treatment must exclude room and board, as defined in section 256I.03, subdivision 6, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telemedicine. For purposes of this paragraph, "telemedicine" has the meaning given to "mental health telemedicine" in section 256B.0625, subdivision 46, when telemedicine is used to provide intensive residential treatment services.

~~(e)~~ (f) When services under this section are provided by an ~~intensive nonresidential service~~ assertive community treatment provider, case management functions must be an integral part of the team.

~~(f)~~ (g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

~~(g)~~ (h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

~~(h)~~ (i) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must

be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

~~(i)~~ (j) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 27. Minnesota Statutes 2014, section 256B.0622, subdivision 9, is amended to read:

Subd. 9. **Provider enrollment; rate setting for county-operated entities.** Counties that employ their own staff to provide services under this section shall apply directly to the commissioner for enrollment and rate setting. In this case, a county contract is not required ~~and the commissioner shall perform the program review and rate setting duties which would otherwise be required of counties under this section~~.

Sec. 28. Minnesota Statutes 2014, section 256B.0622, subdivision 10, is amended to read:

Subd. 10. **Provider enrollment; rate setting for specialized program.** A county contract is not required for a provider proposing to serve a subpopulation of eligible recipients ~~may bypass the county approval procedures in this section and receive approval for provider enrollment and rate setting directly from the commissioner~~ under the following circumstances:

(1) the provider demonstrates that the subpopulation to be served requires a specialized program which is not available from county-approved entities; and

(2) the subpopulation to be served is of such a low incidence that it is not feasible to develop a program serving a single county or regional group of counties.

~~For providers meeting the criteria in clauses (1) and (2), the commissioner shall perform the program review and rate setting duties which would otherwise be required of counties under this section.~~

Sec. 29. Minnesota Statutes 2014, section 256B.0622, is amended by adding a subdivision to read:

Subd. 11. **Sustainability grants.** The commissioner may disburse grant funds directly to intensive residential treatment services providers and assertive community treatment providers to maintain access to these services.

Sec. 30. Minnesota Statutes 2014, section 256B.0624, subdivision 7, is amended to read:

Subd. 7. **Crisis stabilization services.** (a) Crisis stabilization services must be provided by qualified staff of a crisis stabilization services provider entity and must meet the following standards:

(1) a crisis stabilization treatment plan must be developed which meets the criteria in subdivision 11;

(2) staff must be qualified as defined in subdivision 8; and

(3) services must be delivered according to the treatment plan and include face-to-face contact with the recipient by qualified staff for further assessment, help with referrals, updating of the crisis stabilization treatment plan, supportive counseling, skills training, and collaboration with other service providers in the community.

(b) If crisis stabilization services are provided in a supervised, licensed residential setting, the recipient must be contacted face-to-face daily by a qualified mental health practitioner or mental health professional. The program must have 24-hour-a-day residential staffing which may include staff who do not meet the qualifications in subdivision 8. The residential staff must have 24-hour-a-day immediate direct or telephone access to a qualified mental health professional or practitioner.

(c) If crisis stabilization services are provided in a supervised, licensed residential setting that serves no more than four adult residents, and ~~no more than two are recipients of crisis stabilization services~~ one or more individuals are present at the setting to receive residential crisis stabilization services, the residential staff must include, for at least eight hours per day, at least one individual who meets the qualifications in subdivision 8, paragraph (a), clause (1) or (2).

(d) If crisis stabilization services are provided in a supervised, licensed residential setting that serves more than four adult residents, and one or more are recipients of crisis stabilization services, the residential staff must include, for 24 hours a day, at least one individual who meets the qualifications in subdivision 8. During the first 48 hours that a recipient is in the residential program, the residential program must have at least two staff working 24 hours a day. Staffing levels may be adjusted thereafter according to the needs of the recipient as specified in the crisis stabilization treatment plan.

Sec. 31. Minnesota Statutes 2014, section 256B.0625, is amended by adding a subdivision to read:

Subd. 45a. **Psychiatric residential treatment facility services for persons under 21 years of age.** (a) Medical assistance covers psychiatric residential treatment facility services for persons under 21 years of age. Individuals who reach age 21 at the time they

are receiving services are eligible to continue receiving services until they no longer require services or until they reach age 22, whichever occurs first.

(b) For purposes of this subdivision, "psychiatric residential treatment facility" means a facility other than a hospital that provides psychiatric services, as described in Code of Federal Regulations, title 42, sections 441.151 to 441.182, to individuals under age 21 in an inpatient setting.

(c) The commissioner shall develop admissions and discharge procedures and establish rates consistent with guidelines from the federal Centers for Medicare and Medicaid Services.

(d) The commissioner shall enroll up to 150 certified psychiatric residential treatment facility services beds at up to six sites. The commissioner shall select psychiatric residential treatment facility services providers through a request for proposals process. Providers of state-operated services may respond to the request for proposals.

EFFECTIVE DATE. This section is effective July 1, 2017, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 32. Minnesota Statutes 2014, section 256B.0625, subdivision 48, is amended to read:

Subd. 48. **Psychiatric consultation to primary care practitioners.** Medical assistance covers consultation provided by a psychiatrist, a psychologist, ~~or~~ an advanced practice registered nurse certified in psychiatric mental health, a licensed independent clinical social worker, as defined in section 245.462, subdivision 18, clause (2), or a licensed marriage and family therapist, as defined in section 245.462, subdivision 18, clause (5), via telephone, e-mail, facsimile, or other means of communication to primary care practitioners, including pediatricians. The need for consultation and the receipt of the consultation must be documented in the patient record maintained by the primary care practitioner. If the patient consents, and subject to federal limitations and data privacy provisions, the consultation may be provided without the patient present.

Sec. 33. **[256B.7631] CHEMICAL DEPENDENCY PROVIDER RATE INCREASE.**

For the chemical dependency services listed in section 254B.05, subdivision 5, and provided on or after July 1, 2015, payment rates shall be increased by two percent over the rates in effect on January 1, 2014, for vendors who meet the requirements of section 254B.05.

Sec. 34. **CLUBHOUSE PROGRAM SERVICES.**

The commissioner of human services, in consultation with stakeholders, shall develop service standards and a payment methodology for Clubhouse program services to be covered under medical assistance when provided by a Clubhouse International accredited provider or a provider meeting equivalent standards. The commissioner shall seek federal approval for the service standards and payment methodology. Upon federal approval, the commissioner must seek and obtain legislative approval of the services standards and funding methodology allowing medical assistance coverage of the service.

Sec. 35. **EXCELLENCE IN MENTAL HEALTH DEMONSTRATION PROJECT.**

By January 15, 2016, the commissioner of human services shall report to the legislative committees in the house of representatives and senate with jurisdiction over human services issues on the progress of the Excellence in Mental Health demonstration project under Minnesota Statutes, section 245.735. The commissioner shall include in the report any recommendations for legislative changes needed to implement the reform projects specified in Minnesota Statutes, section 245.735, subdivision 4.

Sec. 36. **RATE-SETTING METHODOLOGY FOR COMMUNITY-BASED MENTAL HEALTH SERVICES.**

The commissioner of human services shall conduct a comprehensive analysis of the current rate-setting methodology for all community-based mental health services for children and adults. The report shall include an assessment of alternative payment structures, consistent with the intent and direction of the federal Centers for Medicare and Medicaid Services, that could provide adequate reimbursement to sustain community-based mental health services regardless of geographic location. The report shall also include recommendations for establishing pay-for-performance measures for providers delivering services consistent with evidence-based practices. In developing the report, the commissioner shall consult with stakeholders and with outside experts in Medicaid financing. The commissioner shall provide a report on the analysis to the chairs of the legislative committees with jurisdiction over health and human services finance by January 1, 2017.

Sec. 37. **REPORT ON HUMAN SERVICES DATA SHARING TO COORDINATE SERVICES AND CARE OF A PATIENT.**

The commissioner of human services, in coordination with Hennepin County, shall report to the legislative committees with jurisdiction over health care financing on the

fiscal impact, including the estimated savings, resulting from the modifications to the Data Practices Act in the 2015 legislative session, permitting the sharing of public welfare data and allowing the exchange of health records between providers to the extent necessary to coordinate services and care for clients enrolled in public health care programs. Counties shall provide information regarding the number of clients receiving care coordination, and improved outcomes achieved due to data sharing, to the commissioner of human services to include in the report. The report is due January 1, 2017.

Sec. 38. **COMPREHENSIVE MENTAL HEALTH PROGRAM IN BELTRAMI COUNTY.**

(a) The $500,000 appropriated to the commissioner of human services for a grant to Beltrami County to fund the planning and development of a comprehensive mental health program is contingent upon Beltrami County providing to the commissioner of human services a formal commitment and plan to fund, operate, and sustain the program and services after the onetime state grant is expended. The county must provide evidence of the funding stream or mechanism, and a sufficient local funding commitment, that will ensure that the onetime state investment in the program will result in a sustainable program without future state grants. The funding stream may include state funding for programs and services for which the individuals served under this section may be eligible. The grant under this section cannot be used for any purpose that could be funded with state bond proceeds. This is a onetime appropriation.

(b) The planning and development of the program by the county must include an integrated care model for the provision of mental health and substance use disorder treatment for the individuals served under paragraph (c), in collaboration with existing services. The model may include mobile crisis services, crisis residential services, outpatient services, and community-based services. The model must be patient-centered, culturally competent, and based on evidence-based practices.

(c) The comprehensive mental health program will serve individuals who are:

(1) under arrest or subject to arrest who are experiencing a mental health crisis;

(2) under a transport hold under Minnesota Statutes, section 253B.05, subdivision 2; or

(3) in immediate need of mental health crisis services.

(d) The commissioner of human services may encourage the commissioners of the Minnesota Housing Finance Agency, corrections, and health to provide technical assistance and support in the planning and development of the mental health program under paragraph (a). The commissioners of the Minnesota Housing Finance Agency and

human services may explore a plan to develop short-term and long-term housing for individuals served by the program, and the possibility of using existing appropriations available in the housing finance budget for low-income housing or homelessness.

(e) The commissioner of human services, in consultation with Beltrami County, shall report to the senate and house of representatives committees having jurisdiction over mental health issues the status of the planning and development of the mental health program, and the plan to financially support the program and services after the state grant is expended, by November 1, 2017.

ARTICLE 3

WITHDRAWAL MANAGEMENT PROGRAMS

Section 1. **[245F.01] PURPOSE.**

It is hereby declared to be the public policy of this state that the public interest is best served by providing efficient and effective withdrawal management services to persons in need of appropriate detoxification, assessment, intervention, and referral services. The services shall vary to address the unique medical needs of each patient and shall be responsive to the language and cultural needs of each patient. Services shall not be denied on the basis of a patient's inability to pay.

Sec. 2. **[245F.02] DEFINITIONS.**

Subdivision 1. **Scope.** The terms used in this chapter have the meanings given them in this section.

Subd. 2. **Administration of medications.** "Administration of medications" means performing a task to provide medications to a patient, and includes the following tasks performed in the following order:

(1) checking the patient's medication record;

(2) preparing the medication for administration;

(3) administering the medication to the patient;

(4) documenting administration of the medication or the reason for not administering the medication as prescribed; and

(5) reporting information to a licensed practitioner or a registered nurse regarding problems with the administration of the medication or the patient's refusal to take the medication.

Subd. 3. **Alcohol and drug counselor.** "Alcohol and drug counselor" means an individual qualified under Minnesota Rules, part 9530.6450, subpart 5.

Subd. 4. **Applicant.** "Applicant" means an individual, partnership, voluntary association, corporation, or other public or private organization that submits an application for licensure under this chapter.

Subd. 5. **Care coordination.** "Care coordination" means activities intended to bring together health services, patient needs, and streams of information to facilitate the aims of care. Care coordination includes an ongoing needs assessment, life skills advocacy, treatment follow-up, disease management, education, and other services as needed.

Subd. 6. **Chemical.** "Chemical" means alcohol, solvents, controlled substances as defined in section 152.01, subdivision 4, and other mood-altering substances.

Subd. 7. **Clinically managed program.** "Clinically managed program" means a residential setting with staff comprised of a medical director and a licensed practical nurse. A licensed practical nurse must be on site 24 hours a day, seven days a week. A qualified medical professional must be available by telephone or in person for consultation 24 hours a day. Patients admitted to this level of service receive medical observation, evaluation, and stabilization services during the detoxification process; access to medications administered by trained, licensed staff to manage withdrawal; and a comprehensive assessment pursuant to Minnesota Rules, part 9530.6422.

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of human services or the commissioner's designated representative.

Subd. 9. **Department.** "Department" means the Department of Human Services.

Subd. 10. **Direct patient contact.** "Direct patient contact" has the meaning given for "direct contact" in section 245C.02, subdivision 11.

Subd. 11. **Discharge plan.** "Discharge plan" means a written plan that states with specificity the services the program has arranged for the patient to transition back into the community.

Subd. 12. **Licensed practitioner.** "Licensed practitioner" means a practitioner as defined in section 151.01, subdivision 23, who is authorized to prescribe.

Subd. 13. **Medical director.** "Medical director" means an individual licensed in Minnesota as a doctor of osteopathy or physician, or an individual licensed in Minnesota as an advanced practice registered nurse by the Board of Nursing and certified to practice as a clinical nurse specialist or nurse practitioner by a national nurse organization acceptable to the board. The medical director must be employed by or under contract with the license holder to direct and supervise health care for patients of a program licensed under this chapter.

Subd. 14. **Medically monitored program.** "Medically monitored program" means a residential setting with staff that includes a registered nurse and a medical director. A

registered nurse must be on site 24 hours a day. A medical director must be on site seven days a week, and patients must have the ability to be seen by a medical director within 24 hours. Patients admitted to this level of service receive medical observation, evaluation, and stabilization services during the detoxification process; medications administered by trained, licensed staff to manage withdrawal; and a comprehensive assessment pursuant to Minnesota Rules, part 9530.6422.

Subd. 15. **Nurse.** "Nurse" means a person licensed and currently registered to practice practical or professional nursing as defined in section 148.171, subdivisions 14 and 15.

Subd. 16. **Patient.** "Patient" means an individual who presents or is presented for admission to a withdrawal management program that meets the criteria in section 245F.05.

Subd. 17. **Peer recovery support services.** "Peer recovery support services" means mentoring and education, advocacy, and nonclinical recovery support provided by a recovery peer.

Subd. 18. **Program director.** "Program director" means the individual who is designated by the license holder to be responsible for all operations of a withdrawal management program and who meets the qualifications specified in section 245F.15, subdivision 3.

Subd. 19. **Protective procedure.** "Protective procedure" means an action taken by a staff member of a withdrawal management program to protect a patient from imminent danger of harming self or others. Protective procedures include the following actions:

(1) seclusion, which means the temporary placement of a patient, without the patient's consent, in an environment to prevent social contact; and

(2) physical restraint, which means the restraint of a patient by use of physical holds intended to limit movement of the body.

Subd. 20. **Qualified medical professional.** "Qualified medical professional" means an individual licensed in Minnesota as a doctor of osteopathy or physician, or an individual licensed in Minnesota as an advanced practice registered nurse by the Board of Nursing and certified to practice as a clinical nurse specialist or nurse practitioner by a national nurse organization acceptable to the board.

Subd. 21. **Recovery peer.** "Recovery peer" means a person who has progressed in the person's own recovery from substance use disorder and is willing to serve as a peer to assist others in their recovery.

Subd. 22. **Responsible staff person.** "Responsible staff person" means the program director, the medical director, or a staff person with current licensure as a nurse in

Minnesota. The responsible staff person must be on the premises and is authorized to make immediate decisions concerning patient care and safety.

Subd. 23. **Substance.** "Substance" means "chemical" as defined in subdivision 6.

Subd. 24. **Substance use disorder.** "Substance use disorder" means a pattern of substance use as defined in the current edition of the Diagnostic and Statistical Manual of Mental Disorders.

Subd. 25. **Technician.** "Technician" means a person who meets the qualifications in section 245F.15, subdivision 6.

Subd. 26. **Withdrawal management program.** "Withdrawal management program" means a licensed program that provides short-term medical services on a 24-hour basis for the purpose of stabilizing intoxicated patients, managing their withdrawal, and facilitating access to substance use disorder treatment as indicated by a comprehensive assessment.

Sec. 3. **[245F.03] APPLICATION.**

(a) This chapter establishes minimum standards for withdrawal management programs licensed by the commissioner that serve one or more unrelated persons.

(b) This chapter does not apply to a withdrawal management program licensed as a hospital under sections 144.50 to 144.581. A withdrawal management program located in a hospital licensed under sections 144.50 to 144.581 that chooses to be licensed under this chapter is deemed to be in compliance with section 245F.13.

Sec. 4. **[245F.04] PROGRAM LICENSURE.**

Subdivision 1. **General application and license requirements.** An applicant for licensure as a clinically managed withdrawal management program or medically monitored withdrawal management program must meet the following requirements, except where otherwise noted. All programs must comply with federal requirements and the general requirements in chapters 245A and 245C and sections 626.556, 626.557, and 626.5572. A withdrawal management program must be located in a hospital licensed under sections 144.50 to 144.581, or must be a supervised living facility with a class B license from the Department of Health under Minnesota Rules, parts 4665.0100 to 4665.9900.

Subd. 2. **Contents of application.** Prior to the issuance of a license, an applicant must submit, on forms provided by the commissioner, documentation demonstrating the following:

(1) compliance with this section;

(2) compliance with applicable building, fire, and safety codes; health rules; zoning ordinances; and other applicable rules and regulations or documentation that a waiver has been granted. The granting of a waiver does not constitute modification of any requirement of this section;

(3) completion of an assessment of need for a new or expanded program as required by Minnesota Rules, part 9530.6800; and

(4) insurance coverage, including bonding, sufficient to cover all patient funds, property, and interests.

Subd. 3. **Changes in license terms.** (a) A license holder must notify the commissioner before one of the following occurs and the commissioner must determine the need for a new license:

(1) a change in the Department of Health's licensure of the program;

(2) a change in the medical services provided by the program that affects the program's capacity to provide services required by the program's license designation as a clinically managed program or medically monitored program;

(3) a change in program capacity; or

(4) a change in location.

(b) A license holder must notify the commissioner and apply for a new license when a change in program ownership occurs.

Subd. 4. **Variances.** The commissioner may grant variances to the requirements of this chapter under section 245A.04, subdivision 9.

Sec. 5. **[245F.05] ADMISSION AND DISCHARGE POLICIES.**

Subdivision 1. **Admission policy.** A license holder must have a written admission policy containing specific admission criteria. The policy must describe the admission process and the point at which an individual who is eligible under subdivision 2 is admitted to the program. A license holder must not admit individuals who do not meet the admission criteria. The admission policy must be approved and signed by the medical director of the facility and must designate which staff members are authorized to admit and discharge patients. The admission policy must be posted in the area of the facility where patients are admitted and given to all interested individuals upon request.

Subd. 2. **Admission criteria.** For an individual to be admitted to a withdrawal management program, the program must make a determination that the program services are appropriate to the needs of the individual. A program may only admit individuals who meet the admission criteria and who, at the time of admission:

(1) are impaired as the result of intoxication;

(2) are experiencing physical, mental, or emotional problems due to intoxication or withdrawal from alcohol or other drugs;

(3) are being held under apprehend and hold orders under section 253B.07, subdivision 2b;

(4) have been committed under chapter 253B, and need temporary placement;

(5) are held under emergency holds or peace and health officer holds under section 253B.05, subdivision 1 or 2; or

(6) need to stay temporarily in a protective environment because of a crisis related to substance use disorder. Individuals satisfying this clause may be admitted only at the request of the county of fiscal responsibility, as determined according to section 256G.02, subdivision 4. Individuals admitted according to this clause must not be restricted to the facility.

Subd. 3. **Individuals denied admission by program.** (a) A license holder must have a written policy and procedure for addressing the needs of individuals who are denied admission to the program. These individuals include:

(1) individuals whose pregnancy, in combination with their presenting problem, requires services not provided by the program; and

(2) individuals who are in imminent danger of harming self or others if their behavior is beyond the behavior management capabilities of the program and staff.

(b) Programs must document denied admissions, including the date and time of the admission request, reason for the denial of admission, and where the individual was referred. If the individual did not receive a referral, the program must document why a referral was not made. This information must be documented on a form approved by the commissioner and made available to the commissioner upon request.

Subd. 4. **License holder responsibilities; denying admission or terminating services.** (a) If a license holder denies an individual admission to the program or terminates services to a patient and the denial or termination poses an immediate threat to the patient's or individual's health or requires immediate medical intervention, the license holder must refer the patient or individual to a medical facility capable of admitting the patient or individual.

(b) A license holder must report to a law enforcement agency with proper jurisdiction all denials of admission and terminations of services that involve the commission of a crime against a staff member of the license holder or on the license holder's property, as provided in Code of Federal Regulations, title 42, section 2.12(c)(5), and title 45, parts 160 to 164.

Subd. 5. **Discharge and transfer policies.** A license holder must have a written policy and procedure, approved and signed by the medical director, that specifies

conditions under which patients may be discharged or transferred. The policy must include the following:

(1) guidelines for determining when a patient is medically stable and whether a patient is able to be discharged or transferred to a lower level of care;

(2) guidelines for determining when a patient needs a transfer to a higher level of care. Clinically managed program guidelines must include guidelines for transfer to a medically monitored program, hospital, or other acute care facility. Medically monitored program guidelines must include guidelines for transfer to a hospital or other acute care facility;

(3) procedures staff must follow when discharging a patient under each of the following circumstances:

(i) the patient is involved in the commission of a crime against program staff or against a license holder's property. The procedures for a patient discharged under this item must specify how reports must be made to law enforcement agencies with proper jurisdiction as allowed under Code of Federal Regulations, title 42, section 2.12(c)(5), and title 45, parts 160 to 164;

(ii) the patient is in imminent danger of harming self or others and is beyond the license holder's capacity to ensure safety;

(iii) the patient was admitted under chapter 253B; or

(iv) the patient is leaving against staff or medical advice; and

(4) a requirement that staff must document where the patient was referred after discharge or transfer, and if a referral was not made, the reason the patient was not provided a referral.

Sec. 6. **[245F.06] SCREENING AND COMPREHENSIVE ASSESSMENT.**

Subdivision 1. **Screening for substance use disorder.** A nurse or an alcohol and drug counselor must screen each patient upon admission to determine whether a comprehensive assessment is indicated. The license holder must screen patients at each admission, except that if the patient has already been determined to suffer from a substance use disorder, subdivision 2 applies.

Subd. 2. **Comprehensive assessment.** (a) Prior to a medically stable discharge, but not later than 72 hours following admission, a license holder must provide a comprehensive assessment according to section 245.4863, paragraph (a), and Minnesota Rules, part 9530.6422, for each patient who has a positive screening for a substance use disorder. If a patient's medical condition prevents a comprehensive assessment from being completed within 72 hours, the license holder must document why the assessment

was not completed. The comprehensive assessment must include documentation of the appropriateness of an involuntary referral through the civil commitment process.

(b) If available to the program, a patient's previous comprehensive assessment may be used in the patient record. If a previously completed comprehensive assessment is used, its contents must be reviewed to ensure the assessment is accurate and current and complies with the requirements of this chapter. The review must be completed by a staff person qualified according to Minnesota Rules, part 9530.6450, subpart 5. The license holder must document that the review was completed and that the previously completed assessment is accurate and current, or the license holder must complete an updated or new assessment.

Sec. 7. **[245F.07] STABILIZATION PLANNING.**

Subdivision 1. **Stabilization plan.** Within 12 hours of admission, a license holder must develop an individualized stabilization plan for each patient accepted for stabilization services. The plan must be based on the patient's initial health assessment and continually updated based on new information gathered about the patient's condition from the comprehensive assessment, medical evaluation and consultation, and ongoing monitoring and observations of the patient. The patient must have an opportunity to have direct involvement in the development of the plan. The stabilization plan must:

(1) identify medical needs and goals to be achieved while the patient is receiving services;

(2) specify stabilization services to address the identified medical needs and goals, including amount and frequency of services;

(3) specify the participation of others in the stabilization planning process and specific services where appropriated; and

(4) document the patient's participation in developing the content of the stabilization plan and any updates.

Subd. 2. **Progress notes.** Progress notes must be entered in the patient's file at least daily and immediately following any significant event, including any change that impacts the medical, behavioral, or legal status of the patient. Progress notes must:

(1) include documentation of the patient's involvement in the stabilization services, including the type and amount of each stabilization service;

(2) include the monitoring and observations of the patient's medical needs;

(3) include documentation of referrals made to other services or agencies;

(4) specify the participation of others; and

(5) be legible, signed, and dated by the staff person completing the documentation.

Subd. 3. **Discharge plan.** Before a patient leaves the facility, the license holder must conduct discharge planning for the patient, document discharge planning in the patient's record, and provide the patient with a copy of the discharge plan. The discharge plan must include:

(1) referrals made to other services or agencies at the time of transition;

(2) the patient's plan for follow-up, aftercare, or other poststabilization services;

(3) documentation of the patient's participation in the development of the transition plan;

(4) any service that will continue after discharge under the direction of the license holder; and

(5) a stabilization summary and final evaluation of the patient's progress toward treatment objectives.

Sec. 8. **[245F.08] STABILIZATION SERVICES.**

Subdivision 1. **General.** The license holder must encourage patients to remain in care for an appropriate duration as determined by the patient's stabilization plan, and must encourage all patients to enter programs for ongoing recovery as clinically indicated. In addition, the license holder must offer services that are patient-centered, trauma-informed, and culturally appropriate. Culturally appropriate services must include translation services and dietary services that meet a patient's dietary needs. All services provided to the patient must be documented in the patient's medical record. The following services must be offered unless clinically inappropriate and the justifying clinical rational is documented:

(1) individual or group motivational counseling sessions;

(2) individual advocacy and case management services;

(3) medical services as required in section 245F.12;

(4) care coordination provided according to subdivision 2;

(5) peer recovery support services provided according to subdivision 3;

(6) patient education provided according to subdivision 4; and

(7) referrals to mutual aid, self-help, and support groups.

Subd. 2. **Care coordination.** Care coordination services must be initiated for each patient upon admission. The license holder must identify the staff person responsible for the provision of each service. Care coordination services must include:

(1) coordination with significant others to assist in the stabilization planning process whenever possible;

(2) coordination with and follow-up to appropriate medical services as identified by the nurse or licensed practitioner;

(3) referral to substance use disorder services as indicated by the comprehensive assessment;

(4) referral to mental health services as identified in the comprehensive assessment;

(5) referrals to economic assistance, social services, and prenatal care in accordance with the patient's needs;

(6) review and approval of the transition plan prior to discharge, except in an emergency, by a staff member able to provide direct patient contact;

(7) documentation of the provision of care coordination services in the patient's file; and

(8) addressing cultural and socioeconomic factors affecting the patient's access to services.

Subd. 3. **Peer recovery support services.** (a) Peers in recovery serve as mentors or recovery-support partners for individuals in recovery, and may provide encouragement, self-disclosure of recovery experiences, transportation to appointments, assistance with finding resources that will help locate housing, job search resources, and assistance finding and participating in support groups.

(b) Peer recovery support services are provided by a recovery peer and must be supervised by the responsible staff person.

Subd. 4. **Patient education.** A license holder must provide education to each patient on the following:

(1) substance use disorder, including the effects of alcohol and other drugs, specific information about the effects of substance use on unborn children, and the signs and symptoms of fetal alcohol spectrum disorders;

(2) tuberculosis and reporting known cases of tuberculosis disease to health care authorities according to section 144.4804;

(3) Hepatitis C treatment and prevention;

(4) HIV as required in section 245A.19, paragraphs (b) and (c);

(5) nicotine cessation options, if applicable;

(6) opioid tolerance and overdose risks, if applicable; and

(7) long-term withdrawal issues related to use of barbiturates and benzodiazepines, if applicable.

Subd. 5. **Mutual aid, self-help, and support groups.** The license holder must refer patients to mutual aid, self-help, and support groups when clinically indicated and to the extent available in the community.

Sec. 9. **[245F.09] PROTECTIVE PROCEDURES.**

Subdivision 1. **Use of protective procedures.** (a) Programs must incorporate person-centered planning and trauma-informed care into its protective procedure policies. Protective procedures may be used only in cases where a less restrictive alternative will not protect the patient or others from harm and when the patient is in imminent danger of harming self or others. When a program uses a protective procedure, the program must continuously observe the patient until the patient may safely be left for 15-minute intervals. Use of the procedure must end when the patient is no longer in imminent danger of harming self or others.

(b) Protective procedures may not be used:

(1) for disciplinary purposes;

(2) to enforce program rules;

(3) for the convenience of staff;

(4) as a part of any patient's health monitoring plan; or

(5) for any reason except in response to specific, current behaviors which create an imminent danger of harm to the patient or others.

Subd. 2. **Protective procedures plan.** A license holder must have a written policy and procedure that establishes the protective procedures that program staff must follow when a patient is in imminent danger of harming self or others. The policy must be appropriate to the type of facility and the level of staff training. The protective procedures policy must include:

(1) an approval signed and dated by the program director and medical director prior to implementation. Any changes to the policy must also be approved, signed, and dated by the current program director and the medical director prior to implementation;

(2) which protective procedures the license holder will use to prevent patients from imminent danger of harming self or others;

(3) the emergency conditions under which the protective procedures are permitted to be used, if any;

(4) the patient's health conditions that limit the specific procedures that may be used and alternative means of ensuring safety;

(5) emergency resources the program staff must contact when a patient's behavior cannot be controlled by the procedures established in the policy;

(6) the training that staff must have before using any protective procedure;

(7) documentation of approved therapeutic holds;

(8) the use of law enforcement personnel as described in subdivision 4;

(9) standards governing emergency use of seclusion. Seclusion must be used only when less restrictive measures are ineffective or not feasible. The standards in items (i) to (vii) must be met when seclusion is used with a patient:

(i) seclusion must be employed solely for the purpose of preventing a patient from imminent danger of harming self or others;

(ii) seclusion rooms must be equipped in a manner that prevents patients from self-harm using projections, windows, electrical fixtures, or hard objects, and must allow the patient to be readily observed without being interrupted;

(iii) seclusion must be authorized by the program director, a licensed physician, or a registered nurse. If one of these individuals is not present in the facility, the program director or a licensed physician or registered nurse must be contacted and authorization must be obtained within 30 minutes of initiating seclusion, according to written policies;

(iv) patients must not be placed in seclusion for more than 12 hours at any one time;

(v) once the condition of a patient in seclusion has been determined to be safe enough to end continuous observation, a patient in seclusion must be observed at a minimum of every 15 minutes for the duration of seclusion and must always be within hearing range of program staff;

(vi) a process for program staff to use to remove a patient to other resources available to the facility if seclusion does not sufficiently assure patient safety; and

(vii) a seclusion area may be used for other purposes, such as intensive observation, if the room meets normal standards of care for the purpose and if the room is not locked; and

(10) physical holds may only be used when less restrictive measures are not feasible. The standards in items (i) to (iv) must be met when physical holds are used with a patient:

(i) physical holds must be employed solely for preventing a patient from imminent danger of harming self or others;

(ii) physical holds must be authorized by the program director, a licensed physician, or a registered nurse. If one of these individuals is not present in the facility, the program director or a licensed physician or a registered nurse must be contacted and authorization must be obtained within 30 minutes of initiating a physical hold, according to written policies;

(iii) the patient's health concerns must be considered in deciding whether to use physical holds and which holds are appropriate for the patient; and

(iv) only approved holds may be utilized. Prone holds are not allowed and must not be authorized.

Subd. 3. **Records.** Each use of a protective procedure must be documented in the patient record. The patient record must include:

(1) a description of specific patient behavior precipitating a decision to use a protective procedure, including date, time, and program staff present;

(2) the specific means used to limit the patient's behavior;

(3) the time the protective procedure began, the time the protective procedure ended, and the time of each staff observation of the patient during the procedure;

(4) the names of the program staff authorizing the use of the protective procedure, the time of the authorization, and the program staff directly involved in the protective procedure and the observation process;

(5) a brief description of the purpose for using the protective procedure, including less restrictive interventions used prior to the decision to use the protective procedure and a description of the behavioral results obtained through the use of the procedure. If a less restrictive intervention was not used, the reasons for not using a less restrictive intervention must be documented;

(6) documentation by the responsible staff person on duty of reassessment of the patient at least every 15 minutes to determine if seclusion or the physical hold can be terminated;

(7) a description of the physical holds used in escorting a patient; and

(8) any injury to the patient that occurred during the use of a protective procedure.

Subd. 4. **Use of law enforcement.** The program must maintain a central log documenting each incident involving use of law enforcement, including:

(1) the date and time law enforcement arrived at and left the program;

(2) the reason for the use of law enforcement;

(3) if law enforcement used force or a protective procedure and which protective procedure was used; and

(4) whether any injuries occurred.

Subd. 5. **Administrative review.** (a) The license holder must keep a record of all patient incidents and protective procedures used. An administrative review of each use of protective procedures must be completed within 72 hours by someone other than the person who used the protective procedure. The record of the administrative review of the use of protective procedures must state whether:

(1) the required documentation was recorded for each use of a protective procedure;

(2) the protective procedure was used according to the policy and procedures;

(3) the staff who implemented the protective procedure was properly trained; and

(4) the behavior met the standards for imminent danger of harming self or others.

(b) The license holder must conduct and document a quarterly review of the use of protective procedures with the goal of reducing the use of protective procedures. The review must include:

(1) any patterns or problems indicated by similarities in the time of day, day of the week, duration of the use of a protective procedure, individuals involved, or other factors associated with the use of protective procedures;

(2) any injuries resulting from the use of protective procedures;

(3) whether law enforcement was involved in the use of a protective procedure;

(4) actions needed to correct deficiencies in the program's implementation of protective procedures;

(5) an assessment of opportunities missed to avoid the use of protective procedures; and

(6) proposed actions to be taken to minimize the use of protective procedures.

Sec. 10. **[245F.10] PATIENT RIGHTS AND GRIEVANCE PROCEDURES.**

Subdivision 1. **Patient rights.** Patients have the rights in sections 144.651, 148F.165, and 253B.03, as applicable. The license holder must give each patient, upon admission, a written statement of patient rights. Program staff must review the statement with the patient.

Subd. 2. **Grievance procedure.** Upon admission, the license holder must explain the grievance procedure to the patient or patient's representative and give the patient a written copy of the procedure. The grievance procedure must be posted in a place visible to the patient and must be made available to current and former patients upon request. A license holder's written grievance procedure must include:

(1) staff assistance in developing and processing the grievance;

(2) an initial response to the patient who filed the grievance within 24 hours of the program's receipt of the grievance, and timelines for additional steps to be taken to resolve the grievance, including access to the person with the highest level of authority in the program if the grievance cannot be resolved by other staff members; and

(3) the addresses and telephone numbers of the Department of Human Services Licensing Division, Department of Health Office of Health Facilities Complaints, Board of Behavioral Health and Therapy, Board of Medical Practice, Board of Nursing, and Office of the Ombudsman for Mental Health and Developmental Disabilities.

Sec. 11. **[245F.11] PATIENT PROPERTY MANAGEMENT.**

A license holder must meet the requirements for handling patient funds and property in section 245A.04, subdivision 14, except:

(1) a license holder must establish policies regarding the use of personal property to assure that program activities and the rights of other patients are not infringed, and may take temporary custody of personal property if these policies are violated;

(2) a license holder must retain the patient's property for a minimum of seven days after discharge if the patient does not reclaim the property after discharge; and

(3) the license holder must return to the patient all of the patient's property held in trust at discharge, regardless of discharge status, except that:

(i) drugs, drug paraphernalia, and drug containers that are subject to forfeiture under section 609.5316 must be given over to the custody of a local law enforcement agency or, if giving the property over to the custody of a local law enforcement agency would violate Code of Federal Regulations, title 42, sections 2.1 to 2.67, and title 45, parts 160 to 164, destroyed by a staff person designated by the program director; and

(ii) weapons, explosives, and other property that may cause serious harm to self or others must be transferred to a local law enforcement agency. The patient must be notified of the transfer and the right to reclaim the property if the patient has a legal right to possess the item.

Sec. 12. **[245F.12] MEDICAL SERVICES.**

Subdivision 1. **Services provided at all programs.** Withdrawal management programs must have:

(1) a standardized data collection tool for collecting health-related information about each patient. The data collection tool must be developed in collaboration with a registered nurse and approved and signed by the medical director; and

(2) written procedures for a nurse to assess and monitor patient health within the nurse's scope of practice. The procedures must:

(i) be approved by the medical director;

(ii) include a follow-up screening conducted between four and 12 hours after service initiation to collect information relating to acute intoxication, other health complaints, and behavioral risk factors that the patient may not have communicated at service initiation;

(iii) specify the physical signs and symptoms that, when present, require consultation with a registered nurse or a physician and that require transfer to an acute care facility or a higher level of care than that provided by the program;

(iv) specify those staff members responsible for monitoring patient health and provide for hourly observation and for more frequent observation if the initial health

assessment or follow-up screening indicates a need for intensive physical or behavioral health monitoring; and

(v) specify the actions to be taken to address specific complicating conditions, including pregnancy or the presence of physical signs or symptoms of any other medical condition.

Subd. 2. **Services provided at clinically managed programs.** In addition to the services listed in subdivision 1, clinically managed programs must:

(1) have a licensed practical nurse on site 24 hours a day and a medical director;

(2) provide an initial health assessment conducted by a nurse upon admission;

(3) provide daily on-site medical evaluation and consultation with a registered nurse and have a registered nurse available by telephone or in person for consultation 24 hours a day;

(4) have a qualified medical professional available by telephone or in person for consultation 24 hours a day; and

(5) have appropriately licensed staff available to administer medications according to prescriber-approved orders.

Subd. 3. **Services provided at medically monitored programs.** In addition to the services listed in subdivision 1, medically monitored programs must have a registered nurse on site 24 hours a day and a medical director. Medically monitored programs must provide intensive inpatient withdrawal management services which must include:

(1) an initial health assessment conducted by a registered nurse upon admission;

(2) the availability of a medical evaluation and consultation with a registered nurse 24 hours a day;

(3) the availability of a qualified medical professional by telephone or in person for consultation 24 hours a day;

(4) the ability to be seen within 24 hours or sooner by a qualified medical professional if the initial health assessment indicates the need to be seen;

(5) the availability of on-site monitoring of patient care seven days a week by a qualified medical professional; and

(6) appropriately licensed staff available to administer medications according to prescriber-approved orders.

Sec. 13. **[245F.13] MEDICATIONS.**

Subdivision 1. **Administration of medications.** A license holder must employ or contract with a registered nurse to develop the policies and procedures for medication administration. A registered nurse must provide supervision as defined in section 148.171,

subdivision 23, for the administration of medications. For clinically managed programs, the registered nurse supervision must include on-site supervision at least monthly or more often as warranted by the health needs of the patient. The medication administration policies and procedures must include:

(1) a provision that patients may carry emergency medication such as nitroglycerin as instructed by their prescriber;

(2) requirements for recording the patient's use of medication, including staff signatures with date and time;

(3) guidelines regarding when to inform a licensed practitioner or a registered nurse of problems with medication administration, including failure to administer, patient refusal of a medication, adverse reactions, or errors; and

(4) procedures for acceptance, documentation, and implementation of prescriptions, whether written, oral, telephonic, or electronic.

Subd. 2. **Control of drugs.** A license holder must have in place and implement written policies and procedures relating to control of drugs. The policies and procedures must be developed by a registered nurse and must contain the following provisions:

(1) a requirement that all drugs must be stored in a locked compartment. Schedule II drugs, as defined in section 152.02, subdivision 3, must be stored in a separately locked compartment that is permanently affixed to the physical plant or a medication cart;

(2) a system for accounting for all scheduled drugs each shift;

(3) a procedure for recording a patient's use of medication, including staff signatures with time and date;

(4) a procedure for destruction of discontinued, outdated, or deteriorated medications;

(5) a statement that only authorized personnel are permitted to have access to the keys to the locked drug compartments; and

(6) a statement that no legend drug supply for one patient may be given to another patient.

Sec. 14. **[245F.14] STAFFING REQUIREMENTS AND DUTIES.**

Subdivision 1. **Program director.** A license holder must employ or contract with a person, on a full-time basis, to serve as program director. The program director must be responsible for all aspects of the facility and the services delivered to the license holder's patients. An individual may serve as program director for more than one program owned by the same license holder.

Subd. 2. **Responsible staff person.** During all hours of operation, a license holder must designate a staff member as the responsible staff person to be present and awake

in the facility and be responsible for the program. The responsible staff person must have decision-making authority over the day-to-day operation of the program as well as the authority to direct the activity of or terminate the shift of any staff member who has direct patient contact.

Subd. 3. **Technician required.** A license holder must have one technician awake and on duty at all times for every ten patients in the program. A license holder may assign technicians according to the need for care of the patients, except that the same technician must not be responsible for more than 15 patients at one time. For purposes of establishing this ratio, all staff whose qualifications meet or exceed those for technicians under section 245F.15, subdivision 6, and who are performing the duties of a technician may be counted as technicians. The same individual may not be counted as both a technician and an alcohol and drug counselor.

Subd. 4. **Registered nurse required.** A license holder must employ or contract with a registered nurse, who must be available 24 hours a day by telephone or in person for consultation. The registered nurse is responsible for:

(1) establishing and implementing procedures for the provision of nursing care and delegated medical care, including:

(i) a health monitoring plan;

(ii) a medication control plan;

(iii) training and competency evaluations for staff performing delegated medical and nursing functions;

(iv) handling serious illness, accident, or injury to patients;

(v) an infection control program; and

(vi) a first aid kit;

(2) delegating nursing functions to other staff consistent with their education, competence, and legal authorization;

(3) assigning, supervising, and evaluating the performance of nursing tasks; and

(4) implementing condition-specific protocols in compliance with section 151.37, subdivision 2.

Subd. 5. **Medical director required.** A license holder must have a medical director available for medical supervision. The medical director is responsible for ensuring the accurate and safe provision of all health-related services and procedures. A license holder must obtain and document the medical director's annual approval of the following procedures before the procedures may be used:

(1) admission, discharge, and transfer criteria and procedures;

(2) a health services plan;

(3) physical indicators for a referral to a physician, registered nurse, or hospital, and procedures for referral;

(4) procedures to follow in case of accident, injury, or death of a patient;

(5) formulation of condition-specific protocols regarding the medications that require a withdrawal regimen that will be administered to patients;

(6) an infection control program;

(7) protective procedures; and

(8) a medication control plan.

Subd. 6. **Alcohol and drug counselor.** A withdrawal management program must provide one full-time equivalent alcohol and drug counselor for every 16 patients served by the program.

Subd. 7. **Ensuring staff-to-patient ratio.** The responsible staff person under subdivision 2 must ensure that the program does not exceed the staff-to-patient ratios in subdivisions 3 and 6 and must inform admitting staff of the current staffed capacity of the program for that shift. A license holder must have a written policy for documenting staff-to-patient ratios for each shift and actions to take when staffed capacity is reached.

Sec. 15. **[245F.15] STAFF QUALIFICATIONS.**

Subdivision 1. **Qualifications for all staff who have direct patient contact.** (a) All staff who have direct patient contact must be at least 18 years of age and must, at the time of hiring, document that they meet the requirements in paragraph (b), (c), or (d).

(b) Program directors, supervisors, nurses, and alcohol and drug counselors must be free of substance use problems for at least two years immediately preceding their hiring and must sign a statement attesting to that fact.

(c) Recovery peers must be free of substance use problems for at least one year immediately preceding their hiring and must sign a statement attesting to that fact.

(d) Technicians and other support staff must be free of substance use problems for at least six months immediately preceding their hiring and must sign a statement attesting to that fact.

Subd. 2. **Continuing employment; no substance use problems.** License holders must require staff to be free from substance use problems as a condition of continuing employment. Staff are not required to sign statements attesting to their freedom from substance use problems after the initial statement required by subdivision 1. Staff with substance use problems must be immediately removed from any responsibilities that include direct patient contact.

Subd. 3. **Program director qualifications.** A program director must:

(1) have at least one year of work experience in direct service to individuals with substance use disorders or one year of work experience in the management or administration of direct service to individuals with substance use disorders;

(2) have a baccalaureate degree or three years of work experience in administration or personnel supervision in human services; and

(3) know and understand the requirements of this chapter and chapters 245A and 245C, and sections 253B.04, 253B.05, 626.556, 626.557, and 626.5572.

Subd. 4. **Alcohol and drug counselor qualifications.** An alcohol and drug counselor must meet the requirements in Minnesota Rules, part 9530.6450, subpart 5.

Subd. 5. **Responsible staff person qualifications.** Each responsible staff person must know and understand the requirements of this chapter and sections 245A.65, 253B.04, 253B.05, 626.556, 626.557, and 626.5572. In a clinically managed program, the responsible staff person must be a licensed practical nurse employed by or under contract with the license holder. In a medically monitored program, the responsible staff person must be a registered nurse, program director, or physician.

Subd. 6. **Technician qualifications.** A technician employed by a program must demonstrate competency, prior to direct patient contact, in the following areas:

(1) knowledge of the client bill of rights in section 148F.165, and staff responsibilities in sections 144.651 and 253B.03;

(2) knowledge of and the ability to perform basic health screening procedures with intoxicated patients that consist of:

(i) blood pressure, pulse, temperature, and respiration readings;

(ii) interviewing to obtain relevant medical history and current health complaints; and

(iii) visual observation of a patient's health status, including monitoring a patient's behavior as it relates to health status;

(3) a current first aid certificate from the American Red Cross or an equivalent organization; a current cardiopulmonary resuscitation certificate from the American Red Cross, the American Heart Association, a community organization, or an equivalent organization; and knowledge of first aid for seizures, trauma, and loss of consciousness; and

(4) knowledge of and ability to perform basic activities of daily living and personal hygiene.

Subd. 7. **Recovering peer qualifications.** Recovery peers must:

(1) be at least 21 years of age and have a high school diploma or its equivalent;

(2) have a minimum of one year in recovery from substance use disorder;

(3) have completed a curriculum designated by the commissioner that teaches specific skills and training in the domains of ethics and boundaries, advocacy, mentoring and education, and recovery and wellness support; and

(4) receive supervision in areas specific to the domains of their role by qualified supervisory staff.

Subd. 8. **Personal relationships.** A license holder must have a written policy addressing personal relationships between patients and staff who have direct patient contact. The policy must:

(1) prohibit direct patient contact between a patient and a staff member if the staff member has had a personal relationship with the patient within two years prior to the patient's admission to the program;

(2) prohibit access to a patient's clinical records by a staff member who has had a personal relationship with the patient within two years prior to the patient's admission, unless the patient consents in writing; and

(3) prohibit a clinical relationship between a staff member and a patient if the staff member has had a personal relationship with the patient within two years prior to the patient's admission. If a personal relationship exists, the staff member must report the relationship to the staff member's supervisor and recuse the staff member from a clinical relationship with that patient.

Sec. 16. **[245F.16] PERSONNEL POLICIES AND PROCEDURES.**

Subdivision 1. **Policy requirements.** A license holder must have written personnel policies and must make them available to staff members at all times. The personnel policies must:

(1) ensure that staff member's retention, promotion, job assignment, or pay are not affected by a good faith communication between the staff member and the Department of Human Services, Department of Health, Ombudsman for Mental Health and Developmental Disabilities, law enforcement, or local agencies that investigate complaints regarding patient rights, health, or safety;

(2) include a job description for each position that specifies job responsibilities, degree of authority to execute job responsibilities, standards of job performance related to specified job responsibilities, and qualifications;

(3) provide for written job performance evaluations for staff members of the license holder at least annually;

(4) describe behavior that constitutes grounds for disciplinary action, suspension, or dismissal, including policies that address substance use problems and meet the requirements

of section 245F.15, subdivisions 1 and 2. The policies and procedures must list behaviors or incidents that are considered substance use problems. The list must include:

(i) receiving treatment for substance use disorder within the period specified for the position in the staff qualification requirements;

(ii) substance use that has a negative impact on the staff member's job performance;

(iii) substance use that affects the credibility of treatment services with patients, referral sources, or other members of the community; and

(iv) symptoms of intoxication or withdrawal on the job;

(5) include policies prohibiting personal involvement with patients and policies prohibiting patient maltreatment as specified under chapter 604 and sections 245A.65, 626.556, 626.557, and 626.5572;

(6) include a chart or description of organizational structure indicating the lines of authority and responsibilities;

(7) include a written plan for new staff member orientation that, at a minimum, includes training related to the specific job functions for which the staff member was hired, program policies and procedures, patient needs, and the areas identified in subdivision 2, paragraphs (b) to (e); and

(8) include a policy on the confidentiality of patient information.

Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member receives orientation training before providing direct patient care and at least 30 hours of continuing education every two years. A written record must be kept to demonstrate completion of training requirements.

(b) Within 72 hours of beginning employment, all staff having direct patient contact must be provided orientation on the following:

(1) specific license holder and staff responsibilities for patient confidentiality;

(2) standards governing the use of protective procedures;

(3) patient ethical boundaries and patient rights, including the rights of patients admitted under chapter 253B;

(4) infection control procedures;

(5) mandatory reporting under sections 245A.65, 626.556, and 626.557, including specific training covering the facility's policies concerning obtaining patient releases of information;

(6) HIV minimum standards as required in section 245A.19;

(7) motivational counseling techniques and identifying stages of change; and

(8) eight hours of training on the program's protective procedures policy required in section 245F.09, including:

(i) approved therapeutic holds;

(ii) protective procedures used to prevent patients from imminent danger of harming self or others;

(iii) the emergency conditions under which the protective procedures may be used, if any;

(iv) documentation standards for using protective procedures;

(v) how to monitor and respond to patient distress; and

(vi) person-centered planning and trauma-informed care.

(c) All staff having direct patient contact must be provided annual training on the following:

(1) infection control procedures;

(2) mandatory reporting under sections 245A.65, 626.556, and 626.557, including specific training covering the facility's policies concerning obtaining patient releases of information;

(3) HIV minimum standards as required in section 245A.19; and

(4) motivational counseling techniques and identifying stages of change.

(d) All staff having direct patient contact must be provided training every two years on the following:

(1) specific license holder and staff responsibilities for patient confidentiality;

(2) standards governing use of protective procedures, including:

(i) approved therapeutic holds;

(ii) protective procedures used to prevent patients from imminent danger of harming self or others;

(iii) the emergency conditions under which the protective procedures may be used, if any;

(iv) documentation standards for using protective procedures;

(v) how to monitor and respond to patient distress; and

(vi) person-centered planning and trauma-informed care; and

(3) patient ethical boundaries and patient rights, including the rights of patients admitted under chapter 253B.

(e) Continuing education that is completed in areas outside of the required topics must provide information to the staff person that is useful to the performance of the individual staff person's duties.

Sec. 17. **[245F.17] PERSONNEL FILES.**

A license holder must maintain a separate personnel file for each staff member. At a minimum, the file must contain:

(1) a completed application for employment signed by the staff member that contains the staff member's qualifications for employment and documentation related to the applicant's background study data, as defined in chapter 245C;

(2) documentation of the staff member's current professional license or registration, if relevant;

(3) documentation of orientation and subsequent training;

(4) documentation of a statement of freedom from substance use problems; and

(5) an annual job performance evaluation.

Sec. 18. **[245F.18] POLICY AND PROCEDURES MANUAL.**

A license holder must develop a written policy and procedures manual that is alphabetically indexed and has a table of contents, so that staff have immediate access to all policies and procedures, and that consumers of the services, and other authorized parties have access to all policies and procedures. The manual must contain the following materials:

(1) a description of patient education services as required in section 245F.06;

(2) personnel policies that comply with section 245F.16;

(3) admission information and referral and discharge policies that comply with section 245F.05;

(4) a health monitoring plan that complies with section 245F.12;

(5) a protective procedures policy that complies with section 245F.09, if the program elects to use protective procedures;

(6) policies and procedures for assuring appropriate patient-to-staff ratios that comply with section 245F.14;

(7) policies and procedures for assessing and documenting the susceptibility for risk of abuse to the patient as the basis for the individual abuse prevention plan required by section 245A.65;

(8) procedures for mandatory reporting as required by sections 245A.65, 626.556, and 626.557;

(9) a medication control plan that complies with section 245F.13; and

(10) policies and procedures regarding HIV that meet the minimum standards under section 245A.19.

Sec. 19. **[245F.19] PATIENT RECORDS.**

Subdivision 1. **Patient records required.** A license holder must maintain a file of current patient records on the program premises where the treatment is provided. Each entry in each patient record must be signed and dated by the staff member making the entry. Patient records must be protected against loss, tampering, or unauthorized disclosure in compliance with chapter 13 and section 254A.09; Code of Federal Regulations, title 42, sections 2.1 to 2.67; and title 45, parts 160 to 164.

Subd. 2. **Records retention.** A license holder must retain and store records as required by section 245A.041, subdivisions 3 and 4.

Subd. 3. **Contents of records.** Patient records must include the following:

(1) documentation of the patient's presenting problem, any substance use screening, the most recent assessment, and any updates;

(2) a stabilization plan and progress notes as required by section 245F.07, subdivisions 1 and 2;

(3) a discharge summary as required by section 245F.07, subdivision 3;

(4) an individual abuse prevention plan that complies with section 245A.65, and related rules;

(5) documentation of referrals made; and

(6) documentation of the monitoring and observations of the patient's medical needs.

Sec. 20. **[245F.20] DATA COLLECTION REQUIRED.**

The license holder must participate in the drug and alcohol abuse normative evaluation system (DAANES) by submitting, in a format provided by the commissioner, information concerning each patient admitted to the program. Staff submitting data must be trained by the license holder with the DAANES Web manual.

Sec. 21. **[245F.21] PAYMENT METHODOLOGY.**

The commissioner shall develop a payment methodology for services provided under this chapter or by an Indian Health Services facility or a facility owned and operated by a tribe or tribal organization operating under Public Law 93-638 as a 638 facility. The commissioner shall seek federal approval for the methodology. Upon federal approval, the commissioner must seek and obtain legislative approval of the funding methodology to support the service.

ARTICLE 4

DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2014, section 43A.241, is amended to read:

43A.241 INSURANCE CONTRIBUTIONS; FORMER ~~CORRECTIONS~~ EMPLOYEES.

(a) This section applies to a person who:

(1) was employed by the commissioner of the Department of Corrections ~~at a state institution under control of the commissioner, and in that employment was a member of the general plan of the Minnesota State Retirement System;~~ or by the Department of Human Services;

(2) was covered by the correctional employee retirement plan under section 352.91 or the general state employees retirement plan of the Minnesota State Retirement System as defined in section 352.021;

(3) while employed under clause (1), was assaulted by:

~~an inmate at a state institution under control of the commissioner of the Department of Corrections~~ (i) a person under correctional supervision for a criminal offense; or

(ii) a client or patient at the Minnesota sex offender program, or at a state-operated forensic services program as defined in section 352.91, subdivision 3j, under the control of the commissioner of the Department of Human Services; and

~~(3)~~ (4) as a direct result of the assault under clause (3), was determined to be totally and permanently physically disabled under laws governing the Minnesota State Retirement System.

(b) For a person to whom this section applies, the commissioner of the Department of Corrections or the commissioner of the Department of Human Services must continue to make the employer contribution for ~~hospital,~~ medical~~,~~ and dental benefits under the State Employee Group Insurance Program after the person terminates state service. If the person had dependent coverage at the time of terminating state service, employer contributions for dependent coverage also must continue under this section. The employer contributions must be in the amount of the employer contribution for active state employees at the time each payment is made. The employer contributions must continue until the person reaches age 65, provided the person makes the required employee contributions, in the amount required of an active state employee, at the time and in the manner specified by the commissioner.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a person assaulted by an inmate, client, or patient on or after that date.

Sec. 2. Minnesota Statutes 2014, section 246.54, subdivision 1, is amended to read:

Subdivision 1. **County portion for cost of care.** (a) Except for chemical dependency services provided under sections 254B.01 to 254B.09, the client's county shall pay to the state of Minnesota a portion of the cost of care provided in a regional treatment center or a state nursing facility to a client legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall equal a percentage of the cost of care, as determined by the commissioner, for each day, or the portion thereof, that the client spends at a regional treatment center or a state nursing facility according to the following schedule:

(1) zero percent for the first 30 days;

(2) 20 percent for days 31 ~~to 60~~ and over if the stay is determined to be clinically appropriate for the client; and

(3) ~~75 percent for any days over 60~~ 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged.

~~(b) The increase in the county portion for cost of care under paragraph (a), clause (3), shall be imposed when the treatment facility has determined that it is clinically appropriate for the client to be discharged.~~

~~(c)~~ (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent of the cost of care for days over 31 ~~to 60, or 25 percent for days over 60~~ for clients who meet the criteria in paragraph (a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

Sec. 3. Minnesota Statutes 2014, section 246B.01, subdivision 2b, is amended to read:

Subd. 2b. **Cost of care.** "Cost of care" means the commissioner's charge for housing ~~and~~, treatment, aftercare services, and supervision, provided to any person admitted to the Minnesota sex offender program.

For purposes of this subdivision, "charge for housing ~~and~~, treatment, aftercare services, and supervision" means the cost of services, treatment, maintenance, bonds issued for capital improvements, depreciation of buildings and equipment, and indirect costs

related to the operation of state facilities. The commissioner may determine the charge for services on an anticipated average per diem basis as an all-inclusive charge per facility.

Sec. 4. **[246B.033] BIENNIAL EVALUATIONS OF CIVILLY COMMITTED SEX OFFENDERS.**

Subdivision 1. **Duty of executive director.** The executive director shall ensure that each civilly committed sex offender, including those on provisional discharge status, is evaluated in the form of a forensic risk assessment and treatment progress report not less than once every two years. The purpose of these evaluations is to identify the current treatment needs, risk of reoffense, and potential for reduction in custody. The executive director shall ensure that those performing such evaluations are qualified to do so and are trained on current research and legal standards relating to risk assessment, sex offender treatment, and reductions in custody.

Subd. 2. **Assessment and report.** A copy of the forensic risk assessment and the treatment progress report must be provided to the civilly committed sex offender and the civilly committed sex offender's attorney, along with a copy of a blank petition for reduction in custody and instructions on completing and filing the petition.

Subd. 3. **Suspension of duty if individual is in correctional facility.** The executive director may suspend or delay a civilly committed sex offender's evaluation during any time period that the individual is residing in a correctional facility operated by the state or federal government until the individual returns to the custody of the Minnesota sex offender program.

Subd. 4. **Right to petition.** This section must not impair or restrict a civilly committed sex offender's right to petition for a reduction in custody as provided in chapter 253D. The executive director may adjust the scheduling of an individual's evaluation under this section to avoid duplication and inefficiency in circumstances where an individual has within a two-year period already received a risk assessment and treatment progress report as the result of a petition for reduction in custody.

EFFECTIVE DATE. This section is effective July 1, 2015. The executive director is not required to begin providing civilly committed sex offenders with evaluations until January 4, 2016.

Sec. 5. Minnesota Statutes 2014, section 246B.10, is amended to read:

246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.

The civilly committed sex offender's county shall pay to the state a portion of the cost of care provided in the Minnesota sex offender program to a civilly committed sex offender who has legally settled in that county. A county's payment must be made from the county's own sources of revenue and payments must equal 25 percent of the cost of care, as determined by the commissioner, for each day or portion of a day, that the civilly committed sex offender ~~spends at the facility~~ receives services, either within a Minnesota sex offender program facility or while on provisional discharge. If payments received by the state under this chapter exceed 75 percent of the cost of care for civilly committed sex offenders admitted to the program on or after August 1, 2011, the county is responsible for paying the state the remaining amount. If payments received by the state under this chapter exceed 90 percent of the cost of care for civilly committed sex offenders admitted to the program prior to August 1, 2011, the county is responsible for paying the state the remaining amount. The county is not entitled to reimbursement from the civilly committed sex offender, the civilly committed sex offender's estate, or from the civilly committed sex offender's relatives, except as provided in section 246B.07.

EFFECTIVE DATE. The amendment to the provision governing county payments for each day or portion of a day that a civilly committed sex offender receives services is effective for civilly committed sex offenders provisionally discharged on or after the day following final enactment.

ARTICLE 5

SIMPLIFICATION OF PUBLIC ASSISTANCE PROGRAMS

Section 1. Minnesota Statutes 2014, section 119B.011, subdivision 15, is amended to read:

Subd. 15. **Income.** "Income" means earned ~~or unearned~~ income ~~received by all family members, including~~ as defined under section 256P.01, subdivision 3, unearned income as defined under section 256P.01, subdivision 8, and public assistance cash benefits ~~and~~, including the Minnesota family investment program, diversionary work program, work benefit, Minnesota supplemental aid, general assistance, refugee cash assistance, at-home infant child care subsidy payments, ~~unless specifically excluded~~ and child support and maintenance distributed to the family under section 256.741, subdivision 15. The following are ~~excluded~~ deducted from income: funds used to pay for health insurance premiums for family members, ~~Supplemental Security Income, scholarships, work-study income, and grants that cover costs or reimbursement for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses;~~

~~state and federal earned income tax credits; assistance specifically excluded as income by law; in-kind income such as food support, energy assistance, foster care assistance, medical assistance, child care assistance, and housing subsidies; earned income of full-time or part-time students up to the age of 19, who have not earned a high school diploma or GED high school equivalency diploma including earnings from summer employment; grant awards under the family subsidy program; nonrecurring lump-sum income only to the extent that it is earmarked and used for the purpose for which it is paid; and any income assigned to the public authority according to section 256.741~~ and child or spousal support paid to or on behalf of a person or persons who live outside of the household. Income sources not included in this subdivision and section 256P.06, subdivision 3, are not counted.

Sec. 2. Minnesota Statutes 2014, section 119B.025, subdivision 1, is amended to read:

Subdivision 1. **Factors which must be verified.** (a) The county shall verify the following at all initial child care applications using the universal application:

(1) identity of adults;

(2) presence of the minor child in the home, if questionable;

(3) relationship of minor child to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of the foregoing;

(4) age;

(5) immigration status, if related to eligibility;

(6) Social Security number, if given;

(7) income;

(8) spousal support and child support payments made to persons outside the household;

(9) residence; and

(10) inconsistent information, if related to eligibility.

(b) If a family did not use the universal application or child care addendum to apply for child care assistance, the family must complete the universal application or child care addendum at its next eligibility redetermination and the county must verify the factors listed in paragraph (a) as part of that redetermination. Once a family has completed a universal application or child care addendum, the county shall use the redetermination form described in paragraph (c) for that family's subsequent redeterminations. Eligibility must be redetermined at least every six months. A family is considered to have met the eligibility redetermination requirement if a complete redetermination form and all required verifications are received within 30 days after the date the form was due. Assistance shall be payable retroactively from the redetermination due date. For a family where at least

one parent is under the age of 21, does not have a high school or general equivalency diploma, and is a student in a school district or another similar program that provides or arranges for child care, as well as parenting, social services, career and employment supports, and academic support to achieve high school graduation, the redetermination of eligibility shall be deferred beyond six months, but not to exceed 12 months, to the end of the student's school year. If a family reports a change in an eligibility factor before the family's next regularly scheduled redetermination, the county must recalculate eligibility without requiring verification of any eligibility factor that did not change. Changes must be reported as required by section 256P.07. A change in income occurs on the day the participant received the first payment reflecting the change in income.

(c) The commissioner shall develop a redetermination form to redetermine eligibility and a change report form to report changes that minimize paperwork for the county and the participant.

Sec. 3. Minnesota Statutes 2014, section 119B.035, subdivision 4, is amended to read:

Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of assistance under subdivision 2. The maximum rate of assistance is equal to 68 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence.

(b) A participating family must report income and other family changes as specified in sections 256P.06 and 256P.07, and the county's plan under section 119B.08, subdivision 3.

(c) Persons who are admitted to the at-home infant child care program retain their position in any basic sliding fee program. Persons leaving the at-home infant child care program reenter the basic sliding fee program at the position they would have occupied.

(d) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Sec. 4. Minnesota Statutes 2014, section 119B.09, subdivision 4, is amended to read:

Subd. 4. **Eligibility; annual income; calculation.** Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, or income calculated by the method which provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be recalculated when the family's income changes, but no less often than every six months. For a family where at least one parent is under the age of 21, does not have a high school or general equivalency diploma, and is a student in a

school district or another similar program that provides or arranges for child care, as well as parenting, social services, career and employment supports, and academic support to achieve high school graduation, income must be recalculated when the family's income changes, but otherwise shall be deferred beyond six months, but not to exceed 12 months, to the end of the student's school year. Included lump sums counted as income under section 256P.06, subdivision 3, are to be annualized over 12 months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 5. Minnesota Statutes 2014, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to provide for single adults, childless couples, or children as defined in section 256D.02, subdivision 6, ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance, in effect on July 16, 1996, would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the Supplemental Security Income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the Social Security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially

ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods~~, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple~~ must ~~be used~~ follow the provisions under section 256P.06.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program in effect on July 16, 1996. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program as of July 16, 1996.

Sec. 6. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision to read:

Subd. 1a. **Assistance unit.** "Assistance unit" means an individual or an eligible married couple who live together who are applying for or receiving benefits under this chapter.

Sec. 7. Minnesota Statutes 2014, section 256D.02, is amended by adding a subdivision to read:

Subd. 1b. **Cash assistance benefit.** "Cash assistance benefit" means any payment received as a disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, Supplemental Security Income, or other assistance program.

Sec. 8. Minnesota Statutes 2014, section 256D.02, subdivision 8, is amended to read:

Subd. 8. **Income.** "Income" means ~~any form of income, including remuneration for services performed as an employee and earned income from rental income and self-employment earnings as described under section 256P.05~~ earned income as defined under section 256P.01, subdivision 3, and unearned income as defined under section 256P.01, subdivision 8.

~~Income includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any~~

~~person other than the person for whose benefit they are received, unless that person is a family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a postsecondary institution, and payments made on behalf of an applicant or participant which the applicant or participant could legally demand to receive personally in cash, must be included as income. Benefits of an applicant or participant, such as those administered by the Social Security Administration, that are paid to a representative payee, and are spent on behalf of the applicant or participant, are considered available income of the applicant or participant.~~

Sec. 9. Minnesota Statutes 2014, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be granted in an amount that when added to the ~~nonexempt~~ countable income as determined to be actually available to the assistance unit under section 256P.06, the total amount equals the applicable standard of assistance for general assistance. In determining eligibility for and the amount of assistance for an individual or married couple, the agency shall apply the earned income disregard as determined in section 256P.03.

Sec. 10. Minnesota Statutes 2014, section 256D.405, subdivision 3, is amended to read:

Subd. 3. **Reports.** Participants must report changes in circumstances according to section 256P.07 that affect eligibility or assistance payment amounts within ten days of the change. Participants who do not receive SSI because of excess income must complete a monthly report form if they have earned income, if they have income deemed to them from a financially responsible relative with whom the participant resides, or if they have income deemed to them by a sponsor. If the report form is not received before the end of the month in which it is due, the county agency must terminate assistance. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month the assistance was terminated, the assistance unit is considered to have continued its application for assistance, effective the first day of the month the assistance was terminated.

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

Subd. 1b. **Assistance unit.** "Assistance unit" means an individual who is applying for or receiving benefits under this chapter.

Sec. 12. Minnesota Statutes 2014, section 256I.03, subdivision 7, is amended to read:

Subd. 7. **Countable income.** "Countable income" means all income received by an applicant or recipient as described under section 256P.06, less any applicable exclusions or disregards. For a recipient of any cash benefit from the SSI program, countable income means the SSI benefit limit in effect at the time the person is in a GRH, less the medical assistance personal needs allowance. If the SSI limit has been reduced for a person due to events occurring prior to the persons entering the GRH setting, countable income means actual income less any applicable exclusions and disregards.

Sec. 13. Minnesota Statutes 2014, section 256I.04, subdivision 1, is amended to read:

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

(a) The individual is aged, blind, or is over 18 years of age and disabled as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of section 256P.02, and the individual's countable income after deducting the (1) exclusions and disregards of the SSI program, (2) the medical assistance personal needs allowance under section 256B.35, and (3) an amount equal to the income actually made available to a community spouse by an elderly waiver participant under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's agreement with the provider of group residential housing in which the individual resides.

(b) The individual meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), and the individual's resources are less than the standards specified by section 256P.02, and the individual's countable income as determined under ~~sections 256D.01 to 256D.21~~ section 256P.06, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the agency's agreement with the provider of group residential housing in which the individual resides.

Sec. 14. Minnesota Statutes 2014, section 256I.06, subdivision 6, is amended to read:

Subd. 6. **Reports.** Recipients must report changes in circumstances according to section 256P.07 that affect eligibility or group residential housing payment amounts within ten days of the change. Recipients with countable earned income must complete a monthly household report form. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for group

residential housing payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for group residential housing payment effective the first day of the month the eligibility was terminated.

Sec. 15. Minnesota Statutes 2014, section 256J.08, subdivision 26, is amended to read:

Subd. 26. **Earned income.** "Earned income" ~~means cash or in-kind income earned through the receipt of wages, salary, commissions, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, and any other profit from activity earned through effort or labor. The income must be in return for, or as a result of, legal activity~~ has the meaning given in section 256P.01, subdivision 3.

Sec. 16. Minnesota Statutes 2014, section 256J.08, subdivision 86, is amended to read:

Subd. 86. **Unearned income.** "Unearned income" ~~means income received by a person that does not meet the definition of earned income. Unearned income includes income from a contract for deed, interest, dividends, unemployment benefits, disability insurance payments, veterans benefits, pension payments, return on capital investment, insurance payments or settlements, severance payments, child support and maintenance payments, and payments for illness or disability whether the premium payments are made in whole or in part by an employer or participant~~ has the meaning given in section 256P.01, subdivision 8.

Sec. 17. Minnesota Statutes 2014, section 256J.30, subdivision 1, is amended to read:

Subdivision 1. **Applicant reporting requirements.** An applicant must provide information on an application form and supplemental forms about the applicant's circumstances ~~which affect MFIP eligibility or the assistance payment. An applicant must report changes identified in subdivision 9 while the application is pending. When an applicant does not accurately report information on an application, both an overpayment and a referral for a fraud investigation may result. When an applicant does not provide information or documentation, the receipt of the assistance payment may be delayed or the application may be denied depending on the type of information required and its effect on eligibility~~ according to section 256P.07.

Sec. 18. Minnesota Statutes 2014, section 256J.30, subdivision 9, is amended to read:

Subd. 9. **Changes that must be reported.** A caregiver must report ~~the changes or anticipated changes specified in clauses (1) to (15) within ten days of the date they occur, at the time of the periodic recertification of eligibility under section 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting period as in subdivision 5, whichever occurs first. A caregiver must report other changes at the time of the periodic recertification of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period under subdivision 5, as applicable. A caregiver must make these reports in writing to the agency. When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under clauses (1) to (14) had not occurred, the agency must determine whether a timely notice under section 256J.31, subdivision 4, could have been issued on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to that notice must be considered a client error overpayment under section 256J.38. Calculation of overpayments for late reporting under clause (15) is specified in section 256J.09, subdivision 9. Changes in circumstances which must be reported within ten days must also be reported on the MFIP household report form for the reporting period in which those changes occurred. Within ten days, a caregiver must report:~~ changes as specified under section 256P.07.

~~(1) a change in initial employment;~~

~~(2) a change in initial receipt of unearned income;~~

~~(3) a recurring change in unearned income;~~

~~(4) a nonrecurring change of unearned income that exceeds $30;~~

~~(5) the receipt of a lump sum;~~

~~(6) an increase in assets that may cause the assistance unit to exceed asset limits;~~

~~(7) a change in the physical or mental status of an incapacitated member of the assistance unit if the physical or mental status is the basis for reducing the hourly participation requirements under section 256J.55, subdivision 1, or the type of activities included in an employment plan under section 256J.521, subdivision 2;~~

~~(8) a change in employment status;~~

~~(9) the marriage or divorce of an assistance unit member;~~

~~(10) the death of a parent, minor child, or financially responsible person;~~

~~(11) a change in address or living quarters of the assistance unit;~~

~~(12) the sale, purchase, or other transfer of property;~~

~~(13) a change in school attendance of a caregiver under age 20 or an employed child;~~

~~(14) filing a lawsuit, a workers' compensation claim, or a monetary claim against a third party; and~~

~~(15) a change in household composition, including births, returns to and departures from the home of assistance unit members and financially responsible persons, or a change in the custody of a minor child.~~

Sec. 19. Minnesota Statutes 2014, section 256J.35, is amended to read:

256J.35 AMOUNT OF ASSISTANCE PAYMENT.

Except as provided in paragraphs (a) to (d), the amount of an assistance payment is equal to the difference between the MFIP standard of need or the Minnesota family wage level in section 256J.24 and countable income.

(a) Beginning July 1, 2015, MFIP assistance units are eligible for an MFIP housing assistance grant of $110 per month, unless:

(1) the housing assistance unit is currently receiving public and assisted rental subsidies provided through the Department of Housing and Urban Development (HUD) and is subject to section 256J.37, subdivision 3a; or

(2) the assistance unit is a child-only case under section 256J.88.

(b) When MFIP eligibility exists for the month of application, the amount of the assistance payment for the month of application must be prorated from the date of application or the date all other eligibility factors are met for that applicant, whichever is later. This provision applies when an applicant loses at least one day of MFIP eligibility.

(c) MFIP overpayments to an assistance unit must be recouped according to section ~~256J.38, subdivision 4~~ 256P.08, subdivision 5.

(d) An initial assistance payment must not be made to an applicant who is not eligible on the date payment is made.

Sec. 20. Minnesota Statutes 2014, section 256J.40, is amended to read:

256J.40 FAIR HEARINGS.

Caregivers receiving a notice of intent to sanction or a notice of adverse action that includes a sanction, reduction in benefits, suspension of benefits, denial of benefits, or termination of benefits may request a fair hearing. A request for a fair hearing must be submitted in writing to the county agency or to the commissioner and must be mailed within 30 days after a participant or former participant receives written notice of the agency's action or within 90 days when a participant or former participant shows good cause for not submitting the request within 30 days. A former participant who receives a notice of adverse action due to an overpayment may appeal the adverse action according to the requirements in this section. Issues that may be appealed are:

(1) the amount of the assistance payment;

(2) a suspension, reduction, denial, or termination of assistance;

(3) the basis for an overpayment, the calculated amount of an overpayment, and the level of recoupment;

(4) the eligibility for an assistance payment; and

(5) the use of protective or vendor payments under section 256J.39, subdivision 2, clauses (1) to (3).

Except for benefits issued under section 256J.95, a county agency must not reduce, suspend, or terminate payment when an aggrieved participant requests a fair hearing prior to the effective date of the adverse action or within ten days of the mailing of the notice of adverse action, whichever is later, unless the participant requests in writing not to receive continued assistance pending a hearing decision. An appeal request cannot extend benefits for the diversionary work program under section 256J.95 beyond the four-month time limit. Assistance issued pending a fair hearing is subject to recovery under section ~~256J.38~~ 256P.08 when as a result of the fair hearing decision the participant is determined ineligible for assistance or the amount of the assistance received. A county agency may increase or reduce an assistance payment while an appeal is pending when the circumstances of the participant change and are not related to the issue on appeal. The commissioner's order is binding on a county agency. No additional notice is required to enforce the commissioner's order.

A county agency shall reimburse appellants for reasonable and necessary expenses of attendance at the hearing, such as child care and transportation costs and for the transportation expenses of the appellant's witnesses and representatives to and from the hearing. Reasonable and necessary expenses do not include legal fees. Fair hearings must be conducted at a reasonable time and date by an impartial human services judge employed by the department. The hearing may be conducted by telephone or at a site that is readily accessible to persons with disabilities.

The appellant may introduce new or additional evidence relevant to the issues on appeal. Recommendations of the human services judge and decisions of the commissioner must be based on evidence in the hearing record and are not limited to a review of the county agency action.

Sec. 21. Minnesota Statutes 2014, section 256J.95, subdivision 19, is amended to read:

Subd. 19. **DWP overpayments and underpayments.** DWP benefits are subject to overpayments and underpayments. Anytime an overpayment or an underpayment is determined for DWP, the correction shall be calculated using prospective budgeting. Corrections shall be determined based on the policy in section 256J.34, subdivision 1,

paragraphs (a), (b), and (c). ATM errors must be recovered as specified in section ~~256J.38, subdivision 5~~ 256P.08, subdivision 6. Cross program recoupment of overpayments cannot be assigned to or from DWP.

Sec. 22. Minnesota Statutes 2014, section 256P.001, is amended to read:

256P.001 APPLICABILITY.

General assistance and Minnesota supplemental aid under chapter 256D, child care assistance programs under chapter 119B, and programs governed by chapter 256I or 256J are subject to the requirements of this chapter, unless otherwise specified or exempted.

Sec. 23. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision to read:

Subd. 2a. **Assistance unit.** "Assistance unit" is defined by program area under sections 119B.011, subdivision 13; 256D.02, subdivision 1a; 256D.35, subdivision 3a; 256I.03, subdivision 1b; and 256J.08, subdivision 7.

Sec. 24. Minnesota Statutes 2014, section 256P.01, subdivision 3, is amended to read:

Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, ~~and any~~ severance pay based on accrued leave time, payments from training programs at a rate at or greater than the state's minimum wage, royalties, honoraria, or other profit from activity ~~earned through effort~~ that results from the client's work, service, effort, or labor. The income must be in return for, or as a result of, legal activity.

Sec. 25. Minnesota Statutes 2014, section 256P.01, is amended by adding a subdivision to read:

Subd. 8. **Unearned income.** "Unearned income" has the meaning given in section 256P.06, subdivision 3, clause (2).

Sec. 26. Minnesota Statutes 2014, section 256P.02, is amended by adding a subdivision to read:

Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs under chapter 119B are exempt from this section.

Sec. 27. Minnesota Statutes 2014, section 256P.03, subdivision 1, is amended to read:

Subdivision 1. **Exempted programs.** Participants who qualify for child care assistance programs under chapter 119B, Minnesota supplemental aid under chapter 256D, and ~~for~~ group residential housing under chapter 256I on the basis of eligibility for Supplemental Security Income are exempt from this section.

Sec. 28. Minnesota Statutes 2014, section 256P.04, subdivision 1, is amended to read:

Subdivision 1. **Exemption.** Participants who receive Minnesota supplemental aid and who maintain Supplemental Security Income eligibility under chapters 256D and 256I are exempt from the reporting requirements of this section, except that the policies and procedures for transfers of assets are those used by the medical assistance program under section 256B.0595. Participants who receive child care assistance under chapter 119B are exempt from the requirements of this section.

Sec. 29. Minnesota Statutes 2014, section 256P.04, subdivision 4, is amended to read:

Subd. 4. **Factors to be verified.** (a) The agency shall verify the following at application:

(1) identity of adults;

(2) age, if necessary to determine eligibility;

(3) immigration status;

(4) income;

(5) spousal support and child support payments made to persons outside the household;

(6) vehicles;

(7) checking and savings accounts;

(8) inconsistent information, if related to eligibility;

(9) residence; ~~and~~

(10) Social Security number~~.~~; and

(11) use of nonrecurring income under section 256P.06, subdivision 3, clause (2), item (ix), for the intended purpose in which it was given and received.

(b) Applicants who are qualified noncitizens and victims of domestic violence as defined under section 256J.08, subdivision 73, clause (7), are not required to verify the information in paragraph (a), clause (10). When a Social Security number is not provided to the agency for verification, this requirement is satisfied when each member of the assistance unit cooperates with the procedures for verification of Social Security numbers,

issuance of duplicate cards, and issuance of new numbers which have been established jointly between the Social Security Administration and the commissioner.

Sec. 30. Minnesota Statutes 2014, section 256P.05, subdivision 1, is amended to read:

Subdivision 1. **Exempted programs.** Participants who qualify for child care assistance programs under chapter 119B, Minnesota supplemental aid under chapter 256D, and ~~for~~ group residential housing under chapter 256I on the basis of eligibility for Supplemental Security Income are exempt from this section.

Sec. 31. **[256P.06] INCOME CALCULATIONS.**

Subdivision 1. **Reporting of income.** To determine eligibility, the county agency must evaluate income received by members of the assistance unit, or by other persons whose income is considered available to the assistance unit, and only count income that is available to the assistance unit. Income is available if the individual has legal access to the income.

Subd. 2. **Exempted individuals.** The following members of an assistance unit under chapters 119B and 256J are exempt from having their earned income count towards the income of an assistance unit:

(1) children under six years old;

(2) caregivers under 20 years of age enrolled at least half-time in school; and

(3) minors enrolled in school full time.

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

(1) earned income; and

(2) unearned income, which includes:

(i) interest and dividends from investments and savings;

(ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income;

(viii) retirement, survivors, and disability insurance payments;

(ix) nonrecurring income over $60 per quarter unless earmarked and used for the purpose for which it is intended. Income and use of this income is subject to verification requirements under section 256P.04;

(x) retirement benefits;

(xi) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;

(xii) tribal per capita payments unless excluded by federal and state law;

(xiii) income and payments from service and rehabilitation programs that meet or exceed the state's minimum wage rate;

(xiv) income from members of the United States armed forces unless excluded from income taxes according to federal or state law; and

(xv) child and spousal support.

Sec. 32. **[256P.07] REPORTING OF INCOME AND CHANGES.**

Subdivision 1. **Exempted programs.** Participants who qualify for Minnesota supplemental aid under chapter 256D and for group residential housing under chapter 256I on the basis of eligibility for Supplemental Security Income are exempt from this section.

Subd. 2. **Reporting requirements.** An applicant or participant must provide information on an application and any subsequent reporting forms about the assistance unit's circumstances that affect eligibility or benefits. An applicant or assistance unit must report changes identified in subdivision 3. When information is not accurately reported, both an overpayment and a referral for a fraud investigation may result. When information or documentation is not provided, the receipt of any benefit may be delayed or denied, depending on the type of information required and its effect on eligibility.

Subd. 3. **Changes that must be reported.** An assistance unit must report the changes or anticipated changes specified in clauses (1) to (12) within ten days of the date they occur, at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or within eight calendar days of a reporting period, whichever occurs first. An assistance unit must report other changes at the time of recertification of eligibility under section 256P.04, subdivisions 8 and 9, or at the end of a reporting period, as applicable. When an agency could have reduced or terminated assistance for one or more payment months if a delay in reporting a change specified under clauses (1) to (12) had not occurred, the agency must determine whether a timely notice could have been issued on the day that the change occurred. When a timely notice could have been issued, each month's overpayment subsequent to that notice must be considered a client error overpayment under section 119B.11, subdivision 2a; 256D.09, subdivision 6; 256D.49,

subdivision 3; 256J.38; or 256P.08. Changes in circumstances that must be reported within ten days must also be reported for the reporting period in which those changes occurred. Within ten days, an assistance unit must report a:

(1) change in earned income of $100 per month or greater;

(2) change in unearned income of $50 per month or greater;

(3) change in employment status and hours;

(4) change in address or residence;

(5) change in household composition with the exception of programs under chapter 256I;

(6) receipt of a lump-sum payment;

(7) increase in assets if over $9,000 with the exception of programs under chapter 119B;

(8) change in citizenship or immigration status;

(9) change in family status with the exception of programs under chapter 256I;

(10) change in disability status of a unit member, with the exception of programs under chapter 119B;

(11) new rent subsidy or a change in rent subsidy; and

(12) sale, purchase, or transfer of real property.

Subd. 4. **MFIP-specific reporting.** In addition to subdivision 3, an assistance unit under chapter 256J, within ten days of the change, must report:

(1) a pregnancy not resulting in birth when there are no other minor children; and

(2) a change in school attendance of a parent under 20 years of age or of an employed child.

Subd. 5. **DWP-specific reporting.** In addition to subdivisions 3 and 4, an assistance unit participating in the diversionary work program under section 256J.95 must report on an application:

(1) shelter expenses; and

(2) utility expenses.

Subd. 6. **Child care assistance programs-specific reporting.** In addition to subdivision 3, an assistance unit under chapter 119B, within ten days of the change, must report a:

(1) change in a parentally responsible individual's visitation schedule or custody arrangement for any child receiving child care assistance program benefits; and

(2) change in authorized activity status.

Subd. 7. **MSA-specific reporting.** In addition to subdivision 3, an assistance unit participating in the Minnesota supplemental aid program under section 256D.44, subdivision 5, paragraph (f), within ten days of the change, must report shelter expenses.

Sec. 33. **[256P.08] CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS.**

Subdivision 1. **Exempted programs.** Participants who qualify for child care assistance programs under chapter 119B and group residential housing under chapter 256I are exempt from this section.

Subd. 2. **Scope of overpayment.** (a) When a participant or former participant receives an overpayment due to agency, client, or ATM error, or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance or for less assistance than was received, except as provided for interim assistance in section 256D.06, subdivision 5, the county agency must recoup or recover the overpayment using the following methods:

(1) reconstruct each affected budget month and corresponding payment month;

(2) use the policies and procedures that were in effect for the payment month; and

(3) do not allow employment disregards in the calculation of the overpayment when the unit has not reported within two calendar months following the end of the month in which the income was received.

(b) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error. Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

Subd. 3. **Notice of overpayment.** When a county agency discovers that a participant or former participant has received an overpayment for one or more months, the county agency must notify the participant or former participant of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the authority for citing the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the participant's or former participant's right to appeal. No limit applies to the period in which the county agency is required to recoup or recover an overpayment according to subdivisions 4 and 5.

Subd. 4. **Recovering MFIP overpayments.** A county agency must initiate efforts to recover overpayments paid to a former participant or caregiver. Caregivers, both parental and nonparental, and minor caregivers of an assistance unit at the time an overpayment occurs, whether receiving assistance or not, are jointly and individually liable for repayment

of the overpayment. The county agency must request repayment from the former participants and caregivers. When an agreement for repayment is not completed within six months of the date of discovery or when there is a default on an agreement for repayment after six months, the county agency must initiate recovery consistent with chapter 270A or section 541.05. When a person has been convicted of fraud under section 256.98, recovery must be sought regardless of the amount of overpayment. When an overpayment is less than $35, and is not the result of a fraud conviction under section 256.98, the county agency must not seek recovery under this subdivision. The county agency must retain information about all overpayments regardless of the amount. When an adult, adult caregiver, or minor caregiver reapplies for assistance, the overpayment must be recouped under subdivision 5.

Subd. 4a. **Recovering general assistance and Minnesota supplemental aid overpayments.** (a) If an amount of assistance is paid to an assistance unit in excess of the payment due, the excess amount must be recovered by the agency. The agency shall give written notice to the recipient of its intention to recover the payment.

(b) If the person is no longer receiving assistance, the agency may request voluntary repayment or pursue civil recovery.

(c) If the person is receiving assistance, except as provided for interim assistance in section 256D.06, subdivision 5, when an overpayment occurs, the agency shall recover the overpayment by withholding an amount equal to:

(1) three percent of the assistance unit's standard of need for all Minnesota supplemental aid assistance units, and nonfraud cases for general assistance; and

(2) ten percent where fraud has occurred in general assistance cases; or

(3) the amount of the monthly general assistance or Minnesota supplemental aid payment, whichever is less.

(d) When there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(e) Overpayments may also be voluntarily repaid in part or in full by the individual, in addition to the assistance reductions provided in this subdivision, to include further voluntary reductions in the grant level agreed to in writing by the individual, until the total amount of the overpayment is repaid.

(f) The county agency shall make reasonable efforts to recover overpayments from a person who no longer receives assistance. The agency is not required to attempt to recover overpayments of less than $35 if the person is no longer on assistance and if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

(g) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error, and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(h) Residents of licensed residential facilities shall not have overpayments recovered from their personal needs allowance.

Subd. 5. **Recouping overpayments from MFIP participants.** A participant may voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this subdivision, until the total amount of the overpayment is repaid. When an overpayment occurs due to fraud, the county agency must recover from the overpaid assistance unit, including child-only cases, ten percent of the applicable standard or the amount of the monthly assistance payment, whichever is less. When a nonfraud overpayment occurs, the county agency must recover from the overpaid assistance unit, including child-only cases, three percent of the standard of need or the amount of the monthly assistance payment, whichever is less.

Subd. 6. **Recovering automatic teller machine errors.** For recipients receiving benefits by electronic benefit transfer, if the overpayment is a result of an ATM dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

Subd. 7. **Scope of underpayments.** A county agency must issue a corrective payment for underpayments made to a participant or to a person who would be a participant if an agency or client error causing the underpayment had not occurred. Corrective payments are limited to 12 months prior to the month of discovery. The county agency must issue the corrective payment according to subdivision 9.

Subd. 8. **Identifying the underpayment.** An underpayment may be identified by a county agency, participant, former participant, or person who would be a participant except for agency or client error.

Subd. 9. **Issuing corrective payments.** A county agency must correct an underpayment within seven calendar days after the underpayment has been identified, by adding the corrective payment amount to the monthly assistance payment of the participant, issuing a separate payment to a participant or former participant, or reducing an existing overpayment balance. When an underpayment occurs in a payment month and is not identified until the next payment month or later, the county agency must first subtract the underpayment from any overpayment balance before issuing the corrective payment. The county agency must not apply an underpayment in a current payment month against an overpayment balance. When an underpayment in the current payment month

is identified, the corrective payment must be issued within seven calendar days after the underpayment is identified. Corrective payments must be excluded when determining the applicant's or recipient's income and resources for the month of payment. The county agency must correct underpayments using the following methods:

(1) reconstruct each affected budget month and corresponding payment month; and

(2) use the policies and procedures that were in effect for the payment month.

Subd. 10. **Appeals.** A participant may appeal an underpayment, an overpayment, and a reduction in an assistance payment made to recoup the overpayment under subdivisions 4a and 5. The participant's appeal of each issue must be timely under section 256.045. When an appeal based on the notice issued under subdivision 3 is not timely, the fact or the amount of that overpayment must not be considered as a part of a later appeal, including an appeal of a reduction in an assistance payment to recoup that overpayment.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2014, sections 256D.0513; 256D.06, subdivision 8; 256D.09, subdivision 6; 256D.49; and 256J.38, are repealed.

(b) Minnesota Rules, part 3400.0170, subparts 5, 6, 12, and 13, are repealed.

Sec. 35. **EFFECTIVE DATE.**

This article is effective August 1, 2016.

ARTICLE 6

CONTINUING CARE

Section 1. Minnesota Statutes 2014, section 13.461, is amended by adding a subdivision to read:

Subd. 32. **ABLE accounts and designated beneficiaries.** Data on ABLE accounts and designated beneficiaries of ABLE accounts are classified under section 256Q.05, subdivision 7.

Sec. 2. Minnesota Statutes 2014, section 144.057, subdivision 1, is amended to read:

Subdivision 1. **Background studies required.** The commissioner of health shall contract with the commissioner of human services to conduct background studies of:

(1) individuals providing services which have direct contact, as defined under section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; residential care homes

licensed under chapter 144B, and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17;

(2) individuals specified in section 245C.03, subdivision 1, who perform direct contact services in a nursing home or a home care agency licensed under chapter 144A or a boarding care home licensed under sections 144.50 to 144.58~~, and~~. If the individual under study resides outside Minnesota, the study must ~~be at least as comprehensive as that of a Minnesota resident and include a search of information from the criminal justice data communications network in the state where the subject of the study resides~~ include a check for substantiated findings of maltreatment of adults and children in the individual's state of residence when the information is made available by that state, and must include a check of the National Crime Information Center database;

(3) beginning July 1, 1999, all other employees in nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact or access to patients or residents receiving services. "Access" means physical access to a client or the client's personal property without continuous, direct supervision as defined in section 245C.02, subdivision 8, when the employee's employment responsibilities do not include providing direct contact services;

(4) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities; and

(5) controlling persons of a supplemental nursing services agency, as defined under section 144A.70.

If a facility or program is licensed by the Department of Human Services and subject to the background study provisions of chapter 245C and is also licensed by the Department of Health, the Department of Human Services is solely responsible for the background studies of individuals in the jointly licensed programs.

Sec. 3. Minnesota Statutes 2014, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information from the national crime information system when the commissioner has reasonable cause as defined under section 245C.05, subdivision 5, or as required under section 144.057, subdivision 1, clause (2); and

(6) for a background study related to a child foster care application for licensure, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years; and

(ii) information from national crime information databases, when the background study subject is 18 years of age or older.

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

Sec. 4. Minnesota Statutes 2014, section 245C.12, is amended to read:

245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.

(a) For the purposes of background studies completed by tribal organizations performing licensing activities otherwise required of the commissioner under this chapter, after obtaining consent from the background study subject, tribal licensing agencies shall have access to criminal history data in the same manner as county licensing agencies and private licensing agencies under this chapter.

(b) Tribal organizations may contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to adoptions according to section 245C.34. Tribal organizations may also contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to child foster care according to section 245C.34.

(c) For the purposes of background studies completed to comply with a tribal organization's licensing requirements for individuals affiliated with a tribally licensed nursing facility, the commissioner shall obtain criminal history data from the National Criminal Records Repository in accordance with section 245C.32.

Sec. 5. Minnesota Statutes 2014, section 256.478, is amended to read:

256.478 HOME AND COMMUNITY-BASED SERVICES TRANSITIONS GRANTS.

~~(a)~~ The commissioner shall make available home and community-based services transition grants to serve individuals who do not meet eligibility criteria for the medical assistance program under section 256B.056 or 256B.057, but who otherwise meet the criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24.

~~(b) For the purposes of this section, the commissioner has the authority to transfer funds between the medical assistance account and the home and community-based services transitions grants account.~~

Sec. 6. Minnesota Statutes 2014, section 256.975, subdivision 8, is amended to read:

Subd. 8. **~~Promotion of~~ Establish long-term care ~~insurance~~ call center.** Within the limits of appropriations specifically for this purpose, the Minnesota Board on Aging, ~~either directly or~~ through ~~contract,~~ its Senior LinkAge Line established under section 256.975, subdivision 7, shall ~~promote the provision of employer-sponsored,~~ establish a long-term care call center that promotes planning for long-term care, and provides information about long-term care insurance, other long-term care financing options, and resources that support Minnesotans as they age or have more long-term chronic care

needs. The board shall ~~encourage private and public sector employers to make long-term care insurance available to employees, provide interested employers with information on the long-term care insurance product offered to state employees, and provide~~ work with a variety of stakeholders, including employers, insurance providers, brokers, or other sellers of products and consumers to develop the call center. The board shall seek technical assistance ~~to employers~~ from the commissioner ~~in designing long-term care insurance products and contacting companies offering long-term care insurance products~~ for implementation of the call center.

Sec. 7. Minnesota Statutes 2014, section 256B.056, subdivision 5c, is amended to read:

Subd. 5c. **Excess income standard.** (a) The excess income standard for parents and caretaker relatives, pregnant women, infants, and children ages two through 20 is the standard specified in subdivision 4, paragraph (b).

(b) Prior to January 1, 2017, the excess income standard for a person whose eligibility is based on blindness, disability, or age of 65 or more years shall equal 75 percent of the federal poverty guidelines.

(c) Between January 1, 2017, and December 31, 2018, the excess income standard for a person whose eligibility is based on blindness, disability, or age of 65 or more years, shall equal 85 percent of the federal poverty guidelines.

(d) Beginning January 1, 2019, the excess income standard for a person whose eligibility is based on blindness, disability, or age of 65 or more years, shall equal 95 percent of the federal poverty guidelines.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 8. Minnesota Statutes 2014, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

(1) but for excess earnings or assets, meets the definition of disabled under the Supplemental Security Income program;

(2) meets the asset limits in paragraph (d); and

(3) pays a premium and other obligations under paragraph (e).

(b) For purposes of eligibility, there is a $65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than $65 of earned income. Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding. Any

spousal income or assets shall be disregarded for purposes of eligibility and premium determinations.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician; or

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income may retain eligibility for up to four consecutive months after the month of job loss. To receive a four-month extension, enrollees must verify the medical condition or provide notification of job loss. All other eligibility requirements must be met and the enrollee must pay all calculated premium costs for continued eligibility.

(d) For purposes of determining eligibility under this subdivision, a person's assets must not exceed $20,000, excluding:

(1) all assets excluded under section 256B.056;

(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans;

(3) medical expense accounts set up through the person's employer; and

(4) spousal assets, including spouse's share of jointly held assets.

(e) All enrollees must pay a premium to be eligible for medical assistance under this subdivision, except as provided under clause (5).

(1) An enrollee must pay the greater of a ~~$65~~ $35 premium or the premium calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(3) All enrollees who receive unearned income must pay ~~five~~ one-half of one percent of unearned income in addition to the premium amount, except as provided under clause (5).

(4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(5) Effective July 1, 2009, American Indians are exempt from paying premiums as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

(f) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(g) Any required premium shall be determined at application and redetermined at the enrollee's six-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ten days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next six-month review.

(h) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(i) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. Good cause exists if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to D, are met. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(j) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

Sec. 9. Minnesota Statutes 2014, section 256B.059, subdivision 5, is amended to read:

Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for medical assistance benefits following the first continuous period of institutionalization on or after October 1, 1989, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the following amount for the community spouse:

(1) prior to July 1, 1994, the greater of:

(i) $14,148;

(ii) the lesser of the spousal share or $70,740; or

(iii) the amount required by court order to be paid to the community spouse;

(2) for persons whose date of initial determination of eligibility for medical assistance following their first continuous period of institutionalization occurs on or after July 1, 1994, the greater of:

(i) $20,000;

(ii) the lesser of the spousal share or $70,740; or

(iii) the amount required by court order to be paid to the community spouse.

The value of assets transferred for the sole benefit of the community spouse under section 256B.0595, subdivision 4, in combination with other assets available to the community spouse under this section, cannot exceed the limit for the community spouse asset allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall be considered available to the institutionalized spouse ~~whether or not converted to income~~. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under paragraph (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under the Supplemental Security Income program.

Sec. 10. Minnesota Statutes 2014, section 256B.0916, subdivision 2, is amended to read:

Subd. 2. **Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000, the commissioner shall distribute all funding available for home and community-based

waiver services for persons with developmental disabilities to individual counties or to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals. The commissioner shall encourage counties to form partnerships that have a sufficient number of recipients and funding to adequately manage the risk and maximize use of available resources.

(b) Counties must submit a request for funds and a plan for administering the program as required by the commissioner. The plan must identify the number of clients to be served, their ages, and their priority listing based on:

(1) requirements in Minnesota Rules, part 9525.1880; and

(2) statewide priorities identified in section 256B.092, subdivision 12.

The plan must also identify changes made to improve services to eligible persons and to improve program management.

(c) In allocating resources to counties, priority must be given to groups of counties that form partnerships to jointly plan, administer, and authorize funding for eligible individuals and to counties determined by the commissioner to have sufficient waiver capacity to maximize resource use.

(d) Within 30 days after receiving the county request for funds and plans, the commissioner shall provide a written response to the plan that includes the level of resources available to serve additional persons.

(e) Counties are eligible to receive medical assistance administrative reimbursement for administrative costs under criteria established by the commissioner.

(f) The commissioner shall manage waiver allocations in such a manner as to fully use available state and federal waiver appropriations.

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

Sec. 11. Minnesota Statutes 2014, section 256B.0916, subdivision 11, is amended to read:

Subd. 11. **Excess spending.** County and tribal agencies are responsible for spending in excess of the allocation made by the commissioner. In the event a county or tribal agency spends in excess of the allocation made by the commissioner for a given allocation period, they must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct their overspending for the ~~year~~ two years following the period when the overspending occurred. ~~Failure to correct overspending shall result in recoupment of spending in excess of the allocation~~. The commissioner shall recoup spending in excess of the allocation only in cases where statewide spending

exceeds the appropriation designated for the home and community-based services waivers. Nothing in this subdivision shall be construed as reducing the county's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to them for that purpose.

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

Sec. 12. Minnesota Statutes 2014, section 256B.0916, is amended by adding a subdivision to read:

Subd. 12. **Use of waiver allocations.** County and tribal agencies are responsible for spending the annual allocation made by the commissioner. In the event a county or tribal agency spends less than 97 percent of the allocation, while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The commissioner may determine a plan is unnecessary given the size of the allocation and capacity for new enrollment. The plan must state the actions the agency will take to assure reasonable and timely access to home and community-based waiver services for persons waiting for services. If a county or tribe does not submit a plan when required or implement the changes required, the commissioner shall assure access to waiver services within the county's or tribe's available allocation and take other actions needed to assure that all waiver participants in that county or tribe are receiving appropriate waiver services to meet their needs.

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

Sec. 13. Minnesota Statutes 2014, section 256B.441, is amended by adding a subdivision to read:

Subd. 65. **Nursing facility workforce enhancement rate adjustment effective January 1, 2016.** (a) A onetime rate adjustment for the purpose of providing more competitive wages in nursing facilities shall be provided as described under this subdivision.

(b) Beginning January 1, 2016, the commissioner shall make available to each nursing facility reimbursed under this section an operating payment rate adjustment, in accordance with paragraphs (c) to (i).

(c) One hundred percent of the money resulting from the rate adjustment under paragraph (b) must be used for increases in wages and the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, and workers' compensation for

employees directly employed by the nursing facility on or after the effective date of the rate adjustment. Individuals not eligible for an increase under this subdivision include:

(1) an individual employed in the central office of an entity that has an ownership interest in the nursing facility or exercises control over the nursing facility;

(2) an individual paid by the nursing facility under a management contract; or

(3) an individual being paid a base wage of $40 per hour or more.

(d) A nursing facility may apply for the rate adjustment under paragraph (b). The application must be submitted to the commissioner, in the form and manner specified by the commissioner, by August 10, 2015, and the nursing facility must provide additional information required by the commissioner by October 1, 2015. The commissioner may waive the deadlines in this paragraph under extraordinary circumstances, to be determined at the sole discretion of the commissioner. The application must contain at least:

(1) labor market information for positions that in terms of training, experience, and other relevant qualifications, are comparable to those in the nursing facility;

(2) proposed wage plan changes according to which all employees in a specific job group receive wage adjustments by an equal percentage, and that result in the average cost per compensated hour for that job group being equal to those for the comparable positions in the labor market;

(3) a calculation of the cost of implementing the specified wage plans;

(4) for nursing facilities in which ten percent or more of eligible employees are represented by an exclusive bargaining representative, the commissioner shall approve the application only upon receipt of a letter of acceptance of the distribution plan, with respect to members of the bargaining unit, signed by the exclusive bargaining agent and dated after May 25, 2015;

(5) a description of the plan the nursing facility will follow to notify eligible employees of the contents of the approved application. The plan must provide for giving each eligible employee a copy of the approved application or posting a copy of the approved application for a period of at least six weeks in an area of the nursing facility to which all eligible employees have access; and

(6) instructions for employees who believe they have not received the compensation-related increases specified in clause (2), as approved by the commissioner, and that must include a mailing address, e-mail address, and the telephone number that may be used by the employee to contact the commissioner or the commissioner's representative.

(e) The commissioner shall review applications received and shall subject them to tests for consistency with the most recently available information from annual statistical and cost reports. The commission shall request additional information as needed from

applying facilities. By use of medians from all applications and the most recently available public data on regional prevailing wage levels for comparable positions, the commissioner shall adjust the applicant-provided labor market information used in determining the amount of funding increase to be provided.

(f) The commissioner shall review applications received under paragraph (d) and shall provide the funding increase under this subdivision if the requirements of this subdivision have been met and if the appropriation for this purpose is sufficient. The rate adjustment shall be effective January 1, 2016. If the approved applications, in total, would distribute more money than is appropriated, the commissioner shall reduce by an equal percentage the amount of all funding increases to be allowed. The wage adjustments specified in an application may be reduced by the same percentage.

(g) For direct care-related positions, the commissioner shall divide the amount determined in paragraph (f) by the standardized days from the most recently available cost report and multiply this amount by the weight assigned to each RUG class, to determine per diem amounts, which shall be added to each RUG operating payment rate.

(h) For all other positions, the commissioner shall divide the amount determined in paragraph (f) by the resident days from the most recently available cost report and add this amount to each RUG operating payment rate.

(i) A nursing facility participating in the equitable cost-sharing for publicly owned nursing facility program participation under section 256B.441, subdivision 55a, may amend its level of participation after receiving notice of approval of its application under this subdivision.

Sec. 14. Minnesota Statutes 2014, section 256B.49, subdivision 26, is amended to read:

Subd. 26. **Excess allocations.** (a) Effective through June 30, 2018, county and tribal agencies will be responsible for authorizations in excess of the annual allocation made by the commissioner. In the event a county or tribal agency authorizes in excess of the allocation made by the commissioner for a given allocation period, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct their overspending for the ~~year~~ two years following the period when the overspending occurred. ~~Failure to correct overauthorizations shall result in recoupment of authorizations in excess of the allocation.~~ The commissioner shall recoup funds spent in excess of the allocation only in cases where statewide spending exceeds the appropriation designated for the home and community-based services waivers. Nothing in this subdivision shall be construed as reducing the county's responsibility to offer and make available feasible home and

community-based options to eligible waiver recipients within the resources allocated to them for that purpose. If a county or tribe does not submit a plan when required or implement the changes required, the commissioner shall assure access to waiver services within the county's or tribe's available allocation and take other actions needed to assure that all waiver participants in that county or tribe are receiving appropriate waiver services to meet their needs.

(b) Effective July 1, 2018, county and tribal agencies will be responsible for spending in excess of the annual allocation made by the commissioner. In the event a county or tribal agency spends in excess of the allocation made by the commissioner for a given allocation period, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The plan must state the actions the agency will take to correct its overspending for the two years following the period when the overspending occurred. The commissioner shall recoup funds spent in excess of the allocation only in cases when statewide spending exceeds the appropriation designated for the home and community-based services waivers. Nothing in this subdivision shall be construed as reducing the county's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to it for that purpose. If a county or tribe does not submit a plan when required or implement the changes required, the commissioner shall assure access to waiver services within the county's or tribe's available allocation and take other actions needed to assure that all waiver participants in that county or tribe are receiving appropriate waiver services to meet their needs.

Sec. 15. Minnesota Statutes 2014, section 256B.49, is amended by adding a subdivision to read:

Subd. 27. **Use of waiver allocations.** (a) Effective until June 30, 2018, county and tribal agencies are responsible for authorizing the annual allocation made by the commissioner. In the event a county or tribal agency authorizes less than 97 percent of the allocation, while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The commissioner may determine a plan is unnecessary given the size of the allocation and capacity for new enrollment. The plan must state the actions the agency will take to assure reasonable and timely access to home and community-based waiver services for persons waiting for services.

(b) Effective July 1, 2018, county and tribal agencies are responsible for spending the annual allocation made by the commissioner. In the event a county or tribal agency

spends less than 97 percent of the allocation, while maintaining a list of persons waiting for waiver services, the county or tribal agency must submit a corrective action plan to the commissioner for approval. The commissioner may determine a plan is unnecessary given the size of the allocation and capacity for new enrollment. The plan must state the actions the agency will take to assure reasonable and timely access to home and community-based waiver services for persons waiting for services.

Sec. 16. Minnesota Statutes 2014, section 256B.4913, subdivision 4a, is amended to read:

Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision, "implementation period" means the period beginning January 1, 2014, and ending on the last day of the month in which the rate management system is populated with the data necessary to calculate rates for substantially all individuals receiving home and community-based waiver services under sections 256B.092 and 256B.49. "Banding period" means the time period beginning on January 1, 2014, and ending upon the expiration of the 12-month period defined in paragraph (c), clause (5).

(b) For purposes of this subdivision, the historical rate for all service recipients means the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

(1) for a day service recipient who was not authorized to receive these waiver services prior to January 1, 2014; added a new service or services on or after January 1, 2014; or changed providers on or after January 1, 2014, the historical rate must be the authorized rate for the provider in the county of service, effective December 1, 2013; or

(2) for a unit-based service with programming or a unit-based service without programming recipient who was not authorized to receive these waiver services prior to January 1, 2014; added a new service or services on or after January 1, 2014; or changed providers on or after January 1, 2014, the historical rate must be the weighted average authorized rate for each provider number in the county of service, effective December 1, 2013; or

(3) for residential service recipients who change providers on or after January 1, 2014, the historical rate must be set by each lead agency within their county aggregate budget using their respective methodology for residential services effective December 1, 2013, for determining the provider rate for a similarly situated recipient being served by that provider.

(c) The commissioner shall adjust individual reimbursement rates determined under this section so that the unit rate is no higher or lower than:

(1) 0.5 percent from the historical rate for the implementation period;

(2) 0.5 percent from the rate in effect in clause (1), for the 12-month period immediately following the time period of clause (1);

(3) ~~1.0~~ 0.5 percent from the rate in effect in clause (2), for the 12-month period immediately following the time period of clause (2);

(4) 1.0 percent from the rate in effect in clause (3), for the 12-month period immediately following the time period of clause (3); ~~and~~

(5) 1.0 percent from the rate in effect in clause (4), for the 12-month period immediately following the time period of clause (4); and

(6) no adjustment to the rate in effect in clause (5) for the 12-month period immediately following the time period of clause (5). During this banding rate period, the commissioner shall not enforce any rate decrease or increase that would otherwise result from the end of the banding period. The commissioner shall, upon enactment, seek federal approval for the addition of this banding period.

(d) The commissioner shall review all changes to rates that were in effect on December 1, 2013, to verify that the rates in effect produce the equivalent level of spending and service unit utilization on an annual basis as those in effect on October 31, 2013.

(e) By December 31, 2014, the commissioner shall complete the review in paragraph (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

(f) During the banding period, the Medicaid Management Information System (MMIS) service agreement rate must be adjusted to account for change in an individual's need. The commissioner shall adjust the Medicaid Management Information System (MMIS) service agreement rate by:

(1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for the individual with variables reflecting the level of service in effect on December 1, 2013;

(2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for the individual with variables reflecting the updated level of service at the time of application; and

(3) adding to or subtracting from the Medicaid Management Information System (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

(g) This subdivision must not apply to rates for recipients served by providers new to a given county after January 1, 2014. Providers of personal supports services who also acted as fiscal support entities must be treated as new providers as of January 1, 2014.

Sec. 17. Minnesota Statutes 2014, section 256B.4913, subdivision 5, is amended to read:

Subd. 5. **Stakeholder consultation and county training.** (a) The commissioner shall continue consultation on regular intervals with the existing stakeholder group

established as part of the rate-setting methodology process and others, to gather input, concerns, and data, to assist in the full implementation of the new rate payment system and to make pertinent information available to the public through the department's Web site.

(b) The commissioner shall offer training at least annually for county personnel responsible for administering the rate-setting framework in a manner consistent with this section and section 256B.4914.

(c) The commissioner shall maintain an online instruction manual explaining the rate-setting framework. The manual shall be consistent with this section and section 256B.4914, and shall be accessible to all stakeholders including recipients, representatives of recipients, county or tribal agencies, and license holders.

(d) The commissioner shall not defer to the county or tribal agency on matters of technical application of the rate-setting framework, and a county or tribal agency shall not set rates in a manner that conflicts with this section or section 256B.4914.

Sec. 18. Minnesota Statutes 2014, section 256B.4914, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them, unless the context clearly indicates otherwise.

(b) "Commissioner" means the commissioner of human services.

(c) "Component value" means underlying factors that are part of the cost of providing services that are built into the waiver rates methodology to calculate service rates.

(d) "Customized living tool" means a methodology for setting service rates that delineates and documents the amount of each component service included in a recipient's customized living service plan.

(e) "Disability waiver rates system" means a statewide system that establishes rates that are based on uniform processes and captures the individualized nature of waiver services and recipient needs.

(f) "Individual staffing" means the time spent as a one-to-one interaction specific to an individual recipient by staff ~~brought in solely~~ to provide direct support and assistance with activities of daily living, instrumental activities of daily living, and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; and an assessment tool~~; and~~. Provider observation of an individual's needs must also be considered.

(g) "Lead agency" means a county, partnership of counties, or tribal agency charged with administering waivered services under sections 256B.092 and 256B.49.

(h) "Median" means the amount that divides distribution into two equal groups, one-half above the median and one-half below the median.

(i) "Payment or rate" means reimbursement to an eligible provider for services provided to a qualified individual based on an approved service authorization.

(j) "Rates management system" means a Web-based software application that uses a framework and component values, as determined by the commissioner, to establish service rates.

(k) "Recipient" means a person receiving home and community-based services funded under any of the disability waivers.

(l) "Shared staffing" means time spent by employees, not defined under paragraph (f), providing or available to provide more than one individual with direct support and assistance with activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659, subdivision 1, paragraph (i); ancillary activities needed to support individual services; and training to participants, and is based on the requirements in each individual's coordinated service and support plan under section 245D.02, subdivision 4b; any coordinated service and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and provider observation of an individual's service need. Total shared staffing hours are divided proportionally by the number of individuals who receive the shared service provisions.

(m) "Staffing ratio" means the number of recipients a service provider employee supports during a unit of service based on a uniform assessment tool, provider observation, case history, and the recipient's services of choice, and not based on the staffing ratios under section 245D.31.

(n) "Unit of service" means the following:

(1) for residential support services under subdivision 6, a unit of service is a day. Any portion of any calendar day, within allowable Medicaid rules, where an individual spends time in a residential setting is billable as a day;

(2) for day services under subdivision 7:

(i) for day training and habilitation services, a unit of service is either:

(A) a day unit of service is defined as six or more hours of time spent providing direct services and transportation; or

(B) a partial day unit of service is defined as fewer than six hours of time spent providing direct services and transportation; and

(C) for new day service recipients after January 1, 2014, 15 minute units of service must be used for fewer than six hours of time spent providing direct services and transportation;

(ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A day unit of service is six or more hours of time spent providing direct services;

(iii) for prevocational services, a unit of service is a day or an hour. A day unit of service is six or more hours of time spent providing direct service;

(3) for unit-based services with programming under subdivision 8:

(i) for supported living services, a unit of service is a day or 15 minutes. When a day rate is authorized, any portion of a calendar day where an individual receives services is billable as a day; and

(ii) for all other services, a unit of service is 15 minutes; and

(4) for unit-based services without programming under subdivision 9:

(i) for respite services, a unit of service is a day or 15 minutes. When a day rate is authorized, any portion of a calendar day when an individual receives services is billable as a day; and

(ii) for all other services, a unit of service is 15 minutes.

Sec. 19. Minnesota Statutes 2014, section 256B.4914, subdivision 8, is amended to read:

Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based ~~with program~~ services with programming, including behavior programming, housing access coordination, in-home family support, independent living skills training, hourly supported living services, and supported employment provided to an individual outside of any day or residential service plan must be calculated as follows, unless the services are authorized separately under subdivision 6 or 7:

(1) determine the number of units of service to meet a recipient's needs;

(2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

(3) for a recipient requiring customization for deaf and hard-of-hearing language accessibility under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (2). This is defined as the customized direct-care rate;

(4) multiply the number of direct staff hours by the appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

(5) multiply the number of direct staff hours by the product of the supervision span of control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision wage in subdivision 5, paragraph (a), clause (16);

(6) combine the results of clauses (4) and (5), and multiply the result by one plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e), clause (2). This is defined as the direct staffing rate;

(7) for program plan support, multiply the result of clause (6) by one plus the program plan supports ratio in subdivision 5, paragraph (e), clause (4);

(8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

(9) for client programming and supports, multiply the result of clause (8) by one plus the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

(10) this is the subtotal rate;

(11) sum the standard general and administrative rate, the program-related expense ratio, and the absence and utilization factor ratio;

(12) divide the result of clause (10) by one minus the result of clause (11). This is the total payment amount;

(13) for supported employment provided in a shared manner, divide the total payment amount in clause (12) by the number of service recipients, not to exceed three. For independent living skills training provided in a shared manner, divide the total payment amount in clause (12) by the number of service recipients, not to exceed two; and

(14) adjust the result of clause (13) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

Sec. 20. Minnesota Statutes 2014, section 256B.4914, subdivision 10, is amended to read:

Subd. 10. **Updating payment values and additional information.** (a) From January 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform procedures to refine terms and adjust values used to calculate payment rates in this section.

(b) No later than July 1, 2014, the commissioner shall, within available resources, begin to conduct research and gather data and information from existing state systems or other outside sources on the following items:

(1) differences in the underlying cost to provide services and care across the state; and

(2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and units of transportation for all day services, which must be collected from providers using the rate management worksheet and entered into the rates management system; and

(3) the distinct underlying costs for services provided by a license holder under sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided by a license holder certified under section 245D.33.

(c) Using a statistically valid set of rates management system data, the commissioner, in consultation with stakeholders, shall analyze for each service the average difference

in the rate on December 31, 2013, and the framework rate at the individual, provider, lead agency, and state levels. The commissioner shall issue semiannual reports to the stakeholders on the difference in rates by service and by county during the banding period under section 256B.4913, subdivision 4a. The commissioner shall issue the first report by October 1, 2014.

(d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall begin the review and evaluation of the following values already in subdivisions 6 to 9, or issues that impact all services, including, but not limited to:

(1) values for transportation rates for day services;

(2) values for transportation rates in residential services;

(3) values for services where monitoring technology replaces staff time;

(4) values for indirect services;

(5) values for nursing;

(6) component values for independent living skills;

(7) component values for family foster care that reflect licensing requirements;

(8) adjustments to other components to replace the budget neutrality factor;

(9) remote monitoring technology for nonresidential services;

(10) values for basic and intensive services in residential services;

(11) ~~values for the facility use rate in day services~~ the weightings used in the day service ratios and adjustments to those weightings;

(12) values for workers' compensation as part of employee-related expenses;

(13) values for unemployment insurance as part of employee-related expenses;

(14) a component value to reflect costs for individuals with rates previously adjusted for the inclusion of group residential housing rate 3 costs, only for any individual enrolled as of December 31, 2013; and

(15) any changes in state or federal law with an impact on the underlying cost of providing home and community-based services.

(e) The commissioner shall report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance with the information and data gathered under paragraphs (b) to (d) on the following dates:

(1) January 15, 2015, with preliminary results and data;

(2) January 15, 2016, with a status implementation update, and additional data and summary information;

(3) January 15, 2017, with the full report; and

(4) January 15, 2019, with another full report, and a full report once every four years thereafter.

(f) Based on the commissioner's evaluation of the information and data collected in paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by January 15, 2015, to address any issues identified during the first year of implementation. After January 15, 2015, the commissioner may make recommendations to the legislature to address potential issues.

(g) The commissioner shall implement a regional adjustment factor to all rate calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to implementation, the commissioner shall consult with stakeholders on the methodology to calculate the adjustment.

(h) The commissioner shall provide a public notice via LISTSERV in October of each year beginning October 1, 2014, containing information detailing legislatively approved changes in:

(1) calculation values including derived wage rates and related employee and administrative factors;

(2) service utilization;

(3) county and tribal allocation changes; and

(4) information on adjustments made to calculation values and the timing of those adjustments.

The information in this notice must be effective January 1 of the following year.

(i) No later than July 1, 2016, the commissioner shall develop and implement, in consultation with stakeholders, a methodology sufficient to determine the shared staffing levels necessary to meet, at a minimum, health and welfare needs of individuals who will be living together in shared residential settings, and the required shared staffing activities described in subdivision 2, paragraph (l). This determination methodology must ensure staffing levels are adaptable to meet the needs and desired outcomes for current and prospective residents in shared residential settings.

(j) When the available shared staffing hours in a residential setting are insufficient to meet the needs of an individual who enrolled in residential services after January 1, 2014, or insufficient to meet the needs of an individual with a service agreement adjustment described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours shall be used.

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

Sec. 21. Minnesota Statutes 2014, section 256B.4914, subdivision 14, is amended to read:

Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead agencies must identify individuals with exceptional needs that cannot be met under the disability waiver rate system. The commissioner shall use that information to evaluate and, if necessary, approve an alternative payment rate for those individuals. Whether granted, denied, or modified, the commissioner shall respond to all exception requests in writing. The commissioner shall include in the written response the basis for the action and provide notification of the right to appeal under paragraph (h).

(b) Lead agencies must act on an exception request within 30 days and notify the initiator of the request of their recommendation in writing. A lead agency shall submit all exception requests along with its recommendation to the ~~state~~ commissioner.

(c) An application for a rate exception may be submitted for the following criteria:

(1) an individual has service needs that cannot be met through additional units of service; ~~or~~

(2) an individual's rate determined under subdivisions 6, 7, 8, and 9 ~~results~~ is so insufficient that it has resulted in an individual ~~being discharged~~ receiving a notice of discharge from the individual's provider; or

(3) an individual's service needs, including behavioral changes, require a level of service which necessitates a change in provider or which requires the current provider to propose service changes beyond those currently authorized.

(d) Exception requests must include the following information:

(1) the service needs required by each individual that are not accounted for in subdivisions 6, 7, 8, and 9;

(2) the service rate requested and the difference from the rate determined in subdivisions 6, 7, 8, and 9;

(3) a basis for the underlying costs used for the rate exception and any accompanying documentation; and

(4) ~~the duration of the rate exception; and~~

~~(5)~~ any contingencies for approval.

(e) Approved rate exceptions shall be managed within lead agency allocations under sections 256B.092 and 256B.49.

(f) Individual disability waiver recipients, an interested party, or the license holder that would receive the rate exception increase may request that a lead agency submit an exception request. A lead agency that denies such a request shall notify the individual waiver recipient, interested party, or license holder of its decision and the reasons for

denying the request in writing no later than 30 days after the ~~individual's~~ request has been made and shall submit its denial to the commissioner in accordance with paragraph (b). The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

(g) The commissioner shall determine whether to approve or deny an exception request no more than 30 days after receiving the request. If the commissioner denies the request, the commissioner shall notify the lead agency and the individual disability waiver recipient, the interested party, and the license holder in writing of the reasons for the denial.

(h) The individual disability waiver recipient may appeal any denial of an exception request by either the lead agency or the commissioner, pursuant to sections 256.045 and 256.0451. When the denial of an exception request results in the proposed demission of a waiver recipient from a residential or day habilitation program, the commissioner shall issue a temporary stay of demission, when requested by the disability waiver recipient, consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary stay shall remain in effect until the lead agency can provide an informed choice of appropriate, alternative services to the disability waiver.

(i) Providers may petition lead agencies to update values that were entered incorrectly or erroneously into the rate management system, based on past service level discussions and determination in subdivision 4, without applying for a rate exception.

(j) The starting date for the rate exception will be the later of the date of the recipient's change in support or the date of the request to the lead agency for an exception.

(k) The commissioner shall track all exception requests received and their dispositions. The commissioner shall issue quarterly public exceptions statistical reports, including the number of exception requests received and the numbers granted, denied, withdrawn, and pending. The report shall include the average amount of time required to process exceptions.

(l) No later than January 15, 2016, the commissioner shall provide research findings on the estimated fiscal impact, the primary cost drivers, and common population characteristics of recipients with needs that cannot be met by the framework rates.

(m) No later than July 1, 2016, the commissioner shall develop and implement, in consultation with stakeholders, a process to determine eligibility for rate exceptions for individuals with rates determined under the methodology in section 256B.4913, subdivision 4a. Determination of eligibility for an exception will occur as annual service renewals are completed.

(n) Approved rate exceptions will be implemented at such time that the individual's rate is no longer banded and remain in effect in all cases until an individual's needs change as defined in paragraph (c).

Sec. 22. Minnesota Statutes 2014, section 256B.4914, subdivision 15, is amended to read:

Subd. 15. **County or tribal allocations.** (a) Upon implementation of the disability waiver rates management system on January 1, 2014, the commissioner shall establish a method of tracking and reporting the fiscal impact of the disability waiver rates management system on individual lead agencies.

(b) Beginning January 1, 2014, the commissioner shall make annual adjustments to lead agencies' home and community-based waivered service budget allocations to adjust for rate differences and the resulting impact on county allocations upon implementation of the disability waiver rates system.

(c) ~~During the first two years of implementation under section 256B.4913,~~ Lead agencies exceeding their allocations shall be subject to the provisions under sections ~~256B.092~~ 256B.0916, subdivision 11, and ~~256B.49~~ ~~shall only be held liable for spending in excess of their allocations after a reallocation of resources by the commissioner under paragraph (b). The commissioner shall reallocate resources under sections 256B.092, subdivision 12, and 256B.49, subdivision 11a. The commissioner shall notify lead agencies of this process by July 1, 2014~~ 256B.49, subdivision 26.

Sec. 23. **[256Q.01] PLAN ESTABLISHED.**

A savings plan known as the Minnesota ABLE plan is established. In establishing this plan, the legislature seeks to encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities to maintain health, independence, and quality of life, and to provide secure funding for disability-related expenses on behalf of designated beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, federal and state medical and disability insurance, the beneficiary's employment, and other sources.

Sec. 24. **[256Q.02] CITATION.**

This chapter may be cited as the "Minnesota Achieving a Better Life Experience Act" or "Minnesota ABLE Act."

Sec. 25. **[256Q.03] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **ABLE account.** "ABLE account" has the meaning defined in section 529A(e)(6) of the Internal Revenue Code.

Subd. 3. **ABLE account plan or plan.** "ABLE account plan" or "plan" means the qualified ABLE program, as defined in section 529A(b) of the Internal Revenue Code, provided for in this chapter.

Subd. 4. **Account.** "Account" means the formal record of transactions relating to an ABLE plan beneficiary.

Subd. 5. **Account owner.** "Account owner" means the designated beneficiary of the account.

Subd. 6. **Annual contribution limit.** "Annual contribution limit" has the meaning defined in section 529A(b)(2) of the Internal Revenue Code.

Subd. 7. **Application.** "Application" means the form executed by a prospective account owner to enter into a participation agreement and open an account in the plan. The application incorporates by reference the participation agreement.

Subd. 8. **Board.** "Board" means the State Board of Investment.

Subd. 9. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 10. **Contribution.** "Contribution" means a payment directly allocated to an account for the benefit of a beneficiary.

Subd. 11. **Department.** "Department" means the Department of Human Services.

Subd. 12. **Designated beneficiary or beneficiary.** "Designated beneficiary" or "beneficiary" has the meaning given in section 529A(e)(3) of the Internal Revenue Code and further defined through regulations issued under that section.

Subd. 13. **Earnings.** "Earnings" means the total account balance minus the investment in the account.

Subd. 14. **Eligible individual.** "Eligible individual" has the meaning defined in section 529A(e)(1) of the Internal Revenue Code and further defined through regulations issued under that section.

Subd. 15. **Executive director.** "Executive director" means the executive director of the State Board of Investment.

Subd. 16. **Internal Revenue Code.** "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

Subd. 17. **Investment in the account.** "Investment in the account" means the sum of all contributions made to an account by a particular date minus the aggregate amount of contributions included in distributions or rollover distributions, if any, made from the account as of that date.

Subd. 18. **Member of the family.** "Member of the family" has the meaning defined in section 529A(e)(4) of the Internal Revenue Code.

Subd. 19. **Participation agreement.** "Participation agreement" means an agreement to participate in the Minnesota ABLE plan between an account owner and the state, through its agencies, the commissioner, and the board.

Subd. 20. **Person.** "Person" means an individual, trust, estate, partnership, association, company, corporation, or the state.

Subd. 21. **Plan administrator.** "Plan administrator" means the person selected by the commissioner and the board to administer the daily operations of the ABLE account plan and provide marketing, record keeping, investment management, and other services for the plan.

Subd. 22. **Qualified disability expense.** "Qualified disability expense" has the meaning defined in section 529A(e)(5) of the Internal Revenue Code and further defined through regulations issued under that section.

Subd. 23. **Qualified distribution.** "Qualified distribution" means a withdrawal from an ABLE account to pay the qualified disability expenses of the beneficiary of the account. A qualified withdrawal may be made by the beneficiary, by an agent of the beneficiary who has the power of attorney, or by the beneficiary's legal guardian.

Subd. 24. **Rollover distribution.** "Rollover distribution" means a transfer of funds made:

(1) from one account in another state's qualified ABLE program to an account for the benefit of the same designated beneficiary or an eligible individual who is a family member of the former designated beneficiary; or

(2) from one account to another account for the benefit of an eligible individual who is a family member of the former designated beneficiary.

Subd. 25. **Total account balance.** "Total account balance" means the amount in an account on a particular date or the fair market value of an account on a particular date.

Sec. 26. **[256Q.04] ABLE PLAN REQUIREMENTS.**

Subdivision 1. **State residency requirement.** The designated beneficiary of any ABLE account must be a resident of Minnesota, or the resident of a state that has entered into a contract with Minnesota to provide its residents access to the Minnesota ABLE plan.

Subd. 2. **Single account requirement.** No more than one ABLE account shall be established per beneficiary, except as permitted under section 529A(c)(4) of the Internal Revenue Code.

Subd. 3. **Accounts-type plan.** The plan must be operated as an accounts-type plan. A separate account must be maintained for each designated beneficiary for whom contributions are made.

Subd. 4. **Contribution and account requirements.** Contributions to an ABLE account are subject to the requirements of section 529A(b)(2) of the Internal Revenue Code prohibiting noncash contributions and contributions in excess of the annual contribution limit. The total account balance may not exceed the maximum account balance limit imposed under section 136G.09, subdivision 8.

Subd. 5. **Limited investment direction.** Designated beneficiaries may not direct the investment of assets in their accounts more than twice in any calendar year.

Subd. 6. **Security for loans.** An interest in an account must not be used as security for a loan.

Sec. 27. **[256Q.05] ABLE PLAN ADMINISTRATION.**

Subdivision 1. **Plan to comply with federal law.** The commissioner shall ensure that the plan meets the requirements for an ABLE account under section 529A of the Internal Revenue Code. The commissioner may request a private letter ruling or rulings from the Internal Revenue Service or Secretary of Health and Human Services and must take any necessary steps to ensure that the plan qualifies under relevant provisions of federal law.

Subd. 2. **Plan rules and procedures.** (a) The commissioner shall establish the rules, terms, and conditions for the plan, subject to the requirements of this chapter and section 529A of the Internal Revenue Code.

(b) The commissioner shall prescribe the application forms, procedures, and other requirements that apply to the plan.

Subd. 3. **Consultation with other state agencies.** In designing and establishing the plan's requirements and in negotiating or entering into contracts with third parties under subdivision 4, the commissioner shall consult with the executive director of the State Board of Investment and the commissioner of the Office of Higher Education. The commissioner and the executive director shall establish an annual fee, equal to a percentage of the average daily net assets of the plan, to be imposed on account owners to recover the costs of administration, record keeping, and investment management as provided in subdivision 5, and section 256Q.07, subdivision 4.

Subd. 4. **Administration.** The commissioner shall administer the plan, including accepting and processing applications, verifying state residency, verifying eligibility, maintaining account records, making payments, and undertaking any other necessary tasks to administer the plan. Notwithstanding other requirements of this chapter, the commissioner shall adopt rules for purposes of implementing and administering the plan. The commissioner may contract with one or more third parties to carry out some or all of these administrative duties, including providing incentives. The commissioner and the

board may jointly contract with third-party providers, if the commissioner and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

Subd. 5. **Authority to impose fees.** The commissioner may impose annual fees, as provided in subdivision 3, on account owners to recover the costs of administration. The commissioner must keep the fees as low as possible, consistent with efficient administration, so that the returns on savings invested in the plan are as high as possible.

Subd. 6. **Federally mandated reporting.** (a) As required under section 529A(d) of the Internal Revenue Code, the commissioner or the commissioner's designee shall submit a notice to the Secretary of the Treasury upon the establishment of each ABLE account. The notice must contain the name and state of residence of the designated beneficiary and other information as the secretary may require.

(b) As required under section 529A(d) of the Internal Revenue Code, the commissioner or the commissioner's designee shall submit electronically on a monthly basis to the Commissioner of Social Security, in a manner specified by the Commissioner of Social Security, statements on relevant distributions and account balances from all ABLE accounts.

Subd. 7. **Data.** (a) Data on ABLE accounts and designated beneficiaries of ABLE accounts are private data on individuals or nonpublic data as defined in section 13.02.

(b) The commissioner may share or disseminate data classified as private or nonpublic in this subdivision as follows:

(1) with other state or federal agencies, only to the extent necessary to verify identity of, determine the eligibility of, or process applications for an eligible individual participating in the Minnesota ABLE plan; and

(2) with a nongovernmental person, only to the extent necessary to carry out the functions of the Minnesota ABLE plan, provided the commissioner has entered into a data-sharing agreement with the person, as provided in section 13.05, subdivision 6, prior to sharing data under this clause or a contract with that person that complies with section 13.05, subdivision 11, as applicable.

Sec. 28. **[256Q.06] PLAN ACCOUNTS.**

Subdivision 1. **Contributions to an account.** Any person may make contributions to an ABLE account on behalf of a designated beneficiary. Contributions to an account made by persons other than the account owner become the property of the account owner. A person does not acquire an interest in an ABLE account by making contributions to an account. Contributions to an account must be made in cash, by check, or by other

commercially acceptable means, as permitted by the United States Internal Revenue Service and approved by the plan administrator in cooperation with the commissioner and the board.

Subd. 2. **Contribution and account limitations.** Contributions to an ABLE account are subject to the requirements of section 529A(b) of the Internal Revenue Code. The total account balance of an ABLE account may not exceed the maximum account balance limit imposed under section 136G.09, subdivision 8. The plan administrator must reject any portion of a contribution to an account that exceeds the annual contribution limit or that would cause the total account balance to exceed the maximum account balance limit imposed under section 136G.09, subdivision 8.

Subd. 3. **Authority of account owner.** An account owner is the only person entitled to:

(1) request distributions;

(2) request rollover distributions; or

(3) change the beneficiary of an ABLE account to a member of the family of the current beneficiary, but only if the beneficiary to whom the ABLE account is transferred is an eligible individual.

Subd. 4. **Effect of plan changes on participation agreement.** Amendments to this chapter automatically amend the participation agreement. Any amendments to the operating procedures and policies of the plan automatically amend the participation agreement after adoption by the commissioner or the board.

Subd. 5. **Special account to hold plan assets in trust.** All assets of the plan, including contributions to accounts, are held in trust for the exclusive benefit of account owners. Assets must be held in a separate account in the state treasury to be known as the Minnesota ABLE plan account or in accounts with the third-party provider selected pursuant to section 256Q.05, subdivision 4. Plan assets are not subject to claims by creditors of the state, are not part of the general fund, and are not subject to appropriation by the state. Payments from the Minnesota ABLE plan account shall be made under this chapter.

Sec. 29. **[256Q.07] INVESTMENT OF ABLE ACCOUNTS.**

Subdivision 1. **State Board of Investment to invest.** The State Board of Investment shall invest the money deposited in accounts in the plan.

Subd. 2. **Permitted investments.** The board may invest the accounts in any permitted investment under section 11A.24, except that the accounts may be invested without limit in investment options from open-ended investment companies registered

under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64.

Subd. 3. **Contracting authority.** The board may contract with one or more third parties for investment management, record keeping, or other services in connection with investing the accounts. The board and commissioner may jointly contract with third-party providers, if the commissioner and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

Subd. 4. **Fees.** The board may impose annual fees, as provided in section 256Q.05, subdivision 3, on account owners to recover the cost of investment management and related tasks for the plan. The board must use its best efforts to keep these fees as low as possible, consistent with high quality investment management, so that the returns on savings invested in the plan will be as high as possible.

Sec. 30. **[256Q.08] ACCOUNT DISTRIBUTIONS.**

Subdivision 1. **Qualified distribution methods.** (a) Qualified distributions may be made:

(1) directly to participating providers of goods and services that are qualified disability expenses, if purchased for a beneficiary;

(2) in the form of a check payable to both the beneficiary and provider of goods or services that are qualified disability expenses; or

(3) directly to the beneficiary, if the beneficiary has already paid qualified disability expenses.

(b) Qualified distributions must be withdrawn proportionally from contributions and earnings in an account owner's account on the date of distribution as provided in section 529A of the Internal Revenue Code.

Subd. 2. **Distributions upon death of a beneficiary.** Upon the death of a beneficiary, the amount remaining in the beneficiary's account must be distributed pursuant to section 529A(f) of the Internal Revenue Code.

Subd. 3. **Nonqualified distribution.** An account owner may request a nonqualified distribution from an account at any time. Nonqualified distributions are based on the total account balances in an account owner's account and must be withdrawn proportionally from contributions and earnings as provided in section 529A of the Internal Revenue Code. The earnings portion of a nonqualified distribution is subject to a federal additional tax pursuant to section 529A of the Internal Revenue Code. For purposes of this subdivision, "earnings portion" means the ratio of the earnings in the account to the total account balance, immediately prior to the distribution, multiplied by the distribution.

Sec. 31. Minnesota Statutes 2014, section 282.241, subdivision 1, is amended to read:

Subdivision 1. **Repurchase requirements.** The owner at the time of forfeiture, or the owner's heirs, devisees, or representatives, or any person to whom the right to pay taxes was given by statute, mortgage, or other agreement, may repurchase any parcel of land claimed by the state to be forfeited to the state for taxes unless before the time repurchase is made the parcel is sold under installment payments, or otherwise, by the state as provided by law, or is under mineral prospecting permit or lease, or proceedings have been commenced by the state or any of its political subdivisions or by the United States to condemn the parcel of land. The parcel of land may be repurchased for the sum of all delinquent taxes and assessments computed under section 282.251, together with penalties, interest, and costs, that accrued or would have accrued if the parcel of land had not forfeited to the state. Except for property which was homesteaded on the date of forfeiture, repurchase is permitted during one year only from the date of forfeiture, and in any case only after the adoption of a resolution by the board of county commissioners determining that by repurchase undue hardship or injustice resulting from the forfeiture will be corrected, or that permitting the repurchase will promote the use of the lands that will best serve the public interest. If the county board has good cause to believe that a repurchase installment payment plan for a particular parcel is unnecessary and not in the public interest, the county board may require as a condition of repurchase that the entire repurchase price be paid at the time of repurchase. A repurchase is subject to any encumbrance allowed under section 256B.15 or 514.981, and to any easement, lease, or other encumbrance granted by the state before the repurchase, and if the land is located within a restricted area established by any county under Laws 1939, chapter 340, the repurchase must not be permitted unless the resolution approving the repurchase is adopted by the unanimous vote of the board of county commissioners.

The person seeking to repurchase under this section shall pay all maintenance costs incurred by the county auditor during the time the property was tax-forfeited.

Sec. 32. Minnesota Statutes 2014, section 514.73, is amended to read:

514.73 LIENS ASSIGNABLE.

Subdivision 1. **Assignment.** All liens given by this chapter or section 256B.15 are assignable and may be asserted and enforced by the assignee, by the assignee's successor or assigns, or by the personal representative of any holder thereof in case of the holder's death.

Subd. 2. **Redemption.** The redemption rights of all liens given by section 256B.15 or sections 514.980 to 514.985 are assignable together with all or a portion of any of the

claims secured by those liens and may be asserted and enforced by the assignee, or the assignee's successor or assigns.

Subd. 3. **Lien payoff information.** The commissioner or a duly authorized agent of the commissioner may determine and disclose the amount of the outstanding obligation to be secured by a lien when a lien or redemption right is assigned.

Sec. 33. Minnesota Statutes 2014, section 514.981, subdivision 2, is amended to read:

Subd. 2. **Attachment.** (a) A medical assistance lien attaches and becomes enforceable against specific real property as of the date when the following conditions are met:

(1) payments have been made by an agency for a medical assistance benefit;

(2) notice and an opportunity for a hearing have been provided under paragraph (b);

(3) a lien notice has been filed as provided in section 514.982;

(4) if the property is registered property, the lien notice has been memorialized on the certificate of title of the property affected by the lien notice; and

(5) all restrictions against enforcement have ceased to apply.

(b) An agency may not file a medical assistance lien notice until the medical assistance recipient or the recipient's legal representative has been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing under section 256.045. In addition, the agency may not file a lien notice unless the agency determines as medically verified by the recipient's attending physician that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution and return home or the medical assistance recipient has resided in a medical institution for six months or longer.

(c) An agency may not file a medical assistance lien notice against real property while it is the home of the recipient's spouse.

(d) An agency may not file a medical assistance lien notice against real property that was the homestead of the medical assistance recipient or the recipient's spouse when the medical assistance recipient received medical institution services if any of the following persons are lawfully residing in the property:

(1) a child of the medical assistance recipient if the child is under age 21 or is blind or permanently and totally disabled according to the Supplemental Security Income criteria;

(2) a child of the medical assistance recipient if the child resided in the homestead for at least two years immediately before the date the medical assistance recipient received medical institution services, and the child provided care to the medical assistance recipient that permitted the recipient to live without medical institution services; or

(3) a sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided in the property for at least one year immediately before the date the medical assistance recipient began receiving medical institution services.

(e) A medical assistance lien applies only to the specific real property described in the lien notice.

Sec. 34. Minnesota Statutes 2014, section 580.032, subdivision 1, is amended to read:

Subdivision 1. **Recording request for notice.** A person having a redeemable interest in real property under section 580.23 or 580.24, may record a request for notice of a mortgage foreclosure by advertisement with the county recorder or registrar of titles of the county where the property is located. To be effective for purposes of this section, a request for notice must be recorded as a separate and distinct document, except a mechanic's lien statement recorded pursuant to section 514.08 or a lien recorded pursuant to section 256B.15 or 514.981 also constitutes a request for notice if the ~~mechanic's~~ lien statement includes a legal description of the real property and the name and mailing address of the ~~mechanic's~~ lien claimant.

Sec. 35. **INDIVIDUAL PROVIDERS OF DIRECT SUPPORT SERVICES.**

The labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota, submitted to the Legislative Coordinating Commission on March 2, 2015, is ratified.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 36. **RATE INCREASE FOR DIRECT SUPPORT SERVICES PROVIDERS WORKFORCE NEGOTIATIONS.**

(a) If the labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota under Minnesota Statutes, section 179A.54, is approved pursuant to Minnesota Statutes, sections 3.855 and 179A.22, the commissioner of human services shall increase reimbursement rates, individual budgets, grants, or allocations by 1.53 percent for services provided on or after July 1, 2015, and by an additional 0.2 percent for services provided on or after July 1, 2016, to implement the minimum hourly wage and paid time off provisions of that agreement.

(b) The rate changes described in this section apply to direct support services provided through a covered program, as defined in Minnesota Statutes, section 256B.0711, subdivision 1.

Sec. 37. **DEVELOPMENT OF LONG-TERM CARE; LIFE STAGE PLANNING INSURANCE PRODUCT.**

The commissioner of human services, in consultation with members of the Own Your Future Advisory Council, the commissioner of commerce, and other stakeholders, shall conduct research on the feasibility of creating a life stage planning insurance product that merges term life insurance with long-term care insurance coverage. The commissioner shall:

(1) conduct project evaluation research with consumers;

(2) conduct an actuarial analysis to evaluate likely levels for insurer pricing for the product;

(3) meet with insurance carriers to determine interest in pursuing the product;

(4) identify specific state laws and regulations that may need to be amended to make the product available; and

(5) develop one or more pilot programs to market test the product.

Sec. 38. **HOME AND COMMUNITY-BASED SERVICES INCENTIVE POOL.**

The commissioner of human services shall develop an initiative to provide incentives for innovation in achieving integrated competitive employment, living in the most integrated setting, and other outcomes determined by the commissioner. The commissioner shall seek requests for proposals and shall contract with one or more entities to provide incentive payments for meeting identified outcomes. The initial requests for proposals must be issued by October 1, 2015. The commissioner of human services shall submit a report by January 31, 2017, to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance on the outcomes of these projects. The report must include:

(1) the request for proposals funds;

(2) the amount of incentive payments authorized;

(3) the outcomes achieved by each project; and

(4) recommendations for further action based on the outcomes achieved.

Sec. 39. **DIRECTION TO COMMISSIONER; REPORTS REQUIRED.**

The commissioner of human services shall develop and submit reports to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over health and human services policy and finance on the implementation of Minnesota Statutes, sections 256B.0916, subdivisions 2, 11, and 12,

and 256B.49, subdivisions 26 and 27. The commissioner shall submit two reports, one by February 15, 2018, and the second by February 15, 2019.

Sec. 40. **DIRECTION TO COMMISSIONER; DAY TRAINING AND HABILITATION.**

For service agreements renewed or entered into on or after January 1, 2016, in determining payments for day training and habilitation under Minnesota Statutes, section 256B.4914, subdivision 7, the commissioner of human services shall calculate the transportation portion of the payment for day training and habilitation programs using payments factors found in Minnesota Statutes, section 256B.4914, subdivision 7, clauses (16) and (17).

ARTICLE 7

HEALTH DEPARTMENT

Section 1. Minnesota Statutes 2014, section 13.3806, subdivision 4, is amended to read:

Subd. 4. **Vital statistics.** (a) **Parents' Social Security number; birth record.** Parents' Social Security numbers and certain contact information provided for a child's birth record are classified under section 144.215, subdivision 4, or 4a.

(b) **Foundling registration.** The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.

(c) **New record of birth.** In circumstances in which a new record of birth may be issued under section 144.218, the original record of birth is classified as provided in that section.

(d) **Vital records.** Physical access to vital records is governed by section 144.225, subdivision 1.

(e) **Birth record of child of unmarried parents.** Access to the birth record of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivisions 2 and 4, and 257.73.

(f) **Health data for birth registration.** Health data collected for birth registration or fetal death reporting are classified under section 144.225, subdivision 2a.

(g) **Birth record; sharing.** Sharing of birth record data and data prepared under section 257.75, is governed by section 144.225, subdivision 2b.

(h) **Group purchaser identity for birth registration.** Classification of and access to the identity of a group purchaser collected in association with birth registration is governed by section 144.225, subdivision 6.

Sec. 2. **[15.445] RETAIL FOOD ESTABLISHMENT FEES.**

Subdivision 1. **Fees.** The fees in this section are required for food and beverage service establishments licensed under chapter 157. Food and beverage service establishments must pay the applicable fee under subdivision 2, paragraph (a), (b), (c), or (d), and all applicable fees under subdivision 4. Temporary food establishments and special events must pay the applicable fee under subdivision 3.

Subd. 2. **Permanent food establishments.** (a) The Category 1 establishment license fee is $210 annually. "Category 1 establishment" means an establishment that does one or more of the following:

(1) sells only prepackaged nonpotentially hazardous foods as defined in Minnesota Rules, chapter 4626;

(2) provides cleaning for eating, drinking, or cooking utensils, when the only food served is prepared off-site; or

(3) operates a childcare facility licensed under section 245A.03 and Minnesota Rules, chapter 9503.

(b) The Category 2 establishment license fee is $270 annually. "Category 2 establishment" means an establishment that is not a Category 1 establishment and is either:

(1) a food establishment where the method of food preparation meets the definition of a low-risk establishment in section 157.20; or

(2) an elementary or secondary school as defined in section 120A.05.

(c) The Category 3 establishment license fee is $460 annually. "Category 3 establishment" means an establishment that is not a Category 1 or 2 establishment and the method of food preparation meets the definition of a medium-risk establishment in section 157.20.

(d) The Category 4 establishment license fee is $690 annually. "Category 4 establishment" means an establishment that is not a Category 1, 2, or 3 establishment and is either:

(1) a food establishment where the method of food preparation meets the definition of a high-risk establishment in section 157.20; or

(2) an establishment where 500 or more meals per day are prepared at one location and served at one or more separate locations.

Subd. 3. **Temporary food establishments and special events.** (a) The special event food stand license fee is $50 annually. Special event food stand is where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.

(b) The temporary food and beverage service license fee is $210 annually. A temporary food and beverage service includes food carts, mobile food units, seasonal temporary food stands, retail food vehicles, portable structures, and seasonal permanent food stands.

Subd. 4. **Additional applicable fees.** (a) The individual private sewer or individual private water license fee is $60 annually. Individual private water is a water supply other than a community public water supply as covered in Minnesota Rules, chapter 4720. Individual private sewer is an individual sewage treatment system which uses subsurface treatment and disposal.

(b) The additional food or beverage service license fee is $165 annually. Additional food or beverage service is a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve food or beverages to the public. Additional food service does not apply to school concession stands.

(c) The specialized processing license fee is $400 annually. Specialized processing is a business that performs one or more specialized processes that require a HACCP as required in Minnesota Rules, chapter 4626.

Sec. 3. Minnesota Statutes 2014, section 16A.724, subdivision 2, is amended to read:

Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund, effective for the biennium beginning July 1, 2007, the commissioner of management and budget shall transfer the excess funds from the health care access fund to the general fund on June 30 of each year, provided that the amount transferred in any fiscal biennium shall not exceed $96,000,000. The purpose of this transfer is to meet the rate increase required under Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

(b) For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and, if necessary, the commissioner shall reduce these transfers from the health care access fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary, transfer sufficient funds from the general fund to the health care access fund to meet annual MinnesotaCare expenditures.

~~(c) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund after the transfer required in paragraph (a), effective for the biennium beginning July 1, 2013, the commissioner of management and budget shall transfer $1,000,000 each fiscal year from the health access fund to the medical education and research costs fund established under section 62J.692, for distribution under section 62J.692, subdivision 4, paragraph (c).~~

Sec. 4. Minnesota Statutes 2014, section 62J.498, is amended to read:

62J.498 HEALTH INFORMATION EXCHANGE.

Subdivision 1. **Definitions.** The following definitions apply to sections 62J.498 to 62J.4982:

(a) "Clinical data repository" means a real time database that consolidates data from a variety of clinical sources to present a unified view of a single patient and is used by a state-certified health information exchange service provider to enable health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (j). This does not include clinical data that are submitted to the commissioner for public health purposes required or permitted by law, including any rules adopted by the commissioner.

~~(a)~~ (b) "Clinical transaction" means any meaningful use transaction or other health information exchange transaction that is not covered by section 62J.536.

~~(b)~~ (c) "Commissioner" means the commissioner of health.

~~(c) "Direct health information exchange" means the electronic transmission of health-related information through a direct connection between the electronic health record systems of health care providers without the use of a health data intermediary.~~

(d) "Health care provider" or "provider" means a health care provider or provider as defined in section 62J.03, subdivision 8.

(e) "Health data intermediary" means an entity that provides the ~~infrastructure~~ technical capabilities or related products and services to ~~connect computer systems or other electronic devices used by health care providers, laboratories, pharmacies, health plans, third-party administrators, or pharmacy benefit managers to facilitate the secure transmission of health information, including~~ enable health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (j). This includes but is not limited to: health information service providers (HISP), electronic health record vendors, and pharmaceutical electronic data intermediaries as defined in section 62J.495. ~~This does not include health care providers engaged in direct health information exchange.~~

(f) "Health information exchange" means the electronic transmission of health-related information between organizations according to nationally recognized standards.

(g) "Health information exchange service provider" means a health data intermediary or health information organization ~~that has been issued a certificate of authority by the commissioner under section 62J.4981~~.

(h) "Health information organization" means an organization that oversees, governs, and facilitates ~~the~~ health information exchange ~~of health-related information~~ among

~~organizations according to nationally recognized standards~~ health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (j), to improve coordination of patient care and the efficiency of health care delivery.

(i) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act as defined in section 62J.495.

(j) "Major participating entity" means:

(1) a participating entity that receives compensation for services that is greater than 30 percent of the health information organization's gross annual revenues from the health information exchange service provider;

(2) a participating entity providing administrative, financial, or management services to the health information organization, if the total payment for all services provided by the participating entity exceeds three percent of the gross revenue of the health information organization; and

(3) a participating entity that nominates or appoints 30 percent or more of the board of directors or equivalent governing body of the health information organization.

(k) "Master patient index" means an electronic database that holds unique identifiers of patients registered at a care facility and is used by a state-certified health information exchange service provider to enable health information exchange among health care providers that are not related health care entities as defined in section 144.291, subdivision 2, paragraph (j). This does not include data that are submitted to the commissioner for public health purposes required or permitted by law, including any rules adopted by the commissioner.

~~(k)~~ (l) "Meaningful use" means use of certified electronic health record technology ~~that includes e-prescribing, and is connected in a manner that provides for the electronic exchange of health information and used for the submission of clinical quality measures~~ to improve quality, safety, and efficiency and reduce health disparities; engage patients and families; improve care coordination and population and public health; and maintain privacy and security of patient health information as established by the Center for Medicare and Medicaid Services and the Minnesota Department of Human Services pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

~~(l)~~ (m) "Meaningful use transaction" means an electronic transaction that a health care provider must exchange to receive Medicare or Medicaid incentives or avoid Medicare penalties pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

~~(m)~~ (n) "Participating entity" means any of the following persons, health care providers, companies, or other organizations with which a health information organization

or health data intermediary has contracts or other agreements for the provision of health information exchange ~~service providers~~ services:

(1) a health care facility licensed under sections 144.50 to 144.56, a nursing home licensed under sections 144A.02 to 144A.10, and any other health care facility otherwise licensed under the laws of this state or registered with the commissioner;

(2) a health care provider, and any other health care professional otherwise licensed under the laws of this state or registered with the commissioner;

(3) a group, professional corporation, or other organization that provides the services of individuals or entities identified in clause (2), including but not limited to a medical clinic, a medical group, a home health care agency, an urgent care center, and an emergent care center;

(4) a health plan as defined in section 62A.011, subdivision 3; and

(5) a state agency as defined in section 13.02, subdivision 17.

~~(n)~~ (o) "Reciprocal agreement" means an arrangement in which two or more health information exchange service providers agree to share in-kind services and resources to allow for the pass-through of ~~meaningful use~~ clinical transactions.

~~(o)~~ (p) "State-certified health data intermediary" means a health data intermediary that~~:~~ has been issued a certificate of authority to operate in Minnesota.

~~(1) provides a subset of the meaningful use transaction capabilities necessary for hospitals and providers to achieve meaningful use of electronic health records;~~

~~(2) is not exclusively engaged in the exchange of meaningful use transactions covered by section 62J.536; and~~

~~(3) has been issued a certificate of authority to operate in Minnesota.~~

~~(p)~~ (q) "State-certified health information organization" means a ~~nonprofit~~ health information organization that ~~provides transaction capabilities necessary to fully support clinical transactions required for meaningful use of electronic health records that~~ has been issued a certificate of authority to operate in Minnesota.

Subd. 2. **Health information exchange oversight.** (a) The commissioner shall protect the public interest on matters pertaining to health information exchange. The commissioner shall:

(1) review and act on applications from health data intermediaries and health information organizations for certificates of authority to operate in Minnesota;

(2) provide ongoing monitoring to ensure compliance with criteria established under sections 62J.498 to 62J.4982;

(3) respond to public complaints related to health information exchange services;

(4) take enforcement actions as necessary, including the imposition of fines, suspension, or revocation of certificates of authority as outlined in section 62J.4982;

(5) provide a biennial report on the status of health information exchange services that includes but is not limited to:

(i) recommendations on actions necessary to ensure that health information exchange services are adequate to meet the needs of Minnesota citizens and providers statewide;

(ii) recommendations on enforcement actions to ensure that health information exchange service providers act in the public interest without causing disruption in health information exchange services;

(iii) recommendations on updates to criteria for obtaining certificates of authority under this section; and

(iv) recommendations on standard operating procedures for health information exchange, including but not limited to the management of consumer preferences; and

(6) other duties necessary to protect the public interest.

(b) As part of the application review process for certification under paragraph (a), prior to issuing a certificate of authority, the commissioner shall:

(1) ~~hold public hearings that provide an adequate opportunity for participating entities and consumers to provide feedback and recommendations on the application under consideration. The commissioner shall~~ make all portions of the application classified as public data available to the public for at least ten days ~~in advance of the hearing~~ while an application is under consideration. At the request of the commissioner, the applicant shall participate in ~~the~~ a public hearing by presenting an overview of their application and responding to questions from interested parties; and

(2) ~~make available all feedback and recommendations gathered at the hearing available to the public prior to issuing a certificate of authority; and~~

~~(3)~~ consult with hospitals, physicians, and other ~~professionals eligible to receive meaningful use incentive payments or subject to penalties as established in the HITECH Act, and their respective statewide associations,~~ providers prior to issuing a certificate of authority.

(c) When the commissioner is actively considering a suspension or revocation of a certificate of authority as described in section 62J.4982, subdivision 3, all investigatory data that are collected, created, or maintained related to the suspension or revocation are classified as confidential data on individuals and as protected nonpublic data in the case of data not on individuals.

(d) The commissioner may disclose data classified as protected nonpublic or confidential under paragraph (c) if disclosing the data will protect the health or safety of patients.

(e) After the commissioner makes a final determination regarding a suspension or revocation of a certificate of authority, all minutes, orders for hearing, findings of fact, conclusions of law, and the specification of the final disciplinary action, are classified as public data.

Sec. 5. Minnesota Statutes 2014, section 62J.4981, is amended to read:

62J.4981 CERTIFICATE OF AUTHORITY TO PROVIDE HEALTH INFORMATION EXCHANGE SERVICES.

Subdivision 1. **Authority to require organizations to apply.** The commissioner shall require ~~an entity providing health information exchange services~~ a health data intermediary or a health information organization to apply for a certificate of authority under this section. An applicant may continue to operate until the commissioner acts on the application. If the application is denied, the applicant is considered a health information ~~organization~~ exchange service provider whose certificate of authority has been revoked under section 62J.4982, subdivision 2, paragraph (d).

Subd. 2. **Certificate of authority for health data intermediaries.** (a) A health data intermediary ~~that provides health information exchange services for the transmission of one or more clinical transactions necessary for hospitals, providers, or eligible professionals to achieve meaningful use~~ must be ~~registered with~~ certified by the state and comply with requirements established in this section.

(b) Notwithstanding any law to the contrary, any corporation organized to do so may apply to the commissioner for a certificate of authority to establish and operate as a health data intermediary in compliance with this section. No person shall establish or operate a health data intermediary in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health data intermediary contract unless the organization has a certificate of authority or has an application under active consideration under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

~~(1) interoperate with at least one state-certified health information organization;~~

~~(2) provide an option for Minnesota entities to connect to their services through at least one state-certified health information organization;~~

~~(3) have a record locator service as defined in section 144.291, subdivision 2, paragraph (i), that is compliant with the requirements of section 144.293, subdivision 8, when conducting meaningful use transactions; and~~

~~(4)~~ (1) hold reciprocal agreements with at least one state-certified health information organization to ~~enable~~ access ~~to record locator services to find~~ patient data, and for the transmission and receipt of ~~meaningful use~~ clinical transactions ~~consistent with the format and content required by national standards established by Centers for Medicare and Medicaid Services~~. Reciprocal agreements must meet the requirements established in subdivision 5~~.~~; and

(2) participate in statewide shared health information exchange services as defined by the commissioner to support interoperability between state-certified health information organizations and state-certified health data intermediaries.

Subd. 3. **Certificate of authority for health information organizations.** (a) A health information organization ~~that provides all electronic capabilities for the transmission of clinical transactions necessary for meaningful use of electronic health records~~ must obtain a certificate of authority from the commissioner and demonstrate compliance with the criteria in paragraph (c).

(b) Notwithstanding any law to the contrary, ~~a nonprofit corporation organized to do so~~ an organization may apply for a certificate of authority to establish and operate a health information organization under this section. No person shall establish or operate a health information organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health information organization or health information contract unless the organization has a certificate of authority under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

(1) the entity is a legally established~~, nonprofit~~ organization;

(2) appropriate insurance, including liability insurance, for the operation of the health information organization is in place and sufficient to protect the interest of the public and participating entities;

(3) strategic and operational plans ~~clearly~~ address governance, technical infrastructure, legal and policy issues, finance, and business operations in regard to how the organization will expand ~~technical capacity of the health information organization~~ to support providers in achieving ~~meaningful use of electronic health records~~ health information exchange goals over time;

(4) the entity addresses the parameters to be used with participating entities and other health information ~~organizations~~ exchange service providers for ~~meaningful use~~ clinical transactions, compliance with Minnesota law, and interstate health information exchange ~~in~~ trust agreements;

(5) the entity's board of directors or equivalent governing body is composed of members that broadly represent the health information organization's participating entities and consumers;

(6) the entity maintains a professional staff responsible to the board of directors or equivalent governing body with the capacity to ensure accountability to the organization's mission;

(7) the organization is compliant with ~~criteria established under the Health Information Exchange Accreditation Program of the Electronic Healthcare Network Accreditation Commission (EHNAC) or equivalent criteria established~~ national certification and accreditation programs designated by the commissioner;

(8) the entity maintains ~~a~~ the capability to query for patient information based on national standards. The query capability may utilize a master patient index, clinical data repository, or record locator service as defined in section 144.291, subdivision 2, paragraph (i)~~, that is~~. The entity must be compliant with the requirements of section 144.293, subdivision 8, when conducting ~~meaningful use~~ clinical transactions;

(9) the organization demonstrates interoperability with all other state-certified health information organizations using nationally recognized standards;

(10) the organization demonstrates compliance with all privacy and security requirements required by state and federal law; and

(11) the organization uses financial policies and procedures consistent with generally accepted accounting principles and has an independent audit of the organization's financials on an annual basis.

(d) Health information organizations that have obtained a certificate of authority must:

(1) meet the requirements established for connecting to the ~~Nationwide Health Information Network (NHIN) within the federally mandated timeline or within a time frame established by the commissioner and published in the State Register. If the state timeline for implementation varies from the federal timeline, the State Register notice shall include an explanation for the variation~~ National eHealth Exchange;

(2) annually submit strategic and operational plans for review by the commissioner that address:

~~(i) increasing adoption rates to include a sufficient number of participating entities to achieve financial sustainability; and~~

~~(ii)~~ (i) progress in achieving objectives included in previously submitted strategic and operational plans across the following domains: business and technical operations, technical infrastructure, legal and policy issues, finance, and organizational governance;

~~(3) develop and maintain a business plan that addresses:~~

~~(i)~~ (ii) plans for ensuring the necessary capacity to support ~~meaningful use~~ clinical transactions;

~~(ii)~~ (iii) approach for attaining financial sustainability, including public and private financing strategies, and rate structures;

~~(iii)~~ (iv) rates of adoption, utilization, and transaction volume, and mechanisms to support health information exchange; and

~~(iv)~~ (v) an explanation of methods employed to address the needs of community clinics, critical access hospitals, and free clinics in accessing health information exchange services;

~~(4) annually submit a rate plan to the commissioner outlining fee structures for health information exchange services for approval by the commissioner. The commissioner shall approve the rate plan if it:~~

~~(i) distributes costs equitably among users of health information services;~~

~~(ii) provides predictable costs for participating entities;~~

~~(iii) covers all costs associated with conducting the full range of meaningful use clinical transactions, including access to health information retrieved through other state-certified health information exchange service providers; and~~

~~(iv) provides for a predictable revenue stream for the health information organization and generates sufficient resources to maintain operating costs and develop technical infrastructure necessary to serve the public interest;~~

~~(5)~~ (3) enter into reciprocal agreements with all other state-certified health information organizations and state-certified health data intermediaries to enable access to ~~record locator services to find~~ patient data, and for the transmission and receipt of ~~meaningful use~~ clinical transactions ~~consistent with the format and content required by national standards established by Centers for Medicare and Medicaid Services~~. Reciprocal agreements must meet the requirements in subdivision 5; ~~and~~

(4) participate in statewide shared health information exchange services as defined by the commissioner to support interoperability between state-certified health information organizations and state-certified health data intermediaries; and

~~(6)~~ (5) comply with additional requirements for the certification or recertification of health information organizations that may be established by the commissioner.

Subd. 4. **Application for certificate of authority for health information exchange service providers.** (a) Each application for a certificate of authority shall be in a form prescribed by the commissioner and verified by an officer or authorized representative of the applicant. Each application shall include the following in addition to information described in the criteria in subdivisions 2 and 3:

(1) for health information organizations only, a copy of the basic organizational document, if any, of the applicant and of each major participating entity, such as the articles of incorporation, or other applicable documents, and all amendments to it;

(2) for health information organizations only, a list of the names, addresses, and official positions of the following:

(i) all members of the board of directors or equivalent governing body, and the principal officers and, if applicable, shareholders of the applicant organization; and

(ii) all members of the board of directors or equivalent governing body, and the principal officers of each major participating entity and, if applicable, each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;

(3) for health information organizations only, the name and address of each participating entity and the agreed-upon duration of each contract or agreement if applicable;

(4) a copy of each standard agreement or contract intended to bind the participating entities and the health information ~~organization~~ exchange service provider. Contractual provisions shall be consistent with the purposes of this section, in regard to the services to be performed under the standard agreement or contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health information organization, and contractual termination provisions;

~~(5) a copy of each contract intended to bind major participating entities and the health information organization. Contract information filed with the commissioner under this section shall be nonpublic as defined in section 13.02, subdivision 9;~~

~~(6)~~ (5) a statement generally describing the health information ~~organization~~ exchange service provider, its health information exchange contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide participants with comprehensive health information exchange services;

~~(7) financial statements showing the applicant's assets, liabilities, and sources of financial support, including a copy of the applicant's most recent certified financial statement;~~

~~(8) strategic and operational plans that specifically address how the organization will expand technical capacity of the health information organization to support providers in achieving meaningful use of electronic health records over time, a description of the proposed method of marketing the services, a schedule of proposed charges, and a financial plan that includes a three-year projection of the expenses and income and other sources of future capital;~~

~~(9)~~ (6) a statement reasonably describing the geographic area or areas to be served and the type or types of participants to be served;

~~(10)~~ (7) a description of the complaint procedures to be used as required under this section;

~~(11)~~ (8) a description of the mechanism by which participating entities will have an opportunity to participate in matters of policy and operation;

~~(12)~~ (9) a copy of any pertinent agreements between the health information organization and insurers, including liability insurers, demonstrating coverage is in place;

~~(13)~~ (10) a copy of the conflict of interest policy that applies to all members of the board of directors or equivalent governing body and the principal officers of the health information organization; and

~~(14)~~ (11) other information as the commissioner may reasonably require to be provided.

(b) Within ~~30~~ 45 days after the receipt of the application for a certificate of authority, the commissioner shall determine whether or not the application submitted meets the requirements for completion in paragraph (a), and notify the applicant of any further information required for the application to be processed.

(c) Within 90 days after the receipt of a complete application for a certificate of authority, the commissioner shall issue a certificate of authority to the applicant if the commissioner determines that the applicant meets the minimum criteria requirements of subdivision 2 for health data intermediaries or subdivision 3 for health information organizations. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and specify the reasons for disqualification.

(d) Upon being granted a certificate of authority to operate as a state-certified health information organization or state-certified health data intermediary, the organization must operate in compliance with the provisions of this section. Noncompliance may result in the imposition of a fine or the suspension or revocation of the certificate of authority according to section 62J.4982.

Subd. 5. **Reciprocal agreements between health information exchange entities.** (a) Reciprocal agreements between two health information organizations or between a

health information organization and a health data intermediary must include a fair and equitable model for charges between the entities that:

(1) does not impede the secure transmission of clinical transactions ~~necessary to achieve meaningful use~~;

(2) does not charge a fee for the exchange of meaningful use transactions transmitted according to nationally recognized standards where no additional value-added service is rendered to the sending or receiving health information organization or health data intermediary either directly or on behalf of the client;

(3) is consistent with fair market value and proportionately reflects the value-added services accessed as a result of the agreement; and

(4) prevents health care stakeholders from being charged multiple times for the same service.

(b) Reciprocal agreements must include comparable quality of service standards that ensure equitable levels of services.

(c) Reciprocal agreements are subject to review and approval by the commissioner.

(d) Nothing in this section precludes a state-certified health information organization or state-certified health data intermediary from entering into contractual agreements for the provision of value-added services beyond meaningful use transactions.

~~(e) The commissioner of human services or health, when providing access to data or services through a certified health information organization, must offer the same data or services directly through any certified health information organization at the same pricing, if the health information organization pays for all connection costs to the state data or service. For all external connectivity to the respective agencies through existing or future information exchange implementations, the respective agency shall establish the required connectivity methods as well as protocol standards to be utilized.~~

~~Subd. 6.~~ **~~State participation in health information exchange.~~** ~~A state agency that connects to a health information exchange service provider for the purpose of exchanging meaningful use transactions must ensure that the contracted health information exchange service provider has reciprocal agreements in place as required by this section. The reciprocal agreements must provide equal access to information supplied by the agency as necessary for meaningful use by the participating entities of the other health information service providers.~~

Sec. 6. Minnesota Statutes 2014, section 62J.4982, subdivision 4, is amended to read:

Subd. 4. **Coordination.** ~~(a)~~ The commissioner shall, to the extent possible, seek the advice of the Minnesota e-Health Advisory Committee, in the review and update of

criteria for the certification and recertification of health information exchange service providers when implementing sections 62J.498 to 62J.4982.

~~(b) By January 1, 2011, the commissioner shall report to the governor and the chairs of the senate and house of representatives committees having jurisdiction over health information policy issues on the status of health information exchange in Minnesota, and provide recommendations on further action necessary to facilitate the secure electronic movement of health information among health providers that will enable Minnesota providers and hospitals to meet meaningful use exchange requirements.~~

Sec. 7. Minnesota Statutes 2014, section 62J.4982, subdivision 5, is amended to read:

Subd. 5. **Fees and monetary penalties.** (a) The commissioner shall assess fees on every health information exchange service provider subject to sections 62J.4981 and 62J.4982 as follows:

(1) filing an application for certificate of authority to operate as a health information organization, ~~$10,500~~ $7,000;

(2) filing an application for certificate of authority to operate as a health data intermediary, $7,000;

(3) annual health information organization certificate fee, ~~$14,000~~ $7,000; and

(4) annual health data intermediary certificate fee, $7,000~~; and~~

~~(5) fees for other filings, as specified by rule~~.

(b) Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

~~(b)~~ (c) Administrative monetary penalties imposed under this subdivision shall be credited to an account in the special revenue fund and are appropriated to the commissioner for the purposes of sections 62J.498 to 62J.4982.

Sec. 8. Minnesota Statutes 2014, section 62J.692, subdivision 4, is amended to read:

Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute the available medical education funds to all qualifying applicants based on a public program volume factor, which is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool.

Public program revenue for the distribution formula includes revenue from medical assistance, prepaid medical assistance, general assistance medical care, and prepaid general assistance medical care. Training sites that receive no public program revenue are ineligible for funds available under this subdivision. For purposes of determining

training-site level grants to be distributed under this paragraph, total statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students. Training sites whose training site level grant is less than $5,000, based on the formula described in this paragraph, or that train fewer than 0.1 FTE eligible trainees, are ineligible for funds available under this subdivision. No training sites shall receive a grant per FTE trainee that is in excess of the 95th percentile grant per FTE across all eligible training sites; grants in excess of this amount will be redistributed to other eligible sites based on the formula described in this paragraph.

(b) For funds distributed in fiscal years 2014 and 2015, the distribution formula shall include a supplemental public program volume factor, which is determined by providing a supplemental payment to training sites whose public program revenue accounted for at least 0.98 percent of the total public program revenue received by all eligible training sites. The supplemental public program volume factor shall be equal to ten percent of each training site's grant for funds distributed in fiscal year 2014 and for funds distributed in fiscal year 2015. Grants to training sites whose public program revenue accounted for less than 0.98 percent of the total public program revenue received by all eligible training sites shall be reduced by an amount equal to the total value of the supplemental payment. For fiscal year 2016 and beyond, the distribution of funds shall be based solely on the public program volume factor as described in paragraph (a).

(c) ~~Of available medical education funds, $1,000,000 shall be distributed each year for grants to family medicine residency programs located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 4, focused on eduction and training of family medicine physicians to serve communities outside the metropolitan area. To be eligible for a grant under this paragraph, a family medicine residency program must demonstrate that over the most recent three calendar years, at least 25 percent of its residents practice in Minnesota communities outside the metropolitan area. Grant funds must be allocated proportionally based on the number of residents per eligible residency program.~~

~~(d)~~ Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

~~(e)~~ (d) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the

criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraphs (a) and (b) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:

(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include the withholding of payments under this section or the removal of students from the site.

~~(f)~~ (e) Use of funds is limited to expenses related to clinical training program costs for eligible programs.

~~(g)~~ (f) Any funds not distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

~~(h)~~ (g) A maximum of $150,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative expenses associated with implementing this section.

Sec. 9. Minnesota Statutes 2014, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under sections 256B.0751, subdivision 6, and 256B.0752, subdivision 2;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations; ~~and~~

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities~~.~~; and

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by Web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers;

(iii) be updated by the commissioner, at least annually, with the most current data available;

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2016.

(e) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).

Sec. 10. Minnesota Statutes 2014, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Advanced dental therapist" means an individual who is licensed as a dental therapist under section 150A.06, and who is certified as an advanced dental therapist under section 150A.106.

(c) "Dental therapist" means an individual who is licensed as a dental therapist under section 150A.06.

~~(b)~~ (d) "Dentist" means an individual who is licensed to practice dentistry.

~~(c)~~ (e) "Designated rural area" means a statutory and home rule charter city or township that is~~:~~

~~(1)~~ outside the seven-county metropolitan area as defined in section 473.121, subdivision 2~~; and~~, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

~~(2) has a population under 15,000.~~

~~(d)~~ (f) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(g) "Mental health professional" means an individual providing clinical services in the treatment of mental illness who is qualified in at least one of the ways specified in section 245.462, subdivision 18.

~~(e)~~ (h) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(f)~~ (i) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

~~(g)~~ (j) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

~~(h)~~ (k) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

~~(i)~~ (l) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

~~(j)~~ (m) "Pharmacist" means an individual with a valid license issued under chapter 151.

~~(k)~~ (n) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(l)~~ (o) "Physician assistant" means a person licensed under chapter 147A.

(p) "Public health nurse" means a registered nurse licensed in Minnesota who has obtained a registration certificate as a public health nurse from the Board of Nursing in accordance with Minnesota Rules, chapter 6316.

~~(m)~~ (q) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

~~(n)~~ (r) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas

(HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 11. Minnesota Statutes 2014, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents and mental health professionals agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home ~~or~~; an intermediate care facility for persons with developmental disability; or a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account

that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 12. Minnesota Statutes 2014, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a medical or dental resident~~,~~; a licensed pharmacist; or be enrolled in a training or education program to become a dentist, dental therapist, advanced dental therapist, mental health professional, pharmacist, public health nurse, midlevel practitioner, registered nurse, or a licensed practical nurse ~~training program~~ . The commissioner may also consider applications submitted by graduates in eligible professions who are licensed and in practice; and

(2) submit an application to the commissioner of health. ~~If fewer applications are submitted by dental students or residents than there are dentist participant slots available, the commissioner may consider applications submitted by dental program graduates who are licensed dentists.~~

(b) An applicant selected to participate must sign a contract to agree to serve a minimum three-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training, with the exception of a nurse, who must agree to serve a minimum two-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training.

Sec. 13. Minnesota Statutes 2014, section 144.1501, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** The commissioner of health may select applicants each year for participation in the loan forgiveness program, within the limits of available funding. In considering applications, the commissioner shall give preference to applicants who document diverse cultural competencies. The commissioner shall distribute available funds for loan forgiveness proportionally among the eligible professions according to the vacancy rate for each profession in the required geographic area, facility type, teaching area, patient group, or specialty type specified in subdivision 2. The commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the funds available are used for rural physician loan forgiveness and 25 percent of the funds available are used for underserved urban communities and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough qualified applicants each year to use the entire allocation of funds for any eligible profession, the remaining funds may be allocated

proportionally among the other eligible professions according to the vacancy rate for each profession in the required geographic area, patient group, or facility type specified in subdivision 2. Applicants are responsible for securing their own qualified educational loans. The commissioner shall select participants based on their suitability for practice serving the required geographic area or facility type specified in subdivision 2, as indicated by experience or training. The commissioner shall give preference to applicants closest to completing their training. For each year that a participant meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the applicant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans. Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivisions 2 and 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2.

Sec. 14. **[144.1911] INTERNATIONAL MEDICAL GRADUATES ASSISTANCE PROGRAM.**

Subdivision 1. **Establishment.** The international medical graduates assistance program is established to address barriers to practice and facilitate pathways to assist immigrant international medical graduates to integrate into the Minnesota health care delivery system, with the goal of increasing access to primary care in rural and underserved areas of the state.

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

(b) "Commissioner" means the commissioner of health.

(c) "Immigrant international medical graduate" means an international medical graduate who was born outside the United States, now resides permanently in the United States, and who did not enter the United States on a J1 or similar nonimmigrant visa following acceptance into a United States medical residency or fellowship program.

(d) "International medical graduate" means a physician who received a basic medical degree or qualification from a medical school located outside the United States and Canada.

(e) "Minnesota immigrant international medical graduate" means an immigrant international medical graduate who has lived in Minnesota for at least two years.

(f) "Rural community" means a statutory and home rule charter city or township that: (1) is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2; and (2) has a population under 15,000.

(g) "Underserved community" means a Minnesota area or population included in the list of designated primary medical care health professional shortage areas, medically underserved areas, or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Subd. 3. **Program administration.** (a) In administering the international medical graduates assistance program, the commissioner shall:

(1) provide overall coordination for the planning, development, and implementation of a comprehensive system for integrating qualified immigrant international medical graduates into the Minnesota health care delivery system, particularly those willing to serve in rural or underserved communities of the state;

(2) develop and maintain, in partnership with community organizations working with international medical graduates, a voluntary roster of immigrant international medical graduates interested in entering the Minnesota health workforce to assist in planning and program administration, including making available summary reports that show the aggregate number and distribution, by geography and specialty, of immigrant international medical graduates in Minnesota;

(3) work with graduate clinical medical training programs to address barriers faced by immigrant international medical graduates in securing residency positions in Minnesota, including the requirement that applicants for residency positions be recent graduates of medical school. The annual report required in subdivision 10 shall include any progress in addressing these barriers;

(4) develop a system to assess and certify the clinical readiness of eligible immigrant international medical graduates to serve in a residency program. The system shall include assessment methods, an operating plan, and a budget. Initially, the commissioner may develop assessments for clinical readiness for practice of one or more primary care specialties, and shall add additional assessments as resources are available. The commissioner may contract with an independent entity or another state agency to conduct the assessments. In order to be assessed for clinical readiness for residency, an eligible international medical graduate must have obtained a certification from the Educational

Commission of Foreign Medical Graduates. The commissioner shall issue a Minnesota certificate of clinical readiness for residency to those who pass the assessment;

(5) explore and facilitate more streamlined pathways for immigrant international medical graduates to serve in nonphysician professions in the Minnesota workforce; and

(6) study, in consultation with the Board of Medical Practice and other stakeholders, changes necessary in health professional licensure and regulation to ensure full utilization of immigrant international medical graduates in the Minnesota health care delivery system. The commissioner shall include recommendations in the annual report required under subdivision 10, due January 15, 2017.

Subd. 4. **Career guidance and support services.** (a) The commissioner shall award grants to eligible nonprofit organizations to provide career guidance and support services to immigrant international medical graduates seeking to enter the Minnesota health workforce. Eligible grant activities include the following:

(1) educational and career navigation, including information on training and licensing requirements for physician and nonphysician health care professions, and guidance in determining which pathway is best suited for an individual international medical graduate based on the graduate's skills, experience, resources, and interests;

(2) support in becoming proficient in medical English;

(3) support in becoming proficient in the use of information technology, including computer skills and use of electronic health record technology;

(4) support for increasing knowledge of and familiarity with the United States health care system;

(5) support for other foundational skills identified by the commissioner;

(6) support for immigrant international medical graduates in becoming certified by the Educational Commission on Foreign Medical Graduates, including help with preparation for required licensing examinations and financial assistance for fees; and

(7) assistance to international medical graduates in registering with the program's Minnesota international medical graduate roster.

(b) The commissioner shall award the initial grants under this subdivision by December 31, 2015.

Subd. 5. **Clinical preparation.** (a) The commissioner shall award grants to support clinical preparation for Minnesota international medical graduates needing additional clinical preparation or experience to qualify for residency. The grant program shall include:

(1) proposed training curricula;

(2) associated policies and procedures for clinical training sites, which must be part of existing clinical medical education programs in Minnesota; and

(3) monthly stipends for international medical graduate participants. Priority shall be given to primary care sites in rural or underserved areas of the state, and international medical graduate participants must commit to serving at least five years in a rural or underserved community of the state.

(b) The policies and procedures for the clinical preparation grants must be developed by December 31, 2015, including an implementation schedule that begins awarding grants to clinical preparation programs beginning in June of 2016.

Subd. 6. **International medical graduate primary care residency grant program and revolving account.** (a) The commissioner shall award grants to support primary care residency positions designated for Minnesota immigrant physicians who are willing to serve in rural or underserved areas of the state. No grant shall exceed $150,000 per residency position per year. Eligible primary care residency grant recipients include accredited family medicine, internal medicine, obstetrics and gynecology, psychiatry, and pediatric residency programs. Eligible primary care residency programs shall apply to the commissioner. Applications must include the number of anticipated residents to be funded using grant funds and a budget. Notwithstanding any law to the contrary, funds awarded to grantees in a grant agreement do not lapse until the grant agreement expires. Before any funds are distributed, a grant recipient shall provide the commissioner with the following:

(1) a copy of the signed contract between the primary care residency program and the participating international medical graduate;

(2) certification that the participating international medical graduate has lived in Minnesota for at least two years and is certified by the Educational Commission on Foreign Medical Graduates. Residency programs may also require that participating international medical graduates hold a Minnesota certificate of clinical readiness for residency, once the certificates become available; and

(3) verification that the participating international medical graduate has executed a participant agreement pursuant to paragraph (b).

(b) Upon acceptance by a participating residency program, international medical graduates shall enter into an agreement with the commissioner to provide primary care for at least five years in a rural or underserved area of Minnesota after graduating from the residency program and make payments to the revolving international medical graduate residency account for five years beginning in their second year of postresidency employment. Participants shall pay $15,000 or ten percent of their annual compensation each year, whichever is less.

(c) A revolving international medical graduate residency account is established as an account in the special revenue fund in the state treasury. The commissioner of

management and budget shall credit to the account appropriations, payments, and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account. Funds in the account are appropriated annually to the commissioner to award grants and administer the grant program established in paragraph (a). Notwithstanding any law to the contrary, any funds deposited in the account do not expire. The commissioner may accept contributions to the account from private sector entities subject to the following provisions:

(1) the contributing entity may not specify the recipient or recipients of any grant issued under this subdivision;

(2) the commissioner shall make public the identity of any private contributor to the account, as well as the amount of the contribution provided; and

(3) a contributing entity may not specify that the recipient or recipients of any funds use specific products or services, nor may the contributing entity imply that a contribution is an endorsement of any specific product or service.

Subd. 7. **Voluntary hospital programs.** A hospital may establish residency programs for foreign-trained physicians to become candidates for licensure to practice medicine in the state of Minnesota. A hospital may partner with organizations, such as the New Americans Alliance for Development, to screen for and identify foreign-trained physicians eligible for a hospital's particular residency program.

Subd. 8. **Board of Medical Practice.** Nothing in this section alters the authority of the Board of Medical Practice to regulate the practice of medicine.

Subd. 9. **Consultation with stakeholders.** The commissioner shall administer the international medical graduates assistance program, including the grant programs described under subdivisions 4, 5, and 6, in consultation with representatives of the following sectors:

(1) state agencies:

(i) Board of Medical Practice;

(ii) Office of Higher Education; and

(iii) Department of Employment and Economic Development;

(2) health care industry:

(i) a health care employer in a rural or underserved area of Minnesota;

(ii) a health plan company;

(iii) the Minnesota Medical Association;

(iv) licensed physicians experienced in working with international medical graduates; and

(v) the Minnesota Academy of Physician Assistants;

(3) community-based organizations:

(i) organizations serving immigrant and refugee communities of Minnesota;

(ii) organizations serving the international medical graduate community, such as the New Americans Alliance for Development and Women's Initiative for Self Empowerment; and

(iii) the Minnesota Association of Community Health Centers;

(4) higher education:

(i) University of Minnesota;

(ii) Mayo Clinic School of Health Professions;

(iii) graduate medical education programs not located at the University of Minnesota or Mayo Clinic School of Health Professions; and

(iv) Minnesota physician assistant education program; and

(5) two international medical graduates.

Subd. 10. **Report.** The commissioner shall submit an annual report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and higher education on the progress of the integration of international medical graduates into the Minnesota health care delivery system. The report shall include recommendations on actions needed for continued progress integrating international medical graduates. The report shall be submitted by January 15 each year, beginning January 15, 2016.

Sec. 15. Minnesota Statutes 2014, section 144.215, is amended by adding a subdivision to read:

Subd. 4a. **Parent contact information.** The mailing or residence address, other than the city or county, e-mail address, and telephone number of a parent provided in connection with the electronic registration of a birth or application for a birth certificate are private data on individuals, provided that the data may be disclosed to a school or a local, state, tribal, or federal government entity to the extent that the data are necessary for the entity to perform its duties.

Sec. 16. Minnesota Statutes 2014, section 144.225, subdivision 4, is amended to read:

Subd. 4. **Access to records for research purposes.** The state registrar may permit persons performing medical research access to the information restricted in subdivision 2 or 2a, or section 144.215, subdivision 4a, if those persons agree in writing not to disclose private or confidential data on individuals.

Sec. 17. Minnesota Statutes 2014, section 144.291, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For the purposes of sections 144.291 to 144.298, the following terms have the meanings given.

(a) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

(b) "Health information exchange" means a legal arrangement between health care providers and group purchasers to enable and oversee the business and legal issues involved in the electronic exchange of health records between the entities for the delivery of patient care.

(c) "Health record" means any information, whether oral or recorded in any form or medium, that relates to the past, present, or future physical or mental health or condition of a patient; the provision of health care to a patient; or the past, present, or future payment for the provision of health care to a patient.

(d) "Identifying information" means the patient's name, address, date of birth, gender, parent's or guardian's name regardless of the age of the patient, and other nonclinical data which can be used to uniquely identify a patient.

(e) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

(f) "Medical emergency" means medically necessary care which is immediately needed to preserve life, prevent serious impairment to bodily functions, organs, or parts, or prevent placing the physical or mental health of the patient in serious jeopardy.

(g) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient appoints in writing as a representative, including a health care agent acting according to chapter 145C, unless the authority of the agent has been limited by the principal in the principal's health care directive. Except for minors who have received health care services under sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(h) "Patient information service" means a service providing the following query options: a record locator service as defined in section 144.291, subdivision 2, paragraph (i), or a master patient index or clinical data repository as defined in section 62J.498, subdivision 1.

~~(h)~~ (i) "Provider" means:

(1) any person who furnishes health care services and is regulated to furnish the services under chapter 147, 147A, 147B, 147C, 147D, 148, 148B, 148D, 148F, 150A, 151, 153, or 153A;

(2) a home care provider licensed under section ~~144A.46~~ 144A.471;

(3) a health care facility licensed under this chapter or chapter 144A; and

(4) a physician assistant registered under chapter 147A.

~~(i)~~ (j) "Record locator service" means an electronic index of patient identifying information that directs providers in a health information exchange to the location of patient health records held by providers and group purchasers.

~~(j)~~ (k) "Related health care entity" means an affiliate, as defined in section 144.6521, subdivision 3, paragraph (b), of the provider releasing the health records.

Sec. 18. Minnesota Statutes 2014, section 144.293, subdivision 8, is amended to read:

Subd. 8. **Record locator or patient information service.** (a) A provider or group purchaser may release patient identifying information and information about the location of the patient's health records to a record locator or patient information service without consent from the patient, unless the patient has elected to be excluded from the service under paragraph (d). The Department of Health may not access the record locator or patient information service or receive data from the ~~record locator~~ service. Only a provider may have access to patient identifying information in a record locator or patient information service. Except in the case of a medical emergency, a provider participating in a health information exchange using a record locator or patient information service does not have access to patient identifying information and information about the location of the patient's health records unless the patient specifically consents to the access. A consent does not expire but may be revoked by the patient at any time by providing written notice of the revocation to the provider.

(b) A health information exchange maintaining a record locator or patient information service must maintain an audit log of providers accessing information in ~~a record locator~~ the service that at least contains information on:

(1) the identity of the provider accessing the information;

(2) the identity of the patient whose information was accessed by the provider; and

(3) the date the information was accessed.

(c) No group purchaser may in any way require a provider to participate in a record locator or patient information service as a condition of payment or participation.

(d) A provider or an entity operating a record locator or patient information service must provide a mechanism under which patients may exclude their identifying information and information about the location of their health records from a record locator or patient information service. At a minimum, a consent form that permits a provider to access a record locator or patient information service must include a conspicuous check-box option that allows a patient to exclude all of the patient's information from the ~~record~~

~~locator~~ service. A provider participating in a health information exchange with a record locator or patient information service who receives a patient's request to exclude all of the patient's information from the ~~record locator~~ service or to have a specific provider contact excluded from the ~~record locator~~ service is responsible for removing that information from the ~~record locator~~ service.

Sec. 19. Minnesota Statutes 2014, section 144.298, subdivision 2, is amended to read:

Subd. 2. **Liability of provider or other person.** A person who does any of the following is liable to the patient for compensatory damages caused by an unauthorized release or an intentional, unauthorized access, plus costs and reasonable attorney fees:

(1) negligently or intentionally requests or releases a health record in violation of sections 144.291 to 144.297;

(2) forges a signature on a consent form or materially alters the consent form of another person without the person's consent;

(3) obtains a consent form or the health records of another person under false pretenses; or

(4) intentionally violates sections 144.291 to 144.297 by intentionally accessing a record locator or patient information service without authorization.

Sec. 20. Minnesota Statutes 2014, section 144.298, subdivision 3, is amended to read:

Subd. 3. **Liability for record locator or patient information service.** A patient is entitled to receive compensatory damages plus costs and reasonable attorney fees if a health information exchange maintaining a record locator or patient information service, or an entity maintaining a record locator or patient information service for a health information exchange, negligently or intentionally violates the provisions of section 144.293, subdivision 8.

Sec. 21. Minnesota Statutes 2014, section 144.3831, subdivision 1, is amended to read:

Subdivision 1. **Fee setting.** The commissioner of health may assess an annual fee of ~~$6.36~~ $8.28 for every service connection to a public water supply that is owned or operated by a home rule charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section 110A.02. Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 22. **[144.3875] EARLY DENTAL PREVENTION INITIATIVE.**

(a) The commissioner of health, in collaboration with the commissioner of human services, shall implement a statewide initiative to increase awareness among communities of color and recent immigrants on the importance of early preventive dental intervention for infants and toddlers before and after primary teeth appear.

(b) The commissioner shall develop educational materials and information for expectant and new parents within the targeted communities that include the importance of early dental care to prevent early cavities, including proper cleaning techniques and feeding habits, before and after primary teeth appear.

(c) The commissioner shall develop a distribution plan to ensure that the materials are distributed to expectant and new parents within the targeted communities, including, but not limited to, making the materials available to health care providers, community clinics, WIC sites, and other relevant sites within the targeted communities.

(d) In developing these materials and distribution plan, the commissioner shall work collaboratively with members of the targeted communities, dental providers, pediatricians, child care providers, and home visiting nurses.

(e) The commissioner shall, with input from stakeholders listed in paragraph (d), develop and pilot incentives to encourage early dental care within one year of an infant's teeth erupting.

Sec. 23. **[144.4961] MINNESOTA RADON LICENSING ACT.**

Subdivision 1. **Citation.** This section may be cited as the "Minnesota Radon Licensing Act."

Subd. 2. **Definitions.** (a) As used in this section, the following terms have the meanings given them.

(b) "Mitigation" means the act of repairing or altering a building or building design for the purpose in whole or in part of reducing the concentration of radon in the indoor atmosphere.

(c) "Radon" means both the radioactive, gaseous element produced by the disintegration of radium, and the short-lived radionuclides that are decay products of radon.

Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules for licensure and enforcement of applicable laws and rules relating to indoor radon in dwellings and other buildings, with the exception of newly constructed Minnesota homes according to section 326B.106, subdivision 6. The commissioner shall coordinate, oversee, and implement all state functions in matters concerning the presence, effects, measurement, and mitigation of risks of radon in dwellings and other buildings.

Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or after October 1, 2017, must have a radon mitigation system tag provided by the commissioner. A radon mitigation professional must attach the tag to the radon mitigation system in a visible location.

Subd. 5. **License required annually.** A license is required annually for every person, firm, or corporation that sells a device or performs a service for compensation to detect the presence of radon in the indoor atmosphere, performs laboratory analysis, or performs a service to mitigate radon in the indoor atmosphere. This section does not apply to retail stores that only sell or distribute radon sampling but are not engaged in the manufacture of radon sampling devices.

Subd. 6. **Exemptions.** Radon systems installed in newly constructed Minnesota homes according to section 326B.106, subdivision 6, prior to the issuance of a certificate of occupancy are not required to follow the requirements of this section.

Subd. 7. **License applications and other reports.** The professionals, companies, and laboratories listed in subdivision 8 must submit applications for licenses, system tags, and any other reporting required under this section and Minnesota Rules on forms prescribed by the commissioner.

Subd. 8. **Licensing fees.** (a) All radon license applications submitted to the commissioner of health must be accompanied by the required fees. If the commissioner determines that insufficient fees were paid, the necessary additional fees must be paid before the commissioner approves the application. The commissioner shall charge the following fees for each radon license:

(1) Each measurement professional license, $300 per year. "Measurement professional" means any person who performs a test to determine the presence and concentration of radon in a building they do not own or lease; provides professional or expert advice on radon testing, radon exposure, or health risks related to radon exposure; or makes representations of doing any of these activities.

(2) Each mitigation professional license, $500 per year. "Mitigation professional" means an individual who performs radon mitigation in a building they do not own or lease; provides professional or expert advice on radon mitigation or radon entry routes; or provides on-site supervision of radon mitigation and mitigation technicians; or makes representations of doing any of these activities. This license also permits the licensee to perform the activities of a measurement professional described in clause (1).

(3) Each mitigation company license, $500 per year. "Mitigation company" means any business or government entity that performs or authorizes employees to perform radon mitigation. This fee is waived if the company is a sole proprietorship.

(4) Each radon analysis laboratory license, $500 per year. "Radon analysis laboratory" means a business entity or government entity that analyzes passive radon detection devices to determine the presence and concentration of radon in the devices. This fee is waived if the laboratory is a government entity and is only distributing test kits for the general public to use in Minnesota.

(5) Each Minnesota Department of Health radon mitigation system tag, $75 per tag. "Minnesota Department of Health radon mitigation system tag" or "system tag" means a unique identifiable radon system label provided by the commissioner of health.

(b) Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

Subd. 9. **Enforcement.** The commissioner shall enforce this section under the provisions of sections 144.989 to 144.993.

EFFECTIVE DATE. This section is effective July 1, 2015, except subdivisions 4 and 5, which are effective October 1, 2017.

Sec. 24. **[144.566] VIOLENCE AGAINST HEALTH CARE WORKERS.**

Subdivision 1. **Definitions.** (a) The following definitions apply to this section and have the meanings given.

(b) "Act of violence" means an act by a patient or visitor against a health care worker that includes kicking, scratching, urinating, sexually harassing, or any act defined in sections 609.221 to 609.2241.

(c) "Commissioner" means the commissioner of health.

(d) "Health care worker" means any person, whether licensed or unlicensed, employed by, volunteering in, or under contract with a hospital, who has direct contact with a patient of the hospital for purposes of either medical care or emergency response to situations potentially involving violence.

(e) "Hospital" means any facility licensed as a hospital under section 144.55.

(f) "Incident response" means the actions taken by hospital administration and health care workers during and following an act of violence.

(g) "Interfere" means to prevent, impede, discourage, or delay a health care worker's ability to report acts of violence, including by retaliating or threatening to retaliate against a health care worker.

(h) "Preparedness" means the actions taken by hospital administration and health care workers to prevent a single act of violence or acts of violence generally.

(i) "Retaliate" means to discharge, discipline, threaten, otherwise discriminate against, or penalize a health care worker regarding the health care worker's compensation, terms, conditions, location, or privileges of employment.

Subd. 2. **Hospital duties.** (a) All hospitals must design and implement preparedness and incident response action plans to acts of violence by January 15, 2016, and review the plan at least annually thereafter.

(b) A hospital shall designate a committee of representatives of health care workers employed by the hospital, including nonmanagerial health care workers, nonclinical staff, administrators, patient safety experts, and other appropriate personnel to develop preparedness and incident response action plans to acts of violence. The hospital shall, in consultation with the designated committee, implement the plans under paragraph (a). Nothing in this paragraph shall require the establishment of a separate committee solely for the purpose required by this subdivision.

(c) A hospital shall provide training to all health care workers employed or contracted with the hospital on safety during acts of violence. Each health care worker must receive safety training annually and upon hire. Training must, at a minimum, include:

(1) safety guidelines for response to and de-escalation of an act of violence;

(2) ways to identify potentially violent or abusive situations; and

(3) the hospital's incident response reaction plan and violence prevention plan.

(d) As part of its annual review required under paragraph (a), the hospital must review with the designated committee:

(1) the effectiveness of its preparedness and incident response action plans;

(2) the most recent gap analysis as provided by the commissioner; and

(3) the number of acts of violence that occurred in the hospital during the previous year, including injuries sustained, if any, and the unit in which the incident occurred.

(e) A hospital shall make its action plans and the information listed in paragraph (d) available to local law enforcement and, if any of its workers are represented by a collective bargaining unit, to the exclusive bargaining representatives of those collective bargaining units.

(f) A hospital, including any individual, partner, association, or any person or group of persons acting directly or indirectly in the interest of the hospital, shall not interfere with or discourage a health care worker if the health care worker wishes to contact law enforcement or the commissioner regarding an act of violence.

(g) The commissioner may impose an administrative fine of up to $250 for failure to comply with the requirements of subdivision 2.

Sec. 25. Minnesota Statutes 2014, section 144.9501, subdivision 6d, is amended to read:

Subd. 6d. **Certified lead firm.** "Certified lead firm" means a person that employs individuals to perform regulated lead work, with the exception of renovation, and ~~that~~ is certified by the commissioner under section 144.9505.

Sec. 26. Minnesota Statutes 2014, section 144.9501, is amended by adding a subdivision to read:

Subd. 6e. **Certified renovation firm.** "Certified renovation firm" means a person that employs individuals to perform renovation and is certified by the commissioner under section 144.9505.

Sec. 27. Minnesota Statutes 2014, section 144.9501, subdivision 22b, is amended to read:

Subd. 22b. **Lead sampling technician.** "Lead sampling technician" means an individual who performs clearance inspections for renovation sites and lead dust sampling for nonabatement sites~~, and who is registered with the commissioner under section 144.9505~~.

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

Sec. 28. Minnesota Statutes 2014, section 144.9501, subdivision 26b, is amended to read:

Subd. 26b. **Renovation.** "Renovation" means the modification of any pre-1978 affected property that results in the disturbance of known or presumed lead-containing painted surfaces defined under section 144.9508, unless that activity is performed as ~~an abatement~~ lead hazard reduction. A renovation performed for the purpose of converting a building or part of a building into an affected property is a renovation under this subdivision.

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

Sec. 29. Minnesota Statutes 2014, section 144.9501, is amended by adding a subdivision to read:

Subd. 26c. **Lead renovator.** "Lead renovator" means an individual who directs individuals who perform renovations. A lead renovator also performs renovation, surface coating testing, and cleaning verification.

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

Sec. 30. Minnesota Statutes 2014, section 144.9505, is amended to read:

144.9505 ~~LICENSING~~ CREDENTIALING OF LEAD FIRMS AND PROFESSIONALS.

Subdivision 1. **Licensing ~~and~~, certification; ~~generally~~, and permitting.** (a) ~~All~~ Fees ~~received shall be paid~~ collected under this section shall be deposited into the state treasury and credited to the ~~lead abatement licensing and certification account and are appropriated to the commissioner to cover costs incurred under this section and section 144.9508~~ state government special revenue fund.

(b) Persons shall not advertise or otherwise present themselves as lead supervisors, lead workers, lead inspectors, lead risk assessors, lead sampling technicians, lead project designers, ~~or~~ renovation firms, or lead firms unless they have licenses or certificates issued by ~~or are registered with~~ the commissioner under this section.

(c) The fees required in this section for inspectors, risk assessors, and certified lead firms are waived for state or local government employees performing services for or as an assessing agency.

(d) An individual who is the owner of property on which regulated lead work is to be performed or an adult individual who is related to the property owner, as defined under section 245A.02, subdivision 13, is exempt from the requirements to obtain a license and pay a fee according to this section.

(e) A person that employs individuals to perform regulated lead work outside of the person's property must obtain certification as a certified lead firm. An individual who performs ~~regulated lead work~~ lead hazard reduction, lead hazard screens, lead inspections, lead risk assessments, clearance inspections, lead project designer services, lead sampling technician services, swab team services, and activities performed to comply with lead orders must be employed by a certified lead firm, unless the individual is a sole proprietor and does not employ any other ~~individual who performs regulated lead work~~ individuals, the individual is employed by a person that does not perform regulated lead work outside of the person's property, or the individual is employed by an assessing agency.

Subd. 1a. **Lead worker license.** Before an individual performs regulated lead work as a worker, the individual shall first obtain a license from the commissioner. No license shall be issued unless the individual shows evidence of successfully completing a training course in lead hazard control. The commissioner shall specify the course of training and testing requirements and shall charge a $50 fee annually for the license. License fees are nonrefundable and must be submitted with each application. The license must be carried by the individual and be readily available for review by the commissioner and other public health officials charged with the health, safety, and welfare of the state's citizens.

Subd. 1b. **Lead supervisor license.** Before an individual performs regulated lead work as a supervisor, the individual shall first obtain a license from the commissioner. No license shall be issued unless the individual shows evidence of experience and successful completion of a training course in lead hazard control. The commissioner shall specify the course of training, experience, and testing requirements and shall charge a $50 fee annually for the license. License fees are nonrefundable and must be submitted with each application. The license must be carried by the individual and be readily available for review by the commissioner and other public health officials charged with the health, safety, and welfare of the state's citizens.

Subd. 1c. **Lead inspector license.** Before an individual performs lead inspection services, the individual shall first obtain a license from the commissioner. No license shall be issued unless the individual shows evidence of successfully completing a training course in lead inspection. The commissioner shall specify the course of training and testing requirements and shall charge a $50 fee annually for the license. License fees are nonrefundable and must be submitted with each application. The license must be carried by the individual and be readily available for review by the commissioner and other public health officials charged with the health, safety, and welfare of the state's citizens.

Subd. 1d. **Lead risk assessor license.** Before an individual performs lead risk assessor services, the individual shall first obtain a license from the commissioner. No license shall be issued unless the individual shows evidence of experience and successful completion of a training course in lead risk assessment. The commissioner shall specify the course of training, experience, and testing requirements and shall charge a $100 fee annually for the license. License fees are nonrefundable and must be submitted with each application. The license must be carried by the individual and be readily available for review by the commissioner and other public health officials charged with the health, safety, and welfare of the state's citizens.

Subd. 1e. **Lead project designer license.** Before an individual performs lead project designer services, the individual shall first obtain a license from the commissioner. No license shall be issued unless the individual shows evidence of experience and successful completion of a training course in lead project design. The commissioner shall specify the course of training, experience, and testing requirements and shall charge a $100 fee annually for the license. License fees are nonrefundable and must be submitted with each application. The license must be carried by the individual and be readily available for review by the commissioner and other public health officials charged with the health, safety, and welfare of the state's citizens.

~~Subd. 1f. **Lead sampling technician.** An individual performing lead sampling technician services shall first register with the commissioner. The commissioner shall not register an individual unless the individual shows evidence of successfully completing a training course in lead sampling. The commissioner shall specify the course of training and testing requirements. Proof of registration must be carried by the individual and be readily available for review by the commissioner and other public health officials charged with the health, safety, and welfare of the state's citizens.~~

Subd. 1g. **Certified lead firm.** A person who employs individuals to perform regulated lead work, with the exception of renovation, outside of the person's property must obtain certification as a lead firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A lead firm certificate is valid for one year. The certification fee is $100, is nonrefundable, and must be submitted with each application. The lead firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Subd. 1h. **Certified renovation firm.** A person who employs individuals to perform renovation activities outside of the person's property must obtain certification as a renovation firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A renovation firm certificate is valid for two years. The certification fee is $100, is nonrefundable, and must be submitted with each application. The renovation firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Subd. 1i. **Lead training course.** Before a person provides training to lead workers, lead supervisors, lead inspectors, lead risk assessors, lead project designers, lead sampling technicians, and lead renovators, the person shall first obtain a permit from the commissioner. The permit must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A training course permit is valid for two years. Training course permit fees shall be nonrefundable and must be submitted with each application in the amount of $500 for an initial training course, $250 for renewal of a permit for an initial training course, $250 for a refresher training course, and $125 for renewal of a permit of a refresher training course.

Subd. 3. **Licensed building contractor; information.** The commissioner shall provide health and safety information on lead abatement and lead hazard reduction to all

residential building contractors licensed under section 326B.805. The information must include the lead-safe practices and any other materials describing ways to protect the health and safety of both employees and residents.

Subd. 4. **Notice of regulated lead work.** (a) At least five working days before starting work at each regulated lead worksite, the person performing the regulated lead work shall give written notice to the commissioner and the appropriate board of health.

(b) This provision does not apply to lead hazard screen, lead inspection, lead risk assessment, lead sampling technician, renovation, or lead project design activities.

Subd. 6. **Duties of contracting entity.** A contracting entity intending to have regulated lead work performed for its benefit shall include in the specifications and contracts for the work a requirement that the work be performed by contractors and subcontractors licensed by the commissioner under sections 144.9501 to 144.9512 and according to rules adopted by the commissioner related to regulated lead work. No contracting entity shall allow regulated lead work to be performed for its benefit unless the contracting entity has seen that the person has a valid license or certificate. A contracting entity's failure to comply with this subdivision does not relieve a person from any responsibility under sections 144.9501 to 144.9512.

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

Sec. 31. Minnesota Statutes 2014, section 144.9508, is amended to read:

144.9508 RULES.

Subdivision 1. **Sampling and analysis.** The commissioner shall adopt, by rule, methods for:

(1) lead inspections, lead hazard screens, lead risk assessments, and clearance inspections;

(2) environmental surveys of lead in paint, soil, dust, and drinking water to determine areas at high risk for toxic lead exposure;

(3) soil sampling for soil used as replacement soil;

(4) drinking water sampling, which shall be done in accordance with lab certification requirements and analytical techniques specified by Code of Federal Regulations, title 40, section 141.89; and

(5) sampling to determine whether at least 25 percent of the soil samples collected from a census tract within a standard metropolitan statistical area contain lead in concentrations that exceed 100 parts per million.

Subd. 2. **Regulated lead work standards and methods.** (a) The commissioner shall adopt rules establishing regulated lead work standards and methods in accordance with the provisions of this section, for lead in paint, dust, drinking water, and soil in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose, child care facilities, playgrounds, and schools.

(b) In the rules required by this section, the commissioner shall require lead hazard reduction of intact paint only if the commissioner finds that the intact paint is on a chewable or lead-dust producing surface that is a known source of actual lead exposure to a specific individual. The commissioner shall prohibit methods that disperse lead dust into the air that could accumulate to a level that would exceed the lead dust standard specified under this section. The commissioner shall work cooperatively with the commissioner of administration to determine which lead hazard reduction methods adopted under this section may be used for lead-safe practices including prohibited practices, preparation, disposal, and cleanup. The commissioner shall work cooperatively with the commissioner of the Pollution Control Agency to develop disposal procedures. In adopting rules under this section, the commissioner shall require the best available technology for regulated lead work methods, paint stabilization, and repainting.

(c) The commissioner of health shall adopt regulated lead work standards and methods for lead in bare soil in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil. The commissioner shall set a soil replacement standard not to exceed 25 parts of lead per million. Soil lead hazard reduction methods shall focus on erosion control and covering of bare soil.

(d) The commissioner shall adopt regulated lead work standards and methods for lead in dust in a manner to protect the public health and environment. Dust standards shall use a weight of lead per area measure and include dust on the floor, on the window sills, and on window wells. Lead hazard reduction methods for dust shall focus on dust removal and other practices which minimize the formation of lead dust from paint, soil, or other sources.

(e) The commissioner shall adopt lead hazard reduction standards and methods for lead in drinking water both at the tap and public water supply system or private well in a manner to protect the public health and the environment. The commissioner may adopt the rules for controlling lead in drinking water as contained in Code of Federal Regulations, title 40, part 141. Drinking water lead hazard reduction methods may include an educational approach of minimizing lead exposure from lead in drinking water.

(f) The commissioner of the Pollution Control Agency shall adopt rules to ensure that removal of exterior lead-based coatings from residences and steel structures by abrasive blasting methods is conducted in a manner that protects health and the environment.

(g) All regulated lead work standards shall provide reasonable margins of safety that are consistent with more than a summary review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous.

(h) No unit of local government shall have an ordinance or regulation governing regulated lead work standards or methods for lead in paint, dust, drinking water, or soil that require a different regulated lead work standard or method than the standards or methods established under this section.

(i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit of local government of an innovative lead hazard reduction method which is consistent in approach with methods established under this section.

(j) The commissioner shall adopt rules for issuing lead orders required under section 144.9504, rules for notification of abatement or interim control activities requirements, and other rules necessary to implement sections 144.9501 to 144.9512.

(k) The commissioner shall adopt rules consistent with section 402(c)(3) of the Toxic Substances Control Act to ensure that renovation in a pre-1978 affected property where a child or pregnant female resides is conducted in a manner that protects health and the environment. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

(l) The commissioner shall adopt rules consistent with sections 406(a) and 406(b) of the Toxic Substances Control Act. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

Subd. 2a. **Lead standards for exterior surfaces and street dust.** The commissioner may, by rule, establish lead standards for exterior horizontal surfaces, concrete or other impervious surfaces, and street dust on residential property to protect the public health and the environment.

Subd. 3. **Licensure and certification.** The commissioner shall adopt rules to license lead supervisors, lead workers, lead project designers, lead inspectors, lead risk assessors, and lead sampling technicians. The commissioner shall also adopt rules requiring certification of firms that perform regulated lead work. The commissioner shall require periodic renewal of licenses and certificates and shall establish the renewal periods.

Subd. 4. **Lead training course.** The commissioner shall establish by rule requirements for training course providers and the renewal period for each lead-related training course required for certification or licensure. The commissioner shall establish

criteria in rules for the content and presentation of training courses intended to qualify trainees for licensure under subdivision 3. The commissioner shall establish criteria in rules for the content and presentation of training courses for lead renovation and lead sampling technicians. ~~Training course permit fees shall be nonrefundable and must be submitted with each application in the amount of $500 for an initial training course, $250 for renewal of a permit for an initial training course, $250 for a refresher training course, and $125 for renewal of a permit of a refresher training course.~~

Subd. 5. **Variances.** In adopting the rules required under this section, the commissioner shall provide variance procedures for any provision in rules adopted under this section, except for the numerical standards for the concentrations of lead in paint, dust, bare soil, and drinking water. A variance shall be considered only according to the procedures and criteria in Minnesota Rules, parts 4717.7000 to 4717.7050.

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

Sec. 32. **[144.999] LIFE-SAVING ALLERGY MEDICATION.**

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

(b) "Administer" means the direct application of an epinephrine auto-injector to the body of an individual.

(c) "Authorized entity" means entities that fall in the categories of recreation camps, colleges and universities, preschools and daycares, and any other category of entities or organizations that the commissioner authorizes to obtain and administer epinephrine auto-injectors without a prescription. This definition does not include a school covered under section 121A.2207.

(d) "Commissioner" means the commissioner of health.

(e) "Epinephrine auto-injector" means a single-use device used for the automatic injection of a premeasured dose of epinephrine into the human body.

(f) "Provide" means to supply one or more epinephrine auto-injectors to an individual or the individual's parent, legal guardian, or caretaker.

Subd. 2. **Commissioner duties.** The commissioner may identify additional categories of entities or organizations to be authorized entities if the commissioner determines that individuals may come in contact with allergens capable of causing anaphylaxis. Beginning July 1, 2016, the commissioner may annually review the categories of authorized entities and may authorize additional categories of authorized entities as the commissioner deems appropriate. The commissioner may contract with a vendor to perform the review and identification of authorized entities.

Subd. 3. **Obtaining and storing epinephrine auto-injectors.** (a) Notwithstanding section 151.37, an authorized entity may obtain and possess epinephrine auto-injectors to be provided or administered to an individual if, in good faith, an owner, manager, employee, or agent of an authorized entity believes that the individual is experiencing anaphylaxis regardless of whether the individual has a prescription for an epinephrine auto-injector. The administration of an epinephrine auto-injector in accordance with this section is not the practice of medicine.

(b) An authorized entity may obtain epinephrine auto-injectors from pharmacies licensed as wholesale drug distributors pursuant to section 151.47. Prior to obtaining an epinephrine auto-injector, an owner, manager, or authorized agent of the entity must present to the pharmacy a valid certificate of training obtained pursuant to subdivision 5.

(c) An authorized entity shall store epinephrine auto-injectors in a location readily accessible in an emergency and in accordance with the epinephrine auto-injector's instructions for use and any additional requirements that may be established by the commissioner. An authorized entity shall designate employees or agents who have completed the training program required under subdivision 5 to be responsible for the storage, maintenance, and control of epinephrine auto-injectors obtained and possessed by the authorized entity.

Subd. 4. **Use of epinephrine auto-injectors.** (a) An owner, manager, employee, or agent of an authorized entity who has completed the training required under subdivision 5 may:

(1) provide an epinephrine auto-injector for immediate administration to an individual or the individual's parent, legal guardian, or caregiver if the owner, manager, employee, or agent believes, in good faith, the individual is experiencing anaphylaxis, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy; or

(2) administer an epinephrine auto-injector to an individual who the owner, manager, employee, or agent believes, in good faith, is experiencing anaphylaxis, regardless of whether the individual has a prescription for an epinephrine auto-injector or has previously been diagnosed with an allergy.

(b) Nothing in this section shall be construed to require any authorized entity to maintain a stock of epinephrine auto-injectors.

Subd. 5. **Training.** (a) In order to use an epinephrine auto-injector as authorized under subdivision 4, an individual must complete, every two years, an anaphylaxis training program conducted by a nationally recognized organization experienced in training laypersons in emergency health treatment, a statewide organization with experience

providing training on allergies and anaphylaxis under the supervision of board-certified allergy medical advisors, or an entity or individual approved by the commissioner to provide an anaphylaxis training program. The commissioner may approve specific entities or individuals to conduct the training program or may approve categories of entities or individuals to conduct the training program. Training may be conducted online or in person and, at a minimum, must cover:

(1) how to recognize signs and symptoms of severe allergic reactions, including anaphylaxis;

(2) standards and procedures for the storage and administration of an epinephrine auto-injector; and

(3) emergency follow-up procedures.

(b) The entity or individual conducting the training shall issue a certificate to each person who successfully completes the anaphylaxis training program. The commissioner may develop, approve, and disseminate a standard certificate of completion. The certificate of completion shall be valid for two years from the date issued.

Subd. 6. **Good samaritan protections.** Any act or omission taken pursuant to this section by an authorized entity that possesses and makes available epinephrine auto-injectors and its employees or agents, a pharmacy or manufacturer that dispenses epinephrine auto-injectors to an authorized entity, or an individual or entity that conducts the training described in subdivision 5 is considered "emergency care, advice, or assistance" under section 604A.01.

Sec. 33. Minnesota Statutes 2014, section 144A.70, subdivision 6, is amended to read:

Subd. 6. **Supplemental nursing services agency.** "Supplemental nursing services agency" means a person, firm, corporation, partnership, or association engaged for hire in the business of providing or procuring temporary employment in health care facilities for nurses, nursing assistants, nurse aides, ~~and~~ orderlies, and other licensed health professionals. Supplemental nursing services agency does not include an individual who only engages in providing the individual's services on a temporary basis to health care facilities. Supplemental nursing services agency does not include a professional home care agency licensed ~~as a Class A provider~~ under section ~~144A.46 and rules adopted thereunder~~ 144A.471 that only provides staff to other home care providers.

Sec. 34. Minnesota Statutes 2014, section 144A.70, is amended by adding a subdivision to read:

Subd. 7. **Oversight.** The commissioner is responsible for the oversight of supplemental nursing services agencies through annual unannounced surveys, complaint investigations under sections 144A.51 to 144A.53, and other actions necessary to ensure compliance with sections 144A.70 to 144A.74.

Sec. 35. Minnesota Statutes 2014, section 144A.71, is amended to read:

144A.71 SUPPLEMENTAL NURSING SERVICES AGENCY REGISTRATION.

Subdivision 1. **Duty to register.** A person who operates a supplemental nursing services agency shall register ~~the agency~~ annually with the commissioner. Each separate location of the business of a supplemental nursing services agency shall register the agency with the commissioner. Each separate location of the business of a supplemental nursing services agency shall have a separate registration. Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

Subd. 2. **Application information and fee.** The commissioner shall establish forms and procedures for processing each supplemental nursing services agency registration application. An application for a supplemental nursing services agency registration must include at least the following:

(1) the names and addresses of the owner or owners of the supplemental nursing services agency;

(2) if the owner is a corporation, copies of its articles of incorporation and current bylaws, together with the names and addresses of its officers and directors;

(3) satisfactory proof of compliance with section 144A.72, subdivision 1, clauses (5) to (7);

(4) any other relevant information that the commissioner determines is necessary to properly evaluate an application for registration; ~~and~~

(5) ~~the annual registration fee for a supplemental nursing services agency, which is $891.~~ a policy and procedure that describes how the supplemental nursing services agency's records will be immediately available at all times to the commissioner; and

(6) a registration fee of $2,035.

If a supplemental nursing services agency fails to provide the items in this subdivision to the department, the commissioner shall immediately suspend or refuse to issue the supplemental nursing services agency registration. The supplemental nursing services agency may appeal the commissioner's findings according to section 144A.475, subdivisions 3a and 7, except that the hearing must be conducted by an administrative law judge within 60 calendar days of the request for hearing assignment.

Subd. 3. **Registration not transferable.** A registration issued by the commissioner according to this section is effective for a period of one year from the date of its issuance unless the registration is revoked or suspended under section 144A.72, subdivision 2, or unless the supplemental nursing services agency is sold or ownership or management is transferred. When a supplemental nursing services agency is sold or ownership or management is transferred, the registration of the agency must be voided and the new owner or operator may apply for a new registration.

Sec. 36. Minnesota Statutes 2014, section 144A.72, is amended to read:

144A.72 REGISTRATION REQUIREMENTS; PENALTIES.

Subdivision 1. **Minimum criteria.** (a) The commissioner shall require that, as a condition of registration:

(1) the supplemental nursing services agency shall document that each temporary employee provided to health care facilities currently meets the minimum licensing, training, and continuing education standards for the position in which the employee will be working;

(2) the supplemental nursing services agency shall comply with all pertinent requirements relating to the health and other qualifications of personnel employed in health care facilities;

(3) the supplemental nursing services agency must not restrict in any manner the employment opportunities of its employees;

(4) the supplemental nursing services agency shall carry medical malpractice insurance to insure against the loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in the provision of health care services by the supplemental nursing services agency or by any employee of the agency;

(5) the supplemental nursing services agency shall carry an employee dishonesty bond in the amount of $10,000;

(6) the supplemental nursing services agency shall maintain insurance coverage for workers' compensation for all nurses, nursing assistants, nurse aides, and orderlies provided or procured by the agency;

(7) the supplemental nursing services agency shall file with the commissioner of revenue: (i) the name and address of the bank, savings bank, or savings association in which the supplemental nursing services agency deposits all employee income tax withholdings; and (ii) the name and address of any nurse, nursing assistant, nurse aide, or orderly whose income is derived from placement by the agency, if the agency purports the income is not subject to withholding;

(8) the supplemental nursing services agency must not, in any contract with any employee or health care facility, require the payment of liquidated damages, employment fees, or other compensation should the employee be hired as a permanent employee of a health care facility; ~~and~~

(9) the supplemental nursing services agency shall document that each temporary employee provided to health care facilities is an employee of the agency and is not an independent contractor~~.~~; and

(10) the supplemental nursing services agency shall retain all records for five calendar years. All records of the supplemental nursing services agency must be immediately available to the department.

(b) In order to retain registration, the supplemental nursing services agency must provide services to a health care facility during the year preceding the supplemental nursing services agency's registration renewal date.

Subd. 2. **Penalties.** ~~A pattern of~~ Failure to comply with this section shall subject the supplemental nursing services agency to revocation or nonrenewal of its registration. Violations of section 144A.74 are subject to a fine equal to 200 percent of the amount billed or received in excess of the maximum permitted under that section.

Subd. 3. **Revocation.** Notwithstanding subdivision 2, the registration of a supplemental nursing services agency that knowingly supplies to a health care facility a person with an illegally or fraudulently obtained or issued diploma, registration, license, certificate, or background study shall be revoked by the commissioner. The commissioner shall notify the supplemental nursing services agency 15 days in advance of the date of revocation.

Subd. 4. **Hearing.** (a) No supplemental nursing services agency's registration may be revoked without a hearing held as a contested case in accordance with ~~chapter 14. The hearing must commence within 60 days after the proceedings are initiated~~ section 144A.475, subdivisions 3a and 7, except the hearing must be conducted by an administrative law judge within 60 calendar days of the request for assignment.

(b) If a controlling person has been notified by the commissioner of health that the supplemental nursing services agency will not receive an initial registration or that a renewal of the registration has been denied, the controlling person or a legal representative on behalf of the supplemental nursing services agency may request and receive a hearing on the denial. ~~This~~ The hearing shall be ~~held as a contested case in accordance with chapter 14~~ a contested case in accordance with section 144A.475, subdivisions 3a and 7, except the hearing must be conducted by an administrative law judge within 60 calendar days of the request for assignment.

Subd. 5. **Period of ineligibility.** (a) The controlling person of a supplemental nursing services agency whose registration has not been renewed or has been revoked because of noncompliance with the provisions of sections 144A.70 to 144A.74 shall not be eligible to apply for nor will be granted a registration for five years following the effective date of the nonrenewal or revocation.

(b) The commissioner shall not issue or renew a registration to a supplemental nursing services agency if a controlling person includes any individual or entity who was a controlling person of a supplemental nursing services agency whose registration was not renewed or was revoked as described in paragraph (a) for five years following the effective date of nonrenewal or revocation.

Sec. 37. Minnesota Statutes 2014, section 144A.73, is amended to read:

144A.73 COMPLAINT SYSTEM.

The commissioner shall establish a system for reporting complaints against a supplemental nursing services agency or its employees. Complaints may be made by any member of the public. ~~Written complaints must be forwarded to the employer of each person against whom a complaint is made. The employer shall promptly report to the commissioner any corrective action taken~~ Complaints against a supplemental nursing services agency shall be investigated by the Office of Health Facility Complaints under Minnesota Statutes, sections 144A.51 to 144A.53.

Sec. 38. Minnesota Statutes 2014, section 144D.01, is amended by adding a subdivision to read:

Subd. 3a. **Direct-care staff.** "Direct-care staff" means staff and employees who provide home care services listed in section 144A.471, subdivisions 6 and 7.

Sec. 39. **[144D.066] ENFORCEMENT OF DEMENTIA CARE TRAINING REQUIREMENTS.**

Subdivision 1. **Enforcement.** (a) The commissioner shall enforce the dementia care training standards for staff working in housing with services settings and for housing managers according to clauses (1) to (3):

(1) for dementia care training requirements in section 144D.065, the commissioner shall review training records as part of the home care provider survey process for direct care staff and supervisors of direct care staff, in accordance with section 144A.474. The commissioner may also request and review training records at any time during the year;

(2) for dementia care training standards in section 144D.065, the commissioner shall review training records for maintenance, housekeeping, and food service staff and other staff not providing direct care working in housing with services settings as part of the housing with services registration application and renewal application process in accordance with section 144D.03. The commissioner may also request and review training records at any time during the year; and

(3) for housing managers, the commissioner shall review the statement verifying compliance with the required training described in section 144D.10, paragraph (d), through the housing with services registration application and renewal application process in accordance with section 144D.03. The commissioner may also request and review training records at any time during the year.

(b) The commissioner shall specify the required forms and what constitutes sufficient training records for the items listed in paragraph (a), clauses (1) to (3).

Subd. 2. **Fines for noncompliance.** (a) Beginning January 1, 2017, the commissioner may impose a $200 fine for every staff person required to obtain dementia care training who does not have training records to show compliance. For violations of subdivision 1, paragraph (a), clause (1), the fine will be imposed upon the home care provider, and may be appealed under the contested case procedure in section 144A.475, subdivisions 3a, 4, and 7. For violations of subdivision 1, paragraph (a), clauses (2) and (3), the fine will be imposed on the housing with services registrant and may be appealed under the contested case procedure in section 144A.475, subdivisions 3a, 4, and 7. Prior to imposing the fine, the commissioner must allow two weeks for staff to complete the required training. Fines collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

(b) The housing with services registrant and home care provider must allow for the required training as part of employee and staff duties. Imposition of a fine by the commissioner does not negate the need for the required training. Continued noncompliance with the requirements of sections 144D.065 and 144D.10 may result in revocation or nonrenewal of the housing with services registration or home care license. The commissioner shall make public the list of all housing with services establishments that have complied with the training requirements.

Subd. 3. **Technical assistance.** From January 1, 2016, to December 31, 2016, the commissioner shall provide technical assistance instead of imposing fines for noncompliance with the training requirements. During the year of technical assistance, the commissioner shall review the training records to determine if the records meet the

requirements and inform the home care provider. The commissioner shall also provide information about available training resources.

Sec. 40. Minnesota Statutes 2014, section 144E.50, is amended to read:

144E.50 EMERGENCY MEDICAL SERVICES FUND.

Subdivision 1. **Citation.** This section is the "Minnesota Emergency Medical Services System Support Act."

Subd. 2. **Establishment and purpose.** In order to develop, maintain, and improve regional emergency medical services systems, the ~~Emergency Medical Services Regulatory Board~~ commissioner shall establish an emergency medical services system fund. The fund shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical and trauma care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; providing discretionary grants for emergency medical service projects with potential regionwide significance; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ensuring the ongoing coordination of regional emergency medical services systems; and ~~establishing and maintaining~~ supporting training standards to ensure consistent quality of emergency medical services throughout the state.

Subd. 3. **~~Definition~~ Definitions.** For purposes of this section, ~~"board" means the Emergency Medical Services Regulatory Board~~ the following terms have the meanings given them.

(a) "Commissioner" means the commissioner of health.

(b) "Grantee" means a public or private entity that receives a regional grant.

(c) "Regional emergency medical services programs" include the following regional locations:

(1) Region One, consisting of the counties of Beltrami, Clearwater, Hubbard, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau;

(2) Region Two, consisting of the counties of Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, and Wilkin;

(3) Region Three, consisting of the counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, and St. Louis;

(4) Region Four, consisting of the counties of Benton, Cass, Crow Wing, Kanabec, Mille Lacs, Morrison, Pine, Sherburne, Stearns, Todd, Wadena, and Wright;

(5) Region Five, consisting of the counties of Big Stone, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac Qui Parle, Lincoln, Lyon, McLeod, Meeker, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Swift, and Yellow Medicine;

(6) Region Six, consisting of the counties of Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca, and Watonwan;

(7) Region Seven, consisting of the counties of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona; and

(8) Region Eight, consisting of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, and Washington.

(d) "Regional emergency medical services program grants" or "regional grants" means grant funds overseen and distributed according to subdivisions 4 and 5, and section 169.686, subdivision 3.

(e) "Time-sensitive syndromes" means medical conditions for which time is critical to the patient's survival and health outcome.

Subd. 4. **Use and restrictions.** ~~Designated regional emergency medical services systems~~ (a) Grantees may use regional emergency medical services ~~system~~ program funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting ~~and improving emergency trauma and cardiac care and training~~ care of time-sensitive syndromes. No ~~part of a region's share of the fund~~ grant funds may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

(b) Each grantee shall provide oversight of regional emergency medical services programs by establishing an oversight committee consisting of representatives appointed by the county board of each of the counties in the region and representatives appointed by local emergency medical services organizations.

Subd. 5. **Distribution.** ~~Money from the fund shall be distributed according to this subdivision. Ninety-five percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the board. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The board shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in~~ The commissioner may award up to eight regional emergency medical services program grants. The commissioner shall offer grant agreements to one applicant per region, following the review of grant applications and

approval of an acceptable grant application. Grant applications must satisfactorily address the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. ~~If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the~~ Funds from the emergency medical services fund shall be distributed evenly among the ~~regions~~ grantees. If one or more of the ~~regions~~ applicants does not ~~contract~~ apply for the full amount of its even share or if its ~~proposal~~ application is unsatisfactory, then the ~~board~~ commissioner may reallocate the unused funds to the remaining ~~regions~~ grantees on a pro rata basis. ~~Five percent of the fund shall be used by the board to support regionwide reporting systems and to provide other regional administration and technical assistance.~~

~~Subd. 6. **Audits.** (a) Each regional emergency medical services board designated by the board shall be audited either annually or biennially by an independent auditor who is either a state or local government auditor or a certified public accountant who meets the independence standards specified by the General Accounting Office for audits of governmental organizations, programs, activities, and functions. The audit shall cover all funds received by the regional board, including but not limited to, funds appropriated under this section, section 144E.52, and section 169.686, subdivision 3. Expenses associated with the audit are the responsibility of the regional board.~~

~~(b) A biennial audit specified in paragraph (a) shall be performed within 60 days following the close of the biennium. Copies of the audit and any accompanying materials shall be filed by October 1 of each odd-numbered year, beginning in 1999, with the board, the legislative auditor, and the state auditor.~~

~~(c) An annual audit specified in paragraph (a) shall be performed within 120 days following the close of the regional emergency medical services board's fiscal year. Copies of the audit and any accompanying materials shall be filed within 150 days following the close of the regional emergency medical services board's fiscal year, beginning in the year 2000, with the board, the legislative auditor, and the state auditor.~~

~~(d) If the audit is not conducted as required in paragraph (a) or copies filed as required in paragraph (b) or (c), or if the audit determines that funds were not spent in accordance with this chapter, the board shall immediately reduce funding to the regional emergency medical services board as follows:~~

~~(1) if an audit was not conducted or if an audit was conducted but copies were not provided as required, funding shall be reduced by up to 100 percent; and~~

~~(2) if an audit was conducted and copies provided, and the audit identifies expenditures made that are not in compliance with this chapter, funding shall be reduced by the amount in question plus ten percent.~~

~~A funding reduction under this paragraph is effective for the fiscal year in which the reduction is taken and the following fiscal year.~~

~~(e) The board shall distribute any funds withheld from a regional board under paragraph (d) to the remaining regional boards on a pro rata basis.~~

Sec. 41. Minnesota Statutes 2014, section 144F.01, subdivision 5, is amended to read:

Subd. 5. **Use of levy proceeds.** The proceeds of property taxes levied under this section must be used to support the providing of out-of-hospital emergency medical services including, but not limited to, first responder or rescue squads recognized by the district, ambulance services licensed under chapter 144E and recognized by the district, medical control functions set out in chapter 144E, communications equipment and systems, and programs of regional emergency medical services ~~authorized by regional boards described in section 144E.52~~.

Sec. 42. Minnesota Statutes 2014, section 145.928, is amended by adding a subdivision to read:

Subd. 15. **Promising strategies.** For all grants awarded under this section, the commissioner shall consider applicants that present evidence of a promising strategy to accomplish the applicant's objective. A promising strategy shall be given the same weight as a research or evidence-based strategy.

Sec. 43. Minnesota Statutes 2014, section 145A.131, subdivision 1, is amended to read:

Subdivision 1. **Funding formula for community health boards.** (a) Base funding for each community health board eligible for a local public health grant under section 145A.03, subdivision 7, shall be determined by each community health board's fiscal year 2003 allocations, prior to unallotment, for the following grant programs: community health services subsidy; state and federal maternal and child health special projects grants; family home visiting grants; TANF MN ENABL grants; TANF youth risk behavior grants; and available women, infants, and children grant funds in fiscal year 2003, prior to unallotment, distributed based on the proportion of WIC participants served in fiscal year 2003 within the CHS service area.

(b) Base funding for a community health board eligible for a local public health grant under section 145A.03, subdivision 7, as determined in paragraph (a), shall be

adjusted by the percentage difference between the base, as calculated in paragraph (a), and the funding available for the local public health grant.

(c) Multicounty or multicity community health boards shall receive a local partnership base of up to $5,000 per year for each county or city in the case of a multicity community health board included in the community health board.

(d) The State Community Health Advisory Committee may recommend a formula to the commissioner to use in distributing ~~state and federal~~ funds to community health boards ~~organized and operating under sections 145A.03 to 145A.131 to achieve locally identified priorities under section 145A.04, subdivision 1a, for use in distributing funds to community health boards beginning January 1, 2006, and thereafter~~.

(e) Notwithstanding any adjustment in paragraph (b), community health boards, all or a portion of which are located outside of the counties of Anoka, Chisago, Carver, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright, are eligible to receive an increase equal to ten percent of the grant award to the community health board under paragraph (a) starting July 1, 2015. The increase in calendar year 2015 shall be prorated for the last six months of the year. For calendar years beginning on or after January 1, 2016, the amount distributed under this paragraph shall be adjusted each year based on available funding and the number of eligible community health boards.

Sec. 44. Minnesota Statutes 2014, section 149A.20, subdivision 5, is amended to read:

Subd. 5. **Examinations.** After having met the educational requirements of subdivision 4, a person must attain a passing score on the National Board Examination administered by the Conference of Funeral Service Examining Boards of the United States, Inc. or any other examination that, in the determination of the commissioner, adequately and accurately assesses the knowledge and skills required to practice mortuary science. In addition, a person must attain a passing score on the state licensing examination administered by or on behalf of the commissioner. The state examination shall encompass the laws and rules of Minnesota that pertain to the practice of mortuary science. The commissioner shall make available copies of all pertinent laws and rules prior to administration of the state licensing examination. If a passing score is not attained on the state examination, the individual must wait two weeks before they can retake the examination.

Sec. 45. Minnesota Statutes 2014, section 149A.20, subdivision 6, is amended to read:

Subd. 6. **Internship.** (a) A person who attains a passing score on both examinations in subdivision 5 must complete a registered internship under the direct supervision of an

individual currently licensed to practice mortuary science in Minnesota. Interns must file with the commissioner:

(1) the appropriate fee; and

(2) a registration form indicating the name and home address of the intern, the date the internship begins, and the name, license number, and business address of the supervising mortuary science licensee.

(b) Any changes in information provided in the registration must be immediately reported to the commissioner. The internship shall be a minimum of ~~one calendar year and a maximum of three calendar years in duration;~~ 2,080 hours to be completed within a three-year period, however, the commissioner may waive up to ~~three months~~ 520 hours of the internship time requirement upon satisfactory completion of a clinical or practicum in mortuary science administered through the program of mortuary science of the University of Minnesota or a substantially similar program approved by the commissioner. Registrations must be renewed on an annual basis if they exceed one calendar year. During the internship period, the intern must be under the direct supervision of a person holding a current license to practice mortuary science in Minnesota. An intern may be registered under only one licensee at any given time and may be directed and supervised only by the registered licensee. The registered licensee shall have only one intern registered at any given time. The commissioner shall issue to each registered intern a registration permit that must be displayed with the other establishment and practice licenses. While under the direct supervision of the licensee, the intern must ~~actively participate in the embalming of at least 25 dead human bodies and in the arrangements for and direction of at least 25 funerals~~ complete 25 case reports in each of the following areas: embalming, funeral arrangements, and services. Case reports, on forms provided by the commissioner, shall be completed by the intern~~, signed by the supervising licensee,~~ and filed with the commissioner ~~for at least 25 embalmings and funerals in which the intern participates~~ prior to the completion of the internship. Information contained in these reports that identifies the subject or the family of the subject embalmed or the subject or the family of the subject of the funeral shall be classified as licensing data under section 13.41, subdivision 2.

Sec. 46. Minnesota Statutes 2014, section 149A.40, subdivision 11, is amended to read:

Subd. 11. **Continuing education.** The commissioner ~~may~~ shall require 15 continuing education hours for renewal of a license to practice mortuary science. Nine of the hours must be in the following areas: body preparation, care, or handling, 3 CE hours; professional practices, 3 CE hours; regulation and ethics, 3 CE hours. Continuing education hours shall be reported to the commissioner every other year based on the

licensee's license number. Licensees whose license ends in an odd number must report CE hours at renewal time every odd year. If a licensee's license ends in an even number, the licensee must report the licensee's CE hours at renewal time every even year.

Sec. 47. Minnesota Statutes 2014, section 149A.65, is amended to read:

149A.65 FEES.

Subdivision 1. **Generally.** This section establishes the fees for registrations, examinations, initial and renewal licenses, and late fees authorized under the provisions of this chapter.

Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

(1) ~~$50~~ $75 for the initial and renewal registration of a mortuary science intern;

(2) ~~$100~~ $125 for the mortuary science examination;

(3) ~~$125~~ $200 for issuance of initial and renewal mortuary science licenses;

(4) ~~$25~~ $100 late fee charge for a license renewal; and

(5) ~~$200~~ $250 for issuing a mortuary science license by endorsement.

Subd. 3. **Funeral directors.** The license renewal fee for funeral directors is ~~$125~~ $200. The late fee charge for a license renewal is ~~$25~~ $100.

Subd. 4. **Funeral establishments.** The initial and renewal fee for funeral establishments is ~~$300~~ $425. The late fee charge for a license renewal is ~~$25~~ $100.

Subd. 5. **Crematories.** The initial and renewal fee for a crematory is ~~$300~~ $425. The late fee charge for a license renewal is ~~$25~~ $100.

Subd. 6. **Alkaline hydrolysis facilities.** The initial and renewal fee for an alkaline hydrolysis facility is ~~$300~~ $425. The late fee charge for a license renewal is ~~$25~~ $100.

Subd. 7. **State government special revenue fund.** Fees collected by the commissioner under this section must be deposited in the state treasury and credited to the state government special revenue fund.

Sec. 48. Minnesota Statutes 2014, section 149A.92, subdivision 1, is amended to read:

Subdivision 1. ~~**Exemption**~~ **Establishment update.** ~~All funeral establishments having a preparation and embalming room that has not been used for the preparation or embalming of a dead human body in the 12 calendar months prior to July 1, 1997, are exempt from the minimum requirements in subdivisions 2 to 6, except as provided in this section.~~ At the time that ownership of a funeral establishment changes, the physical location of the establishment changes, or the building housing the funeral establishment or business space of the establishment is remodeled the existing preparation and embalming

room must be brought into compliance with the minimum standards in this section and in accordance with subdivision 11.

Sec. 49. Minnesota Statutes 2014, section 149A.97, subdivision 7, is amended to read:

Subd. 7. **Reports to commissioner.** Every funeral provider lawfully doing business in Minnesota that accepts funds under subdivision 2 must make a complete annual report to the commissioner. The reports may be on forms provided by the commissioner or substantially similar forms containing, at least, identification and the state of each trust account, including all transactions involving principal and accrued interest, and must be filed by March 31 of the calendar year following the reporting year along with a filing fee of $25 for each report. Fees shall be paid to the commissioner of management and budget, state of Minnesota, for deposit in the state government special revenue fund in the state treasury. Reports must be signed by an authorized representative of the funeral provider and notarized under oath. All reports to the commissioner shall be reviewed for account inaccuracies or possible violations of this section. If the commissioner has a reasonable belief to suspect that there are account irregularities or possible violations of this section, the commissioner shall report that belief, in a timely manner, to the state auditor or other state agencies as determined by the commissioner. The commissioner may require a funeral provider reporting preneed trust accounts under this section to arrange for and pay an independent third-party auditing firm to complete an audit of the preneed trust accounts every other year. The funeral provider shall report the findings of the audit to the commissioner by March 31 of the calendar year following the reporting year. This report is in addition to the annual report. The commissioner shall also file an annual letter with the state auditor disclosing whether or not any irregularities or possible violations were detected in review of the annual trust fund reports filed by the funeral providers. This letter shall be filed with the state auditor by May 31 of the calendar year following the reporting year.

Sec. 50. Minnesota Statutes 2014, section 157.16, is amended to read:

157.16 LICENSES REQUIRED; FEES.

Subdivision 1. **License required annually.** A license is required annually for every person, firm, or corporation engaged in the business of conducting a food and beverage service establishment, youth camp, hotel, motel, lodging establishment, public pool, or resort. Any person wishing to operate a place of business licensed in this section shall first make application, pay the required fee specified in this section, and receive approval for operation, including plan review approval. Special event food stands are not required to submit plans. Nonprofit organizations operating a special event food

stand with multiple locations at an annual one-day event shall be issued only one license. Application shall be made on forms provided by the commissioner and shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the food and beverage service establishment, hotel, motel, lodging establishment, public pool, or resort; the name under which the business is to be conducted; and any other information as may be required by the commissioner to complete the application for license.

Subd. 2. **License renewal.** Initial and renewal licenses for all food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts shall be issued on an annual basis. Any person who operates a place of business after the expiration date of a license or without having submitted an application and paid the fee shall be deemed to have violated the provisions of this chapter and shall be subject to enforcement action, as provided in the Health Enforcement Consolidation Act, sections 144.989 to 144.993. In addition, a penalty of $60 shall be added to the total of the license fee for any food and beverage service establishment operating without a license as a mobile food unit, a seasonal temporary or seasonal permanent food stand, or a special event food stand, and a penalty of $120 shall be added to the total of the license fee for all restaurants, food carts, hotels, motels, lodging establishments, youth camps, public pools, and resorts operating without a license for a period of up to 30 days. A late fee of $360 shall be added to the license fee for establishments operating more than 30 days without a license.

Subd. 2a. **Food manager certification.** An applicant for certification or certification renewal as a food manager must submit to the commissioner a $35 nonrefundable certification fee payable to the Department of Health. The commissioner shall issue a duplicate certificate to replace a lost, destroyed, or mutilated certificate if the applicant submits a completed application on a form provided by the commissioner for a duplicate certificate and pays $20 to the department for the cost of duplication.

Subd. 3. **Establishment fees; definitions.** (a) The following fees are required for food and beverage service establishments, youth camps, hotels, motels, lodging establishments, public pools, and resorts licensed under this chapter. ~~Food and beverage service establishments must pay the highest applicable fee under paragraph (d), clause (1), (2), (3), or (4), and establishments serving alcohol must pay the highest applicable fee under paragraph (d), clause (6) or (7).~~ The license fee for new operators previously licensed under this chapter for the same calendar year is one-half of the appropriate annual license fee, plus any penalty that may be required. The license fee for operators opening on or after October 1 is one-half of the appropriate annual license fee, plus any penalty that may be required.

(b) Each food and beverage establishment shall pay the applicable fees specified in section 15.445.

~~(b)~~ (c) All ~~food and beverage service establishments, except special event food stands, and all~~ hotels, motels, lodging establishments, public pools, and resorts shall pay an annual base fee of $150, except for establishments that paid for a food and beverage establishment license under paragraph (b).

~~(c) A special event food stand shall pay a flat fee of $50 annually. "Special event food stand" means a fee category where food is prepared or served in conjunction with celebrations, county fairs, or special events from a special event food stand as defined in section 157.15.~~

(d) In addition to the base fee in paragraph ~~(b)~~ (c), ~~each food and beverage service establishment, other than a special event food stand and a school concession stand, and~~ each hotel, motel, lodging establishment, public pool, and resort shall pay an additional annual fee for each applicable fee category~~, additional food service, or required additional inspection~~ specified in this paragraph:

~~(1) Limited food menu selection, $60. "Limited food menu selection" means a fee category that provides one or more of the following:~~

~~(i) prepackaged food that receives heat treatment and is served in the package;~~

~~(ii) frozen pizza that is heated and served;~~

~~(iii) a continental breakfast such as rolls, coffee, juice, milk, and cold cereal;~~

~~(iv) soft drinks, coffee, or nonalcoholic beverages; or~~

~~(v) cleaning for eating, drinking, or cooking utensils, when the only food served is prepared off site.~~

~~(2) Small establishment, including boarding establishments, $120. "Small establishment" means a fee category that has no salad bar and meets one or more of the following:~~

~~(i) possesses food service equipment that consists of no more than a deep fat fryer, a grill, two hot holding containers, and one or more microwave ovens;~~

~~(ii) serves dipped ice cream or soft serve frozen desserts;~~

~~(iii) serves breakfast in an owner-occupied bed and breakfast establishment;~~

~~(iv) is a boarding establishment; or~~

~~(v) meets the equipment criteria in clause (3), item (i) or (ii), and has a maximum patron seating capacity of not more than 50.~~

~~(3) Medium establishment, $310. "Medium establishment" means a fee category that meets one or more of the following:~~

~~(i) possesses food service equipment that includes a range, oven, steam table, salad bar, or salad preparation area;~~

~~(ii) possesses food service equipment that includes more than one deep fat fryer, one grill, or two hot holding containers; or~~

~~(iii) is an establishment where food is prepared at one location and served at one or more separate locations.~~

~~Establishments meeting criteria in clause (2), item (v), are not included in this fee category.~~

~~(4) Large establishment, $540. "Large establishment" means either:~~

~~(i) a fee category that (A) meets the criteria in clause (3), items (i) or (ii), for a medium establishment, (B) seats more than 175 people, and (C) offers the full menu selection an average of five or more days a week during the weeks of operation; or~~

~~(ii) a fee category that (A) meets the criteria in clause (3), item (iii), for a medium establishment, and (B) prepares and serves 500 or more meals per day.~~

~~(5) Other food and beverage service, including food carts, mobile food units, seasonal temporary food stands, and seasonal permanent food stands, $60.~~

~~(6) Beer or wine table service, $60. "Beer or wine table service" means a fee category where the only alcoholic beverage service is beer or wine, served to customers seated at tables.~~

~~(7) Alcoholic beverage service, other than beer or wine table service, $165.~~

~~"Alcohol beverage service, other than beer or wine table service" means a fee category where alcoholic mixed drinks are served or where beer or wine are served from a bar.~~

~~(8)~~ (1) Lodging per sleeping accommodation unit, $10, including hotels, motels, lodging establishments, and resorts, up to a maximum of $1,000. "Lodging per sleeping accommodation unit" means a fee category including the number of guest rooms, cottages, or other rental units of a hotel, motel, lodging establishment, or resort; or the number of beds in a dormitory.

~~(9)~~ (2) First public pool, $325; each additional public pool, $175. "Public pool" means a fee category that has the meaning given in section 144.1222, subdivision 4.

~~(10)~~ (3) First spa, $175; each additional spa, $100. "Spa pool" means a fee category that has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

~~(11)~~ (4) Private sewer or water, $60. "Individual private water" means a fee category with a water supply other than a community public water supply as ~~defined~~ covered in Minnesota Rules, chapter 4720. "Individual private sewer" means a fee category with an individual sewage treatment system which uses subsurface treatment and disposal.

~~(12) Additional food service, $150. "Additional food service" means a location at a food service establishment, other than the primary food preparation and service area, used to prepare or serve food to the public. Additional food service does not apply to school concession stands.~~

~~(13) Additional inspection fee, $360. "Additional inspection fee" means a fee to conduct the second inspection each year for elementary and secondary education facility school lunch programs when required by the Richard B. Russell National School Lunch Act.~~

(e) Youth camps shall pay an annual single fee for food and lodging as follows:

(1) camps with up to 99 campers, $325;

(2) camps with 100 to 199 campers, $550; and

(3) camps with 200 or more campers, $750.

(f) A youth camp that pays fees under paragraph (b) or (d) is not required to pay fees under paragraph (e).

Subd. 3a. **Construction plan review.** ~~(e)~~ (a) A fee for review of construction plans must accompany the initial license application for restaurants, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units. The fee for this construction plan review is as follows:

Service Area	**Type**	**Fee**
Food	~~limited food menu~~ category 1 establishment	$275
	~~small~~ category 2 establishment	$400
	~~medium~~ category 3 establishment	$450
	~~large food~~ category 4 establishment	$500
	additional food service	$150
~~Transient food service~~ Temporary food establishment	food cart	$250
	seasonal permanent food stand	$250
	seasonal temporary food stand	$250
	mobile food unit	$350
~~Alcohol~~	~~beer or wine table service~~	~~$150~~
	~~alcohol service from bar~~	~~$250~~
Lodging	less than 25 rooms	$375
	25 to less than 100 rooms	$400
	100 rooms or more	$500
	less than five cabins	$350
	five to less than ten cabins	$400
	ten cabins or more	$450

~~(f)~~ (b) When existing food and beverage service establishments, hotels, motels, lodging establishments, resorts, seasonal food stands, and mobile food units are

extensively remodeled, a fee must be submitted with the remodeling plans. The fee for this construction plan review is as follows:

Service Area	Type	Fee
Food	~~limited food menu~~ category 1 establishment	$250
	~~small~~ category 2 establishment	$300
	~~medium~~ category 3 establishment	$350
	~~large~~ ~~food~~ category 4 establishment	$400
	additional food service	$150
~~Transient food service~~ Temporary food establishment	food cart	$250
	seasonal permanent food stand	$250
	seasonal temporary food stand	$250
	mobile food unit	$250
~~Alcohol~~	~~beer or wine table service~~	~~$150~~
	~~alcohol service from bar~~	~~$250~~
Lodging	less than 25 rooms	$250
	25 to less than 100 rooms	$300
	100 rooms or more	$450
	less than five cabins	$250
	five to less than ten cabins	$350
	ten cabins or more	$400

~~(g)~~ (c) Special event food stands are not required to submit construction or remodeling plans for review.

~~(h) Youth camps shall pay an annual single fee for food and lodging as follows:~~

~~(1) camps with up to 99 campers, $325;~~

~~(2) camps with 100 to 199 campers, $550; and~~

~~(3) camps with 200 or more campers, $750.~~

~~(i) A youth camp which pays fees under paragraph (d) is not required to pay fees under paragraph (h).~~

Subd. ~~3a.~~ 3b. **Statewide hospitality fee.** Every person, firm, or corporation that operates a licensed boarding establishment, food and beverage service establishment, seasonal temporary or permanent food stand, special event food stand, mobile food unit, food cart, resort, hotel, motel, or lodging establishment in Minnesota must submit to the commissioner a $35 annual statewide hospitality fee for each licensed activity. The fee for establishments licensed by the Department of Health is required at the same time the licensure fee is due. For establishments licensed by local governments, the fee is due by July 1 of each year.

Subd. 4. **Posting requirements.** Every food and beverage service establishment, for-profit youth camp, hotel, motel, lodging establishment, public pool, or resort must

have the original license posted in a conspicuous place at the establishment. ~~Mobile food units, food carts, and seasonal temporary food stands shall be issued decals with the initial license and each calendar year with license renewals. The current license year decal must be placed on the unit or stand in a location determined by the commissioner. Decals are not transferable.~~

Subd. 5. **Special revenue fund.** Fees collected under this section shall be deposited in the state treasury and credited to the state government special revenue fund.

Sec. 51. Minnesota Statutes 2014, section 169.686, subdivision 3, is amended to read:

Subd. 3. **Appropriation; special account.** The fines collected for a violation of subdivision 1 must be deposited in the state treasury and credited to a special account to be known as the emergency medical services relief account. Ninety percent of the money in the account shall be ~~distributed~~ appropriated to the commissioner of health for the ~~eight~~ regional emergency medical services ~~systems designated by the Emergency Medical Services Regulatory Board under section 144E.50, for personnel education and training, equipment and vehicle purchases, and operational expenses of emergency life support transportation services~~ program grants as specified in section 144E.50, subdivision 3, for the purposes specified in section 144E.50, subdivision 4. The board of directors of each entity receiving a regional emergency medical services ~~region~~ program grant shall establish criteria for funding. Ten percent of the money in the account shall be distributed to the commissioner of public safety for the expenses of traffic safety educational programs conducted by State Patrol troopers.

Sec. 52. **WORKING GROUP ON VIOLENCE AGAINST ASIAN WOMEN AND CHILDREN.**

Subdivision 1. **Establishment.** The commissioner of health, in collaboration with the commissioners of human services and public safety, and the Council on Asian-Pacific Minnesotans, shall create a multidisciplinary working group to address violence against Asian women and children by July 1, 2015.

Subd. 2. **The working group.** The commissioner of health, in collaboration with the commissioners of human services and public safety, and the Council on Asian-Pacific Minnesotans, shall appoint 15 members representing the following groups to participate in the working group:

(1) advocates;

(2) survivors;

(3) service providers;

(4) community leaders;

(5) city and county attorneys;

(6) city officials;

(7) law enforcement; and

(8) health professionals.

At least eight of the members of the working group must be from the Asian-Pacific Islander community.

Subd. 3. **Duties.** (a) The working group must study the nature, scope, and prevalence of violence against Asian women and children in Minnesota, including domestic violence, trafficking, international abusive marriage, stalking, sexual assault, and other violence.

(b) The working group may:

(1) evaluate the adequacy and effectiveness of existing support programs;

(2) conduct a needs assessment of culturally and linguistically appropriate programs and interventions;

(3) identify barriers in delivering services to Asian women and children;

(4) identify promising prevention and intervention strategies in addressing violence against Asian women and children; and

(5) propose mechanisms to collect and monitor data on violence against Asian women and children.

Subd. 4. **Chair.** The commissioner of health shall designate one member to serve as chair of the working group.

Subd. 5. **First meeting.** The chair shall convene the first meeting by September 10, 2015.

Subd. 6. **Compensation; expense reimbursement.** Members of the working group shall be compensated and reimbursed for expenses under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 7. **Report.** By January 1, 2017, the working group must submit its recommendations and any draft legislation necessary to implement those recommendations to the commissioners of health, human services, and public safety, and the Council on Asian-Pacific Minnesotans. The Council on Asian-Pacific Minnesotans shall submit a report of findings and recommendations to the chair and ranking minority members of the committees in the house of representatives and senate having jurisdiction over health and human services and public safety by February 15, 2017.

Subd. 8. **Sunset.** The working group on violence against Asian women and children sunsets the day after the Council on Asian-Pacific Minnesotans submits the report under subdivision 7.

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

Sec. 53. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, section 144E.50, as a section in Minnesota Statutes, chapter 144, and make conforming changes consistent with the renumbering.

Sec. 54. **REPEALER.**

Minnesota Statutes 2014, section 144E.52, is repealed.

ARTICLE 8

HEALTH CARE DELIVERY

Section 1. **[62A.67] SHORT TITLE.**

Sections 62A.67 to 62A.672 may be cited as the "Minnesota Telemedicine Act."

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 2. **[62A.671] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 62A.67 to 62A.672, the terms defined in this section have the meanings given.

Subd. 2. **Distant site.** "Distant site" means a site at which a licensed health care provider is located while providing health care services or consultations by means of telemedicine.

Subd. 3. **Health care provider.** "Health care provider" has the meaning provided in section 62A.63, subdivision 2.

Subd. 4. **Health carrier.** "Health carrier" has the meaning provided in section 62A.011, subdivision 2.

Subd. 5. **Health plan.** "Health plan" means a health plan as defined in section 62A.011, subdivision 3, and includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred and are designed to pay benefits directly to the policyholder.

Subd. 6. **Licensed health care provider.** "Licensed health care provider" means a health care provider who is:

(1) licensed under chapter 147, 147A, 148, 148B, 148E, 148F, 150A, or 153; a mental health professional as defined under section 245.462, subdivision 18, or 245.4871, subdivision 27; or vendor of medical care defined in section 256B.02, subdivision 7; and

(2) authorized within their respective scope of practice to provide the particular service with no supervision or under general supervision.

Subd. 7. **Originating site.** "Originating site" means a site including, but not limited to, a health care facility at which a patient is located at the time health care services are provided to the patient by means of telemedicine.

Subd. 8. **Store-and-forward technology.** "Store-and-forward technology" means the transmission of a patient's medical information from an originating site to a health care provider at a distant site without the patient being present, or the delivery of telemedicine that does not occur in real time via synchronous transmissions.

Subd. 9. **Telemedicine.** "Telemedicine" means the delivery of health care services or consultations while the patient is at an originating site and the licensed health care provider is at a distant site. A communication between licensed health care providers that consists solely of a telephone conversation, e-mail, or facsimile transmissions does not constitute telemedicine consultations or services. Telemedicine may be provided by means of real-time two-way, interactive audio and visual communications, including the application of secure video conferencing or store-and-forward technology to provide or support health care delivery, which facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 3. **[62A.672] COVERAGE OF TELEMEDICINE SERVICES.**

Subdivision 1. **Coverage of telemedicine.** (a) A health plan sold, issued, or renewed by a health carrier for which coverage of benefits begins on or after January 1, 2017, shall include coverage for telemedicine benefits in the same manner as any other benefits covered under the policy, plan, or contract, and shall comply with the regulations of this section.

(b) Nothing in this section shall be construed to:

(1) require a health carrier to provide coverage for services that are not medically necessary;

(2) prohibit a health carrier from establishing criteria that a health care provider must meet to demonstrate the safety or efficacy of delivering a particular service via telemedicine for which the health carrier does not already reimburse other health care providers for delivering via telemedicine, so long as the criteria are not unduly burdensome or unreasonable for the particular service; or

(3) prevent a health carrier from requiring a health care provider to agree to certain documentation or billing practices designed to protect the health carrier or patients from

fraudulent claims so long as the practices are not unduly burdensome or unreasonable for the particular service.

Subd. 2. **Parity between telemedicine and in-person services.** A health carrier shall not exclude a service for coverage solely because the service is provided via telemedicine and is not provided through in-person consultation or contact between a licensed health care provider and a patient.

Subd. 3. **Reimbursement for telemedicine services.** (a) A health carrier shall reimburse the distant site licensed health care provider for covered services delivered via telemedicine on the same basis and at the same rate as the health carrier would apply to those services if the services had been delivered in person by the distant site licensed health care provider.

(b) It is not a violation of this subdivision for a health carrier to include a deductible, co-payment, or coinsurance requirement for a health care service provided via telemedicine, provided that the deductible, co-payment, or coinsurance is not in addition to, and does not exceed, the deductible, co-payment, or coinsurance applicable if the same services were provided through in-person contact.

Subd. 4. **Originating site facility fee payment.** If a health care provider provides the facility used as the originating site for the delivery of telemedicine to a health carrier's enrollee, the health carrier shall make a facility fee payment to the originating site health care provider. The facility fee payment to the originating site health care provider shall be in addition to the reimbursement to the distant site licensed health care provider specified in subdivision 3. The facility fee payment shall not be subject to any patient coinsurance, deductible, or co-payment obligation.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 4. Minnesota Statutes 2014, section 62J.497, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings given.

(a) "Backward compatible" means that the newer version of a data transmission standard would retain, at a minimum, the full functionality of the versions previously adopted, and would permit the successful completion of the applicable transactions with entities that continue to use the older versions.

(b) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision 30. Dispensing does not include the direct administering of a controlled substance to a patient by a licensed health care professional.

(c) "Dispenser" means a person authorized by law to dispense a controlled substance, pursuant to a valid prescription.

(d) "Electronic media" has the meaning given under Code of Federal Regulations, title 45, part 160.103.

(e) "E-prescribing" means the transmission using electronic media of prescription or prescription-related information between a prescriber, dispenser, pharmacy benefit manager, or group purchaser, either directly or through an intermediary, including an e-prescribing network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser and two-way transmissions related to eligibility, formulary, and medication history information.

(f) "Electronic prescription drug program" means a program that provides for e-prescribing.

(g) "Group purchaser" has the meaning given in section 62J.03, subdivision 6, but does not include workers' compensation plans or the medical component of automobile insurance coverage.

(h) "HL7 messages" means a standard approved by the standards development organization known as Health Level Seven.

(i) "National Provider Identifier" or "NPI" means the identifier described under Code of Federal Regulations, title 45, part 162.406.

(j) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

(k) "NCPDP Formulary and Benefits Standard" means the National Council for Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide, Version 1, Release 0, October 2005.

(l) "NCPDP SCRIPT Standard" means the National Council for Prescription Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide Version 8, Release 1 (Version 8.1), October 2005, or the most recent standard adopted by the Centers for Medicare and Medicaid Services for e-prescribing under Medicare Part D as required by section 1860D-4(e)(4)(D) of the Social Security Act, and regulations adopted under it. The standards shall be implemented according to the Centers for Medicare and Medicaid Services schedule for compliance. Subsequently released versions of the NCPDP SCRIPT Standard may be used, provided that the new version of the standard is backward compatible to the current version adopted by the Centers for Medicare and Medicaid Services.

(m) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

(n) "Prescriber" means a licensed health care practitioner, other than a veterinarian, as defined in section 151.01, subdivision 23.

(o) "Prescription-related information" means information regarding eligibility for drug benefits, medication history, or related health or drug information.

(p) "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

(q) "Utilization review organization" has the meaning given in section 62M.02, subdivision 21.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 5. Minnesota Statutes 2014, section 62J.497, subdivision 3, is amended to read:

Subd. 3. **Standards for electronic prescribing.** (a) Prescribers and dispensers must use the NCPDP SCRIPT Standard for the communication of a prescription or prescription-related information. The NCPDP SCRIPT Standard shall be used to conduct the following transactions:

(1) get message transaction;

(2) status response transaction;

(3) error response transaction;

(4) new prescription transaction;

(5) prescription change request transaction;

(6) prescription change response transaction;

(7) refill prescription request transaction;

(8) refill prescription response transaction;

(9) verification transaction;

(10) password change transaction;

(11) cancel prescription request transaction; and

(12) cancel prescription response transaction.

(b) Providers, group purchasers, prescribers, and dispensers must use the NCPDP SCRIPT Standard for communicating and transmitting medication history information.

(c) Providers, group purchasers, prescribers, and dispensers must use the NCPDP Formulary and Benefits Standard for communicating and transmitting formulary and benefit information.

(d) Group purchasers, prescribers, pharmacies, and utilization review organizations must collaborate to develop processes to ensure notification to prescribers upon denial of a claim for a prescribed drug that is not covered or is not included on the group purchaser's formulary. The process must provide a list of covered drugs from the same class or classes as the drug originally prescribed. If the NCPDP SCRIPT Standard or the NCPDP Formulary and Benefits Standard do not allow for the inclusion of this information, group

purchasers, prescribers, pharmacies, and utilization review organizations must develop telephone, facsimile, or other secure electronic processes to communicate this information to the prescriber. The development of this process shall be done under the auspices of the administrative uniformity committee and take into consideration capabilities available in electronic medical records.

~~(d)~~ (e) Providers, group purchasers, prescribers, and dispensers must use the national provider identifier to identify a health care provider in e-prescribing or prescription-related transactions when a health care provider's identifier is required.

~~(e)~~ (f) Providers, group purchasers, prescribers, and dispensers must communicate eligibility information and conduct health care eligibility benefit inquiry and response transactions according to the requirements of section 62J.536.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 6. Minnesota Statutes 2014, section 62J.497, subdivision 4, is amended to read:

Subd. 4. **Development and use of uniform formulary exception form.** (a) The commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee, shall develop by July 1, 2009, a uniform formulary exception form that allows health care providers to request exceptions from group purchaser formularies using a uniform form. Upon development of the form, all health care providers must submit requests for formulary exceptions using the uniform form, and all group purchasers must accept this form from health care providers.

(b) ~~No later than January 1, 2011,~~ The uniform formulary exception form must be accessible and submitted by health care providers, and accepted and processed by group purchasers, through secure electronic transmissions. No later than September 1, 2015, the uniform formulary exception form shall be updated to reflect evolving pharmacy and prior authorization requirements.

(c) Health care providers, group purchasers, prescribers, dispensers, and utilization review organizations using paper forms for prescription drug prior authorization or for medical exception requests as defined in section 62Q.85, subdivision 5, must only use the uniform formulary exception form.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 7. Minnesota Statutes 2014, section 62J.497, subdivision 5, is amended to read:

Subd. 5. **Electronic drug prior authorization standardization and transmission.** (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory

Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

(c) Testing of the electronic drug prior authorization transmission must begin no later than October 1, 2015.

(d) No later than January 1, 2016, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 8. Minnesota Statutes 2014, section 62M.01, subdivision 2, is amended to read:

Subd. 2. **Jurisdiction.** (a) Sections 62M.01 to ~~62M.16~~ 62M.17 apply to any insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; the Minnesota Comprehensive Health Association created under chapter 62E; a community integrated service network licensed under chapter 62N; an accountable provider network operating under chapter 62T; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third-party administrator licensed under section 60A.23, subdivision 8, that provides utilization review services for the administration of benefits under a health benefit plan as defined in section 62M.02; or any entity performing utilization review on behalf of a business entity in this state pursuant to a health benefit plan covering a Minnesota resident.

(b) Sections 62M.01 to 62M.17 do not apply to the medical assistance fee-for-service program under chapter 256B, unless otherwise required in law or regulation.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 9. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision to read:

Subd. 10a. **Drug.** "Drug" has the meaning given in section 151.01, subdivision 5.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 10. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision to read:

Subd. 11a. **Formulary.** "Formulary" has the meaning given in section 62Q.85, subdivision 1.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 11. Minnesota Statutes 2014, section 62M.02, subdivision 12, is amended to read:

Subd. 12. **Health benefit plan.** "Health benefit plan" means a policy, contract, or certificate issued by a health plan company for the coverage of medical, dental, prescription drug, or hospital benefits. A health benefit plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense incurred basis;

(5) credit accident and health insurance issued under chapter 62B;

(6) blanket accident and sickness insurance as defined in section 62A.11;

(7) accident only coverage issued by a licensed and tested insurance agent; or

(8) workers' compensation.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 12. Minnesota Statutes 2014, section 62M.02, subdivision 14, is amended to read:

Subd. 14. **Outpatient services.** "Outpatient services" means procedures or services performed on a basis other than as an inpatient, and includes obstetrical, psychiatric, chemical dependency, dental, prescription drug, and chiropractic services.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 13. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision to read:

Subd. 14b. **Prescription.** "Prescription" has the meaning given in section 151.01, subdivision 16a.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 14. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision to read:

Subd. 14c. **Prescription drug order.** "Prescription drug order" has the meaning given in section 151.01, subdivision 16.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 15. Minnesota Statutes 2014, section 62M.02, subdivision 15, is amended to read:

Subd. 15. **Prior authorization.** "Prior authorization" means utilization review conducted prior to the delivery of a service, including an outpatient service. Prior authorization includes, but is not limited to, preadmission review, pretreatment review, quantity limits, step therapy, utilization, and case management. Prior authorization also includes any utilization review organization's requirement that an enrollee or provider notify the utilization review organization prior to providing a service, including an outpatient service. Reviews performed for emergency medical assistance benefits, medical assistance waivered services, or the Minnesota restricted recipient program are not prior authorization.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 16. Minnesota Statutes 2014, section 62M.02, subdivision 17, is amended to read:

Subd. 17. **Provider.** "Provider" means a licensed health care facility, physician, pharmacist, or other health care professional that delivers health care services to an enrollee.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 17. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision to read:

Subd. 18a. **Quantity limit.** "Quantity limit" means a limit on the number of doses of a prescription drug that are covered during a specific time period.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 18. Minnesota Statutes 2014, section 62M.02, is amended by adding a subdivision to read:

Subd. 19a. **Step therapy.** "Step therapy" means clinical practice or other evidence-based protocols or requirements that specify the sequence in which different prescription drugs for a given medical condition are to be used by an enrollee before a drug prescribed by a provider is covered. Step therapy does not include a requirement for an enrollee to use a generic or biosimilar product considered by the Food and Drug Administration to be therapeutically equivalent and interchangeable to a branded product, provided the generic or biosimilar product has not previously been tried by the patient.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 19. Minnesota Statutes 2014, section 62M.05, subdivision 3a, is amended to read:

Subd. 3a. **Standard review determination.** (a) Notwithstanding subdivision 3b, an initial determination on all requests for utilization review, except a determination related to prescription drugs, must be communicated to the provider and enrollee in accordance with this subdivision within ten business days of the request, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(b) An initial determination for utilization review on all prescription drug requests must be communicated to the provider and enrollee in accordance with this subdivision within five business days of the request, provided that all information reasonably necessary to make a determination on the request has been made available to the utilization review organization.

(c) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the provider or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to; the enrollee; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number." For purposes of this subdivision, notification may also be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. These electronic forms of notification satisfy the "audit trail" requirement of this paragraph.

~~(c)~~ (d) When an initial determination is made not to certify, notification must be provided by telephone, by facsimile to a verified number, or by electronic mail to a secure

electronic mailbox within one working day after making the determination to the attending health care professional and hospital as applicable. Written notification must also be sent to the hospital as applicable and attending health care professional if notification occurred by telephone. For purposes of this subdivision, notification may be made by facsimile to a verified number or by electronic mail to a secure electronic mailbox. Written notification must be sent to the enrollee and may be sent by United States mail, facsimile to a verified number, or by electronic mail to a secure mailbox. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the provider or enrollee with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the provider or enrollee.

~~(d)~~ (e) When an initial determination is made not to certify, the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process described in section 62M.06 and the procedure for initiating the internal appeal. The written notice shall be provided in a culturally and linguistically appropriate manner consistent with the provisions of the Affordable Care Act as defined under section 62A.011, subdivision 1a.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 20. Minnesota Statutes 2014, section 62M.05, subdivision 3b, is amended to read:

Subd. 3b. **Expedited review determination.** (a) An expedited initial determination must be utilized if the attending health care professional believes that an expedited determination is warranted.

(b) Notification of an expedited initial determination to either certify or not to certify, except a determination related to prescription drugs, must be provided to the hospital, the attending health care professional, and the enrollee as expeditiously as the enrollee's medical condition requires, but no later than 72 hours from the initial request. When an expedited initial determination is made not to certify, the utilization review organization must also notify the enrollee and the attending health care professional of the right to submit an appeal to the expedited internal appeal as described in section 62M.06 and the procedure for initiating an internal expedited appeal.

(c) Notification of an expedited initial determination to either certify or not to certify on all prescription drug requests must be provided to the hospital, the attending

health care professional, and the enrollee as expeditiously as the enrollee's medical condition requires, but no later than 36 hours from the initial request, provided that all the information reasonably necessary to make a determination has been made available to the utilization review organization. For state public health care programs administered under section 256B.69 and chapter 256L, notification must be provided to the hospital, attending health care provider, or the enrollee as expeditiously as the enrollee's condition requires, but no later than 36 hours from the initial request, provided that all the information reasonably necessary to make a determination has been made available to the utilization review organization. When an expedited initial determination is made not to certify, the utilization review organization must also notify the enrollee and the attending health care professional of the right to submit an appeal to the expedited internal appeal as described in section 62M.06 and the procedure for initiating an internal expedited appeal.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 21. Minnesota Statutes 2014, section 62M.05, subdivision 4, is amended to read:

Subd. 4. **Failure to provide necessary information.** A utilization review organization must have written procedures to address the failure of a provider or enrollee to provide the necessary information for review, and to address processes by which the utilization review organization must track and manage review requests and documentation submitted by providers or enrollees. If the enrollee or provider will not release the necessary information to the utilization review organization, the utilization review organization may deny certification in accordance with its own policy or the policy described in the health benefit plan. If a utilization review organization fails to meet the timelines in subdivision 3a or 3b for a completed prescription drug review request, or fails to notify the provider that information needed to conduct the prescription drug review is incomplete, or if a utilization review organization fails to properly maintain submitted records for which the provider or enrollee has documentation of submission, the service shall be deemed approved.

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 22. Minnesota Statutes 2014, section 62M.06, subdivision 2, is amended to read:

Subd. 2. **Expedited appeal.** (a) When an initial determination not to certify a health care service is made prior to or during an ongoing service requiring review and the attending health care professional believes that the determination warrants an expedited appeal, the utilization review organization must ensure that the enrollee and the

attending health care professional have an opportunity to appeal the determination over the telephone on an expedited basis. In such an appeal, the utilization review organization must ensure reasonable access to its consulting physician or health care provider.

(b) The utilization review organization shall notify the enrollee and attending health care professional by telephone of its determination, except for determinations related to prescription drugs, on the expedited appeal as expeditiously as the enrollee's medical condition requires, but no later than 72 hours after receiving the expedited appeal. The utilization review organization shall notify the enrollee and attending health care professional by telephone of its determination on the expedited appeal of a prescription drug request as expeditiously as the enrollee's medical condition requires, but no later than 36 hours after receiving the expedited appeal.

(c) If the determination not to certify is not reversed through the expedited appeal, the utilization review organization must include in its notification the right to submit the appeal to the external appeal process described in section 62Q.73 and the procedure for initiating the process. This information must be provided in writing to the enrollee and the attending health care professional as soon as practical.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 23. Minnesota Statutes 2014, section 62M.06, subdivision 3, is amended to read:

Subd. 3. **Standard appeal.** The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) A utilization review organization shall notify in writing the enrollee, attending health care professional, and claims administrator of its determination on the appeal, except for determinations related to prescription drugs, within 30 days upon receipt of the notice of appeal. If the utilization review organization cannot make a determination within 30 days due to circumstances outside the control of the utilization review organization, the utilization review organization may take up to 14 additional days to notify the enrollee, attending health care professional, and claims administrator of its determination. If the utilization review organization takes any additional days beyond the initial 30-day period to make its determination, it must inform the enrollee, attending health care professional, and claims administrator, in advance, of the extension and the reasons for the extension.

(b) A utilization review organization shall notify in writing the enrollee, attending health care professional, and claims administrator of its determination on the appeal on a prescription drug within 15 days upon receipt of the notice of appeal. If the utilization review organization cannot make a determination on a prescription drug within 15 days due to circumstances outside the control of the utilization review organization, the

utilization review organization may take up to ten additional days to notify the enrollee, attending health care professional, and claims administration of its determination. If the utilization review organization takes any additional days beyond the initial 15-day period to make its determination, it must inform the enrollee, attending health care professional, and claims administrator, in advance, of the extension and the reasons for the extension.

(c) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the attending health care professional.

~~(c)~~ (d) Prior to upholding the initial determination not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the initial determination not to certify.

~~(d)~~ (e) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the enrollee and attending health care professional when the initial determination is made.

~~(e)~~ (f) An attending health care professional or enrollee who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

(1) a complete summary of the review findings;

(2) qualifications of the reviewers, including any license, certification, or specialty designation; and

(3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.

~~(f)~~ (g) In cases of appeal to reverse a determination not to certify for clinical reasons, the utilization review organization must ensure that a physician of the utilization review organization's choice in the same or a similar specialty as typically manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

~~(g)~~ (h) If the initial determination is not reversed on appeal, the utilization review organization must include in its notification the right to submit the appeal to the external review process described in section 62Q.73 and the procedure for initiating the external process.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 24. Minnesota Statutes 2014, section 62M.07, is amended to read:

62M.07 PRIOR AUTHORIZATION OF SERVICES.

(a) Utilization review organizations conducting prior authorization of services must have written standards that meet at a minimum the following requirements:

(1) written procedures and criteria used to determine whether care is appropriate, reasonable, or medically necessary;

(2) a system for providing prompt notification of its determinations to enrollees and providers and for notifying the provider, enrollee, or enrollee's designee of appeal procedures under clause (4);

(3) compliance with section 62M.05, subdivisions 3a and 3b, regarding time frames for approving and disapproving prior authorization requests;

(4) written procedures for appeals of denials of prior authorization which specify the responsibilities of the enrollee and provider, and which meet the requirements of sections 62M.06 and 72A.285, regarding release of summary review findings; and

(5) procedures to ensure confidentiality of patient-specific information, consistent with applicable law.

(b) No utilization review organization, health plan company, or claims administrator may conduct or require prior authorization of emergency confinement or emergency treatment. The enrollee or the enrollee's authorized representative may be required to notify the health plan company, claims administrator, or utilization review organization as soon after the beginning of the emergency confinement or emergency treatment as reasonably possible.

(c) If prior authorization for a health care service is required, the utilization review organization, health plan company, or claim administrator must allow providers to submit requests for prior authorization of the health care services without unreasonable delay by telephone, facsimile, or voice mail or through an electronic mechanism 24 hours a day, seven days a week. This paragraph does not apply to dental service covered under MinnesotaCare, general assistance medical care, or medical assistance.

(d) Any prior authorization for a prescription drug must remain valid for the duration of an enrollee's benefit year, or for the benefits offered under section 256B.69 or chapter 256L, any prior authorization for a prescription drug must remain valid for the duration of the enrollee's enrollment or one year, whichever is shorter, provided the drug continues to be prescribed for a patient with a condition that requires ongoing medication therapy, the drug has not otherwise been deemed unsafe by the Food and Drug Administration, has not been withdrawn by the manufacturer or the Food and Drug Administration, there is no evidence of the enrollee's abuse or misuse of the medication, or no independent source of

research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes in drug usage. This does not apply to individuals assigned to the restricted recipient program under Minnesota Rules, parts 9505.2160 to 9505.2245.

(e) No utilization review organization, health plan company, or claims administrator may impose step therapy requirements for enrollees currently taking a prescription drug, as substantiated from available claims data or provider documentation, in one of the following classes: (1) immunosuppressants; (2) antidepressants; (3) antipsychotics; (4) anticonvulsants; (5) antiretrovirals; or (6) antineoplastics. This provision does not apply to a patient who has initiated treatment for a condition with samples provided by a prescriber and provided that any step therapy requirements subsequently applied are consistent with evidence-based prescribing practices.

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 25. Minnesota Statutes 2014, section 62M.09, subdivision 3, is amended to read:

Subd. 3. **Physician reviewer involvement.** (a) A physician must review all cases in which the utilization review organization has concluded that a determination not to certify for clinical reasons is appropriate.

(b) The physician conducting the review must be licensed in this state. ~~This paragraph does not apply to reviews conducted in connection with policies issued by a health plan company that is assessed less than three percent of the total amount assessed by the Minnesota Comprehensive Health Association.~~

(c) The physician should be reasonably available by telephone to discuss the determination with the attending health care professional.

(d) This subdivision does not apply to outpatient mental health or substance abuse services governed by subdivision 3a.

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 26. Minnesota Statutes 2014, section 62M.10, subdivision 7, is amended to read:

Subd. 7. **Availability of criteria.** Upon request, a utilization review organization shall provide to an enrollee, a provider, and the commissioner of commerce the written clinical criteria used to determine the medical necessity, appropriateness, and efficacy of a procedure or service and identify the database, professional treatment guideline, or other basis for the criteria. This requirement may be met by posting the written clinical criteria on the utilization review organization's public Web site or electronically distributing the information directly to the enrollee or provider.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 27. Minnesota Statutes 2014, section 62M.11, is amended to read:

62M.11 COMPLAINTS TO COMMERCE OR HEALTH.

Notwithstanding the provisions of sections 62M.01 to 62M.16, an enrollee or provider may file a complaint regarding compliance with the requirements of this chapter or regarding a determination not to certify directly to the commissioner responsible for regulating the utilization review organization.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 28. **[62M.17] REPORTING.**

On August 1, 2016, and each August 1 thereafter, utilization review organizations must report to the commissioner of health, on the forms and in the manner specified by the commissioner, the following information:

(1) for medical exception requests, the 25 most frequently requested drugs by exception type, including lack of available clinical alternative, ineffective formulary drug, and dosage limits; and

(2) for prescription drug prior authorization requests:

(i) the number and rate of initial approvals by commercial product and by prepaid medical assistance product types;

(ii) the number and rate of standard appeal approvals by commercial product and by prepaid medical assistance product types;

(iii) the number and rate of expedited appeal approvals by commercial product and by prepaid medical assistance product types;

(iv) for standard reviews, the range and average time from receipt of completed request to notification of decision;

(v) for expedited reviews, the range and average time from receipt of completed request to notification of decision;

(vi) for standard appeals, the range and average time from receipt of completed request to notification of decision; and

(vii) for expedited appeals, the range and average time from receipt of completed request to notification of decision.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 29. Minnesota Statutes 2014, section 62Q.02, is amended to read:

62Q.02 APPLICABILITY OF CHAPTER.

(a) This chapter applies only to health plans, as defined in section 62Q.01, and not to other types of insurance issued or renewed by health plan companies, unless otherwise specified.

(b) This chapter applies to a health plan company only with respect to health plans, as defined in section 62Q.01, issued or renewed by the health plan company, unless otherwise specified.

(c) If a health plan company issues or renews health plans in other states, this chapter applies only to health plans issued or renewed in this state for Minnesota residents, or to cover a resident of the state, unless otherwise specified.

(d) This chapter does not apply to public health care programs administered by the commissioner of human services under chapter 256B or 256L, unless otherwise required by law or regulation.

Sec. 30. **[62Q.83] FREEDOM OF CHOICE FOR PHARMACY SERVICES.**

Subdivision 1. **Enrollee choice.** No health plan company or pharmacy benefit manager that covers pharmaceutical services, including prescription drug coverage, shall limit or restrict an enrollee's ability to select a pharmacy or pharmacist of the enrollee's choice if the pharmacy or pharmacist is licensed under chapter 151, and the pharmacy or pharmacist has agreed to the terms of the health plan company's or pharmacy benefit manager's provider contract.

This subdivision does not apply to an enrollee in the Minnesota restricted recipient program pursuant to Minnesota Rules, part 9505.2238.

Subd. 2. **Provider network.** No health plan company or pharmacy benefit manager shall deny a pharmacy or pharmacist the right to participate in any of its pharmacy network contracts in this state or as a contracting provider in this state if the pharmacy or pharmacist has a valid license under chapter 151, and the pharmacy or pharmacist agrees to accept the terms and conditions offered by the health plan company or pharmacy benefit manager, and agrees to provide pharmacy services that meet state and federal laws and regulations.

Subd. 3. **Cost-sharing or other conditions.** No health plan company or pharmacy benefit manager shall impose a co-payment, fee, or other cost-sharing requirement for selecting a pharmacy or pharmacist of the enrollee's choosing or impose other conditions that limit or restrict an enrollee's ability to utilize a pharmacy of the enrollee's choosing, unless the health plan company or pharmacy benefit manager imposes the same cost-sharing requirements, fees, conditions, or limits upon an enrollee's selection of

any of the pharmacies within the health plan company's or pharmacy benefit manager's provider network contracts in this state.

Subd. 4. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Pharmacy" has the meaning given in section 151.01, subdivision 2, and includes mail order pharmacies and specialty pharmacies.

(c) "Pharmacy benefit manager" has the meaning given in section 151.71, subdivision 1.

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to any health plan issued or renewed on or after that date.

Sec. 31. **[62Q.84] SERVICES PERFORMED BY A PHARMACIST.**

A health plan company or pharmacy benefit manager, as defined under section 151.71, subdivision 1, shall provide payment for any health care service that is a covered benefit and is performed by a licensed pharmacist if: (1) the service performed is within the scope of practice of a licensed pharmacist under chapter 151; and (2) the health plan would cover the service if the service was performed by a physician licensed under chapter 147; an advanced practice registered nurse licensed under section 148.211, subdivision 1a; or a physician assistant licensed under chapter 147A.

EFFECTIVE DATE. This section is effective August 1, 2015, and applies to any health plan issued or renewed on or after that date.

Sec. 32. **[62Q.85] PRESCRIPTION DRUG BENEFIT TRANSPARENCY AND MANAGEMENT.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meaning given them.

(b) "Drug" has the meaning given in section 151.01, subdivision 5.

(c) "Formulary" means a list of prescription drugs that have been developed by clinical and pharmacy experts and represents the health plan company's medically appropriate and cost-effective prescription drugs approved for use.

(d) "Health plan company" has the meaning given in section 62Q.01, subdivision 4, and includes an entity that performs pharmacy benefits management for the health plan company. For purposes of this definition, "pharmacy benefits management" means the administration or management of prescription drug benefits provided by the health plan company for the benefit of its enrollees and may include, but is not limited to, procurement

of prescription drugs, clinical formulary development and management services, claims processing, and rebate contracting and administration.

(e) "Prescription" has the meaning given in section 151.01, subdivision 16a.

Subd. 2. **Prescription drug benefit disclosure.** (a) A health plan company that provides prescription drug benefit coverage and uses a formulary must make its formulary and related benefit information available by electronic means and, upon request, in writing, at least 30 days prior to annual renewal dates.

(b) Formularies must be organized and disclosed consistent with the most recent version of the United States Pharmacopeia's (USP) Model Guidelines.

(c) For each item or category of items on the formulary, the specific enrollee benefit terms must be identified, including enrollee cost-sharing and expected out-of-pocket costs.

Subd. 3. **Formulary changes.** (a) Once a formulary has been established, a health plan company may, at any time during the enrollee's benefit year:

(1) expand its formulary by adding drugs to the formulary;

(2) reduce co-payments or coinsurance; or

(3) move a drug to a benefit category that reduces an enrollee's cost.

(b) A health plan company may remove a brand name drug from its formulary or place a brand name drug in a benefit category that increases an enrollee's cost only upon the addition to the formulary of an A-rated generic or multisource brand name equivalent at a lower cost to the enrollee, and upon at least a 60-day notice to prescribers, pharmacists, and affected enrollees.

(c) A health plan company is prohibited from removing drugs from its formulary or moving drugs to a benefit category that increases an enrollee's cost during the enrollee's benefit year. This paragraph does not apply to any changes associated with drugs that have been deemed unsafe by the Food and Drug Administration, that have been withdrawn by either the Food and Drug Administration or the product manufacturer, or where an independent source of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes in drug usage.

(d) Managed care plans and county-based purchasing plans under section 256B.69 and chapter 256L, are prohibited from removing drugs from its formulary or moving drugs to a benefit category that increases an enrollee's cost more than once annually unless an A-rated generic or multisource brand name equivalent is added to the formulary. This paragraph does not apply to any changes associated with drugs that have been deemed unsafe by the Food and Drug Administration, that have been withdrawn by either the Food and Drug Administration or the product manufacturer, or where an independent source

of research, clinical guidelines, or evidence-based standards has issued drug-specific warnings or recommended changes in drug usage.

Subd. 4. **Transition process.** (a) A health plan company must establish and maintain a transition process to prevent gaps in prescription drug coverage for both new and continuing enrollees with ongoing prescription drug needs who are affected by changes in formulary drug availability.

(b) The transition process must provide coverage for at least 60 days.

(c) Any enrollee cost-sharing applied must be based on the defined prescription drug benefit terms and must be consistent with any cost-sharing that the health plan company would charge for nonformulary drugs approved under a medication exceptions process.

(d) A health plan company must ensure that written notice is provided to each affected enrollee and prescriber within three business days after adjudication of the transition coverage.

Subd. 5. **Medication exceptions process.** (a) Each health plan company must establish and maintain a medication exceptions process that allows enrollees, providers, or an enrollee's authorized representative to request and obtain coverage approval for medications in the following situations:

(1) there is no acceptable clinical alternative listed on the formulary to treat the enrollee's disease or medical condition;

(2) the prescription listed on the formulary has been ineffective in the treatment of an enrollee's disease or medical condition or, based on clinical and scientific evidence and the relevant physical or mental characteristics of the enrollee, is likely to be ineffective or adversely affect the drug's effectiveness or the enrollee's medication compliance; or

(3) the number of doses that are available under a dose restriction has been ineffective in the treatment of the enrollee's disease or medical condition or, based on clinical and scientific evidence and the relevant physical or mental characteristics of the enrollee, is likely to be ineffective or adversely affect the drug's effectiveness or the enrollee's medication compliance.

(b) An approved medication exception request must remain valid for the duration of an enrollee's benefit term, or for benefits offered under section 265B.69 or chapter 256L, for the duration of the enrollee's enrollment, or one year, whichever is shorter, provided the medication continues to be prescribed for the same condition, and the medication has not otherwise been withdrawn by the manufacturer or the Food and Drug Administration.

(c) The medication exceptions process must comply with the requirements of chapter 62M.

Subd. 6. **Prescription Drug Advisory Council.** (a) A Prescription Drug Advisory Council has 11 members appointed by the commissioner of health with representation as follows:

(1) three patients;

(2) one physician licensed to practice medicine in Minnesota;

(3) two nonphysicians who are licensed in Minnesota to prescribe prescription drugs;

(4) one pharmacist licensed in Minnesota;

(5) one person representing a health plan company;

(6) one person representing a pharmacy benefit manager;

(7) one person representing pharmaceutical manufacturers; and

(8) one person who purchases health benefits for a group or an employer.

(b) Terms and removal of public members are as provided in section 15.0575, except that members will serve without compensation or expense reimbursement. A vacancy on the council may be filled by the appointing authority for the remainder of the unexpired term. Vacancies will be filled as provided in section 15.0597.

(c) The council shall select a chair from among its members. The chair may convene meetings as necessary to conduct the duties prescribed by this section.

(d) The duty of the council is to provide guidance to the commissioner of health in monitoring changes and trends in prescription drug coverage and formulary design. The council must consult with the commissioner to assist the commissioner in preparing the report required under paragraph (g).

(e) The commissioner of health will provide administrative support and meeting space for the council to perform its duties.

(f) The Prescription Drug Advisory Council expires on January 30, 2021.

(g) Beginning January 15, 2017, and on at least a biennial basis thereafter, the commissioner, in consultation with the advisory group, shall submit a report to the chairs and lead minority members of the legislative committees with jurisdiction over health care coverage describing trends in prescription drug coverage, formulary design, medication exception requests, and benefit design. Health plan companies, pharmacy benefit managers, prescribers, and pharmacies must cooperate in providing information necessary for the advisory group to carry out its responsibilities, provided the commissioner, in consultation with the affected parties, does not determine the information to be of a proprietary nature.

EFFECTIVE DATE. Subdivisions 1 to 5 are effective January 1, 2017. Subdivision 6 is effective August 1, 2015.

Sec. 33. Minnesota Statutes 2014, section 62U.02, subdivision 1, is amended to read:

Subdivision 1. **Development.** (a) The commissioner of health shall develop a standardized set of measures by which to assess the quality of health care services offered by health care providers, including health care providers certified as health care homes under section 256B.0751. Quality measures must be based on medical evidence and be developed through a process in which providers participate. The measures shall be used for the quality incentive payment system developed in subdivision 2 and must:

(1) include uniform definitions, measures, and forms for submission of data, to the greatest extent possible;

(2) seek to avoid increasing the administrative burden on health care providers;

(3) be initially based on existing quality indicators for physician and hospital services, which are measured and reported publicly by quality measurement organizations, including, but not limited to, Minnesota Community Measurement and specialty societies;

(4) place a priority on measures of health care outcomes, rather than process measures, wherever possible; and

(5) incorporate measures for primary care, including preventive services, coronary artery and heart disease, diabetes, asthma, depression, and other measures as determined by the commissioner.

(b) Effective July 1, 2016, the commissioner shall stratify five quality measures by race, ethnicity, preferred language, and country of origin. On or after January 1, 2018, the commissioner may require measures to be stratified by other sociodemographic factors that according to reliable data are correlated with health disparities and have an impact on performance on quality or cost indicators. New methods of stratifying data under this paragraph must be tested and evaluated through pilot projects prior to adding them to the statewide system. In determining whether to add additional sociodemographic factors and developing the methodology to be used, the commissioner shall consider the reporting burden on providers and determine whether there are alternative sources of data that could be used. The commissioner shall ensure that categories and data collection methods are developed in consultation with those communities impacted by health disparities using culturally appropriate community engagement principles and methods. The commissioner shall implement this paragraph in coordination with the contracting entity retained under section 62U.02, subdivision 4, in order to build upon the data stratification methodology that has been developed and tested by the entity. Nothing in this paragraph expands or changes the commissioner's authority to collect, analyze, or report health care data. Any data collected to implement this paragraph must be data that is available or is authorized to be collected under other laws. Nothing in this paragraph grants authority to the

commissioner to collect or analyze patient-level or patient-specific data of the patient characteristics identified under this paragraph.

~~(b)~~ (c) The measures shall be reviewed at least annually by the commissioner.

Sec. 34. Minnesota Statutes 2014, section 62U.02, subdivision 2, is amended to read:

Subd. 2. **Quality incentive payments.** (a) By July 1, 2009, the commissioner shall develop a system of quality incentive payments under which providers are eligible for quality-based payments that are in addition to existing payment levels, based upon a comparison of provider performance against specified targets, and improvement over time. The targets must be based upon and consistent with the quality measures established under subdivision 1.

(b) To the extent possible, the payment system must adjust for variations in patient population in order to reduce incentives to health care providers to avoid high-risk patients or populations, including those with risk factors related to race, ethnicity, language, country of origin, and sociodemographic factors.

(c) The requirements of section 62Q.101 do not apply under this incentive payment system.

Sec. 35. Minnesota Statutes 2014, section 62U.02, subdivision 3, is amended to read:

Subd. 3. **Quality transparency.** (a) The commissioner shall establish standards for measuring health outcomes, establish a system for risk adjusting quality measures, and issue annual public reports on provider quality beginning July 1, 2010.

(b) Effective July 1, 2017, the risk adjustment system established under this subdivision shall adjust for patient characteristics identified under subdivision 1, paragraph (b), that are correlated with health disparities and have an impact on performance on cost and quality measures. The risk adjustment method may consist of reporting based on an actual-to-expected comparison that reflects the characteristics of the patient population served by the clinic or hospital. The commissioner shall implement this paragraph in coordination with any contracting entity retained under section 62U.02, subdivision 4.

(c) By January 1, 2010, physician clinics and hospitals shall submit standardized electronic information on the outcomes and processes associated with patient care to the commissioner or the commissioner's designee. In addition to measures of care processes and outcomes, the report may include other measures designated by the commissioner, including, but not limited to, care infrastructure and patient satisfaction. The commissioner shall ensure that any quality data reporting requirements established under this subdivision are not duplicative of publicly reported, communitywide quality

reporting activities currently under way in Minnesota. Nothing in this subdivision is intended to replace or duplicate current privately supported activities related to quality measurement and reporting in Minnesota.

Sec. 36. Minnesota Statutes 2014, section 62U.02, subdivision 4, is amended to read:

Subd. 4. **Contracting.** The commissioner may contract with a private entity or consortium of private entities to complete the tasks in subdivisions 1 to 3. The private entity or consortium must be nonprofit and have governance that includes representatives from the following stakeholder groups: health care providers, including providers serving high concentrations of patients and communities impacted by health disparities;~~,~~ health plan companies~~,~~; consumers, including consumers representing groups who experience health disparities;~~,~~ employers or other health care purchasers~~,~~; and state government. No one stakeholder group shall have a majority of the votes on any issue or hold extraordinary powers not granted to any other governance stakeholder.

Sec. 37. Minnesota Statutes 2014, section 144E.001, is amended by adding a subdivision to read:

Subd. 5h. **Community medical response emergency medical technician.** "Community medical response emergency medical technician" or "CEMT" means a person who is certified as an emergency medical technician, who is a member of a registered medical response unit under section 144E.275, and who meets the requirements for additional certification as a CEMT as specified in section 144E.275, subdivision 7.

Sec. 38. Minnesota Statutes 2014, section 144E.275, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, the following definitions apply:

(a) "Medical response unit" means an organized service recognized by a local political subdivision whose primary responsibility is to respond to medical emergencies to provide initial medical care before the arrival of a licensed ambulance service. Medical response units may also provide CEMT services as permitted under subdivision 7.

(b) "Specialized medical response unit" means an organized service recognized by a board-approved authority other than a local political subdivision that responds to medical emergencies as needed or as required by local procedure or protocol.

Sec. 39. Minnesota Statutes 2014, section 144E.275, is amended by adding a subdivision to read:

Subd. 7. **Community medical response emergency medical technician.** (a) To be eligible for certification by the board as a CEMT, an individual shall:

(1) be currently certified as an EMT or AEMT;

(2) have two years of service as an EMT or AEMT;

(3) be a member of a registered medical response unit as defined under this section;

(4) successfully complete a CEMT training program from a college or university that has been approved by the board or accredited by a board-approved national accrediting organization. The training must include clinical experience under the supervision of the medical response unit medical director, an advanced practice registered nurse, a physician assistant, or a public health nurse operating under the direct authority of a local unit of government;

(5) successfully complete a training program that includes training in providing culturally appropriate care; and

(6) complete a board-approved application form.

(b) A CEMT must practice in accordance with protocols and supervisory standards established by the medical response unit medical director in accordance with section 144E.265.

(c) A CEMT may provide services within the CEMT skill set as approved by the medical response unit medical director.

(d) A CEMT may provide episodic individual patient education and prevention education but only as directed by a patient care plan developed by the patient's primary physician, an advanced practice registered nurse, or a physician assistant, in conjunction with the medical response unit medical director and relevant local health care providers. The patient care plan must ensure that the services provided by the CEMT are consistent with services offered by the patient's health care home, if one exists, that the patient receives the necessary services, and that there is no duplication of services to the patient.

(e) A CEMT is subject to all certification, disciplinary, complaint, and other regulatory requirements that apply to EMTs under this chapter.

(f) A CEMT may not provide services as defined in section 144A.471, subdivisions 6 and 7, except a CEMT may provide verbal or visual reminders to the patient to:

(1) take a regularly scheduled medication, but not to provide or bring the patient medication; and

(2) follow regularly scheduled treatment or exercise plans.

Sec. 40. Minnesota Statutes 2014, section 151.58, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section only, the terms defined in this subdivision have the meanings given.

(a) "Automated drug distribution system" or "system" means a mechanical system approved by the board that performs operations or activities, other than compounding or administration, related to the storage, packaging, or dispensing of drugs, and collects, controls, and maintains all required transaction information and records.

(b) "Health care facility" means a nursing home licensed under section 144A.02; a housing with services establishment registered under section 144D.01, subdivision 4, in which a home provider licensed under chapter 144A is providing centralized storage of medications; a boarding care home licensed under sections 144.50 to 144.58 that is providing centralized storage of medications; or a Minnesota sex offender program facility operated by the Department of Human Services.

(c) "Managing pharmacy" means a pharmacy licensed by the board that controls and is responsible for the operation of an automated drug distribution system.

Sec. 41. Minnesota Statutes 2014, section 151.58, subdivision 5, is amended to read:

Subd. 5. **Operation of automated drug distribution systems.** (a) The managing pharmacy and the pharmacist in charge are responsible for the operation of an automated drug distribution system.

(b) Access to an automated drug distribution system must be limited to pharmacy and nonpharmacy personnel authorized to procure drugs from the system, except that field service technicians may access a system located in a health care facility for the purposes of servicing and maintaining it while being monitored either by the managing pharmacy, or a licensed nurse within the health care facility. In the case of an automated drug distribution system that is not physically located within a licensed pharmacy, access for the purpose of procuring drugs shall be limited to licensed nurses. Each person authorized to access the system must be assigned an individual specific access code. Alternatively, access to the system may be controlled through the use of biometric identification procedures. A policy specifying time access parameters, including time-outs, logoffs, and lockouts, must be in place.

(c) For the purposes of this section only, the requirements of section 151.215 are met if the following clauses are met:

(1) a pharmacist employed by and working at the managing pharmacy, or at a pharmacy that is acting as a central services pharmacy for the managing pharmacy, pursuant to Minnesota Rules, part 6800.4075, must review, interpret, and approve all prescription drug orders before any drug is distributed from the system to be administered

to a patient. A pharmacy technician may perform data entry of prescription drug orders provided that a pharmacist certifies the accuracy of the data entry before the drug can be released from the automated drug distribution system. A pharmacist employed by and working at the managing pharmacy must certify the accuracy of the filling of any cassettes, canisters, or other containers that contain drugs that will be loaded into the automated drug distribution system, unless the filled cassettes, canisters, or containers have been provided by a repackager registered with the United States Food and Drug Administration and licensed by the board as a manufacturer; and

(2) when the automated drug dispensing system is located and used within the managing pharmacy, a pharmacist must personally supervise and take responsibility for all packaging and labeling associated with the use of an automated drug distribution system.

(d) Access to drugs when a pharmacist has not reviewed and approved the prescription drug order is permitted only when a formal and written decision to allow such access is issued by the pharmacy and the therapeutics committee or its equivalent. The committee must specify the patient care circumstances in which such access is allowed, the drugs that can be accessed, and the staff that are allowed to access the drugs.

(e) In the case of an automated drug distribution system that does not utilize bar coding in the loading process, the loading of a system located in a health care facility may be performed by a pharmacy technician, so long as the activity is continuously supervised, through a two-way audiovisual system by a pharmacist on duty within the managing pharmacy. In the case of an automated drug distribution system that utilizes bar coding in the loading process, the loading of a system located in a health care facility may be performed by a pharmacy technician or a licensed nurse, provided that the managing pharmacy retains an electronic record of loading activities.

(f) The automated drug distribution system must be under the supervision of a pharmacist. The pharmacist is not required to be physically present at the site of the automated drug distribution system if the system is continuously monitored electronically by the managing pharmacy. A pharmacist on duty within a pharmacy licensed by the board must be continuously available to address any problems detected by the monitoring or to answer questions from the staff of the health care facility. The licensed pharmacy may be the managing pharmacy or a pharmacy which is acting as a central services pharmacy, pursuant to Minnesota Rules, part 6800.4075, for the managing pharmacy.

Sec. 42. Minnesota Statutes 2014, section 256B.0625, subdivision 3b, is amended to read:

Subd. 3b. **Telemedicine ~~consultations~~ services.** (a) Medical assistance covers medically necessary services and consultations delivered by a licensed health care provider via telemedicine ~~consultations. Telemedicine consultations must be made via two-way, interactive video or store-and-forward technology. Store-and-forward technology includes telemedicine consultations that do not occur in real time via synchronous transmissions, and that do not require a face-to-face encounter with the patient for all or any part of any such telemedicine consultation. The patient record must include a written opinion from the consulting physician providing the telemedicine consultation. A communication between two physicians that consists solely of a telephone conversation is not a telemedicine consultation~~ in the same manner as if the service or consultation was delivered in person. Coverage is limited to three telemedicine ~~consultations~~ services per ~~recipient~~ enrollee per calendar week. Telemedicine ~~consultations~~ services shall be paid at the full allowable rate.

(b) The commissioner shall establish criteria that a health care provider must attest to in order to demonstrate the safety or efficacy of delivering a particular service via telemedicine. The attestation may include that the health care provider:

(1) has identified the categories or types of services the health care provider will provide via telemedicine;

(2) has written policies and procedures specific to telemedicine services that are regularly reviewed and updated;

(3) has policies and procedures that adequately address patient safety before, during, and after the telemedicine service is rendered;

(4) has established protocols addressing how and when to discontinue telemedicine services; and

(5) has an established quality assurance process related to telemedicine services.

(c) As a condition of payment, a licensed health care provider must document each occurrence of a health service provided by telemedicine to a medical assistance enrollee. Health care service records for services provided by telemedicine must meet the requirements set forth in Minnesota Rules, part 9505.2175, subparts 1 and 2, and must document:

(1) the type of service provided by telemedicine;

(2) the time the service began and the time the service ended, including an a.m. and p.m. designation;

(3) the licensed health care provider's basis for determining that telemedicine is an appropriate and effective means for delivering the service to the enrollee;

(4) the mode of transmission of the telemedicine service and records evidencing that a particular mode of transmission was utilized;

(5) the location of the originating site and the distant site;

(6) if the claim for payment is based on a physician's telemedicine consultation with another physician, the written opinion from the consulting physician providing the telemedicine consultation; and

(7) compliance with the criteria attested to by the health care provider in accordance with paragraph (b).

(d) If a health care provider provides the facility used as the originating site for the delivery of telemedicine to a patient, the commissioner shall make a facility fee payment to the originating site health care provider in an amount equivalent to the originated site fee paid by Medicare. No facility fee shall be paid to a health care provider that is being paid under a cost-based methodology or if Medicare has already paid the facility fee for an enrollee who is dually eligible for Medicare and medical assistance.

(e) For purposes of this subdivision, "telemedicine" is defined under section 62A.671, subdivision 9; "licensed health care provider" is defined under section 62A.671, subdivision 6; "health care provider" is defined under section 62A.671, subdivision 3; and "originating site" is defined under section 62A.671, subdivision 7.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 43. Minnesota Statutes 2014, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. **Drugs.** (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, by a physician enrolled in the medical assistance program as a dispensing physician, or by a physician, physician assistant, or a nurse practitioner employed by or under contract with a community health board as defined in section 145A.02, subdivision 5, for the purposes of communicable disease control.

(b) The dispensed quantity of a prescription drug must not exceed a 34-day supply, unless authorized by the commissioner.

(c) For the purpose of this subdivision and subdivision 13d, an "active pharmaceutical ingredient" is defined as a substance that is represented for use in a drug and when used in the manufacturing, processing, or packaging of a drug becomes an active ingredient of the drug product. An "excipient" is defined as an inert substance used as a diluent or vehicle for a drug. The commissioner shall establish a list of active pharmaceutical ingredients and excipients which are included in the medical assistance formulary. Medical assistance covers selected active pharmaceutical ingredients and

excipients used in compounded prescriptions when the compounded combination is specifically approved by the commissioner or when a commercially available product:

(1) is not a therapeutic option for the patient;

(2) does not exist in the same combination of active ingredients in the same strengths as the compounded prescription; and

(3) cannot be used in place of the active pharmaceutical ingredient in the compounded prescription.

(d) Medical assistance covers the following over-the-counter drugs when prescribed by a licensed practitioner or by a licensed pharmacist who meets standards established by the commissioner, in consultation with the board of pharmacy: antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, vitamins for children under the age of seven and pregnant or nursing women, and any other over-the-counter drug identified by the commissioner, in consultation with the formulary committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions, or disorders, and this determination shall not be subject to the requirements of chapter 14. A pharmacist may prescribe over-the-counter medications as provided under this paragraph for purposes of receiving reimbursement under Medicaid. When prescribing over-the-counter drugs under this paragraph, licensed pharmacists must consult with the recipient to determine necessity, provide drug counseling, review drug therapy for potential adverse interactions, and make referrals as needed to other health care professionals. Over-the-counter medications must be dispensed in a quantity that is the ~~lower~~ lowest of: (1) the number of dosage units contained in the manufacturer's original package; ~~and~~ (2) the number of dosage units required to complete the patient's course of therapy; or (3) if applicable, the number of dosage units dispensed from a system using retrospective billing, as provided under subdivision 13e, paragraph (b).

(e) Effective January 1, 2006, medical assistance shall not cover drugs that are coverable under Medicare Part D as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-2(e), for individuals eligible for drug coverage as defined in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Public Law 108-173, section 1860D-1(a)(3)(A). For these individuals, medical assistance may cover drugs from the drug classes listed in United States Code, title 42, section 1396r-8(d)(2), subject to this subdivision and subdivisions 13a to 13g, except that drugs listed in United States Code, title 42, section 1396r-8(d)(2)(E), shall not be covered.

(f) Medical assistance covers drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B covered entities and ambulatory pharmacies under common ownership of the 340B covered entity. Medical assistance does not cover drugs acquired through the federal 340B Drug Pricing Program and dispensed by 340B contract pharmacies.

EFFECTIVE DATE. This section is effective January 1, 2016, or upon federal approval, whichever is later.

Sec. 44. Minnesota Statutes 2014, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs or the maximum allowable cost by the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The pharmacy dispensing fee shall be $3.65 for legend prescription drugs, except that the dispensing fee for intravenous solutions which must be compounded by the pharmacist shall be $8 per bag, $14 per bag for cancer chemotherapy products, and $30 per bag for total parenteral nutritional products dispensed in one liter quantities, or $44 per bag for total parenteral nutritional products dispensed in quantities greater than one liter. The pharmacy dispensing fee for over the counter drugs shall be $3.65, except that the fee shall be $1.31 for retrospectively billing pharmacies when billing for quantities less than the number of units contained in the manufacturer's original package. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner at wholesale acquisition cost plus four percent for independently owned pharmacies located in a designated rural area within Minnesota, and at wholesale acquisition cost plus two percent for all other pharmacies. A pharmacy is "independently owned" if it is one of four or fewer pharmacies under the same ownership nationally. A "designated rural area" means an area defined as a small rural area or isolated rural area according to the four-category classification of the Rural Urban Commuting Area system developed for the United States Health Resources and Services Administration. Effective January 1, 2014, the actual acquisition cost of a drug acquired through the federal 340B Drug Pricing Program shall be estimated by the commissioner at wholesale acquisition cost minus 40 percent. Wholesale acquisition cost is defined as the manufacturer's list

price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) An additional dispensing fee of $.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. ~~The~~ A pharmacy provider ~~will be~~ using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

~~(c)~~ (d) Whenever a maximum allowable cost has been set for a multisource drug, payment shall be the lower of the usual and customary price charged to the public or the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

~~(d)~~ (e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. If average sales price is unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider, the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. Effective January 1, 2014, the commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 20 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

~~(e)~~ (f) The commissioner may negotiate lower reimbursement rates for specialty pharmacy products than the rates specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the formulary committee to develop a list of specialty pharmacy products subject to this paragraph. In consulting with the formulary committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the reimbursement rate to prevent access to care issues.

~~(f)~~ (g) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

EFFECTIVE DATE. This section is effective January 1, 2016, or upon federal approval, whichever is later.

Sec. 45. Minnesota Statutes 2014, section 256B.072, is amended to read:

256B.072 PERFORMANCE REPORTING AND QUALITY IMPROVEMENT SYSTEM.

(a) The commissioner of human services shall establish a performance reporting system for health care providers who provide health care services to public program recipients covered under chapters 256B, 256D, and 256L, reporting separately for managed care and fee-for-service recipients.

(b) The measures used for the performance reporting system for medical groups shall include measures of care for asthma, diabetes, hypertension, and coronary artery disease and measures of preventive care services. The measures used for the performance reporting system for inpatient hospitals shall include measures of care for acute myocardial infarction, heart failure, and pneumonia, and measures of care and prevention of surgical infections. In the case of a medical group, the measures used shall be consistent with measures published by nonprofit Minnesota or national organizations that produce and disseminate health care quality measures or evidence-based health care guidelines. In the case of inpatient hospital measures, the commissioner shall appoint the Minnesota Hospital Association and Stratis Health to advise on the development of the performance measures to be used for hospital reporting. To enable a consistent measurement process across the community, the commissioner may use measures of care provided for patients in addition to those identified in paragraph (a). The commissioner shall ensure collaboration with other health care reporting organizations so that the measures described in this section are consistent with those reported by those organizations and used by other purchasers in Minnesota.

(c) The commissioner may require providers to submit information in a required format to a health care reporting organization or to cooperate with the information collection procedures of that organization. The commissioner may collaborate with a reporting organization to collect information reported and to prevent duplication of reporting.

(d) By October 1, 2007, and annually thereafter, the commissioner shall report through a public Web site the results by medical groups and hospitals, where possible, of the measures under this section, and shall compare the results by medical groups and hospitals for patients enrolled in public programs to patients enrolled in private health plans. To achieve this reporting, the commissioner may collaborate with a health care reporting organization that operates a Web site suitable for this purpose.

(e) Performance measures must be stratified as provided under section 62U.02, subdivision 1, paragraph (b), and risk-adjusted as specified in section 62U.02, subdivision 3, paragraph (b).

Sec. 46. Minnesota Statutes 2014, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees. Notwithstanding section 256B.0621, demonstration providers that provide nursing home and community-based services under this section shall provide relocation service coordination to enrolled persons age 65 and over;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

(c) Managed care plans and county-based purchasing plans must comply with chapter 62M and section 62Q.85.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 47. **PRESCRIPTION DRUG ADVISORY COUNCIL.**

The commissioner of health shall make the first appointments to the Prescription Drug Advisory Council established in Minnesota Statutes, section 62Q.85, subdivision 6, by October 2, 2015, and convene the first meeting by November 1, 2015. The council shall select a chair from among its members at the first meeting of the council.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 48. **PROPOSAL FOR CHILD PROTECTION FOCUSED "COMMUNITY MEDICAL RESPONSE EMERGENCY MEDICAL TECHNICIAN" (CEMT) MODEL.**

The commissioner shall develop a proposal for a pilot project to create a community-based support system that coordinates services between child protection services and community emergency medical technicians. This pilot project model shall be developed with the input of stakeholders that represent both child protection services and community emergency medical technicians. The model must be designed so that the collaborative effort results in increased safety for children and increased support for families. The pilot project model must be reviewed by the Task Force on the Protection of Children, and the commissioner shall make recommendations for the pilot project to the members of the legislative committees with primary jurisdiction over CEMT and child protection issues no later than January 15, 2016.

Sec. 49. **COMMUNITY MEDICAL RESPONSE EMERGENCY MEDICAL TECHNICIAN SERVICES COVERED UNDER THE MEDICAL ASSISTANCE PROGRAM.**

(a) The commissioner of human services, in consultation with representatives of emergency medical service providers, public health nurses, community health workers, the Minnesota State Fire Chiefs Association, the Minnesota Professional Firefighters Association, the Minnesota State Firefighters Department Association, Minnesota Academy of Family Physicians, Minnesota Licensed Practical Nurses Association, Minnesota Nurses Association, and local public health agencies, shall determine specified services and payment rates for these services to be performed by community medical response emergency medical technicians certified under Minnesota Statutes, section 144E.275, subdivision 7, and covered by medical assistance under Minnesota Statutes, section 256B.0625. Services must be in the CEMT skill set and may include interventions intended to prevent avoidable ambulance transportation or hospital emergency department use.

(b) In order to be eligible for payment, services provided by a community medical response emergency medical technician must be:

(1) ordered by a medical response unit medical director;

(2) part of a patient care plan that has been developed in coordination with the patient's primary physician, advanced practice registered nurse, and relevant local health care providers; and

(3) billed by an eligible medical assistance enrolled provider that employs or contracts with the community medical response emergency medical technician.

In determining the community medical response emergency medical technician services to include under medical assistance coverage, the commissioner of human services shall consider the potential of hospital admittance and emergency room utilization reductions as well as increased access to quality care in rural communities.

(c) The commissioner of human services shall submit the list of services to be covered by medical assistance to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and spending by February 15, 2016. These services shall not be covered by medical assistance until legislation providing coverage for the services is enacted in law.

Sec. 50. **EVALUATION OF COMMUNITY MEDICAL RESPONSE EMERGENCY MEDICAL TECHNICIAN SERVICES.**

If legislation is enacted to cover community medical response emergency medical technician services with medical assistance, the commissioner of human services shall evaluate the effect of medical assistance and MinnesotaCare coverage for those services on the cost and quality of care under those programs and the coordination of those services with the health care home services. The commissioner shall present findings to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and spending by December 1, 2017. The commissioner shall require medical assistance and MinnesotaCare enrolled providers that employ or contract with community medical response emergency medical technicians to provide to the commissioner, in the form and manner specified by the commissioner, the utilization, cost, and quality data necessary to conduct this evaluation.

Sec. 51. **REVISOR INSTRUCTION.**

The revisor of statutes shall change "sections 62M.01 to 62M.16" to "sections 62M.01 to 62M.17" wherever the term appears in Minnesota Statutes, chapter 62M.

EFFECTIVE DATE. This section is effective August 1, 2015.

ARTICLE 9

HEALTH LICENSING BOARDS

Section 1. Minnesota Statutes 2014, section 148.57, subdivision 1, is amended to read:

Subdivision 1. **Examination.** (a) A person not authorized to practice optometry in the state and desiring to do so shall apply to the state Board of Optometry by filling out and swearing to an application for a license granted by the board and accompanied by a fee ~~in an amount of $87~~ established by the board, not to exceed the amount specified in section 148.59. With the submission of the application form, the candidate shall prove that the candidate:

(1) is of good moral character;

(2) has obtained a clinical doctorate degree from a board-approved school or college of optometry, or is currently enrolled in the final year of study at such an institution; and

(3) has passed all parts of an examination.

(b) The examination shall include both a written portion and a clinical practical portion and shall thoroughly test the fitness of the candidate to practice in this state. In regard to the written and clinical practical examinations, the board may:

(1) prepare, administer, and grade the examination itself;

(2) recognize and approve in whole or in part an examination prepared, administered and graded by a national board of examiners in optometry; or

(3) administer a recognized and approved examination prepared and graded by or under the direction of a national board of examiners in optometry.

(c) The board shall issue a license to each applicant who satisfactorily passes the examinations and fulfills the other requirements stated in this section and section 148.575 for board certification for the use of legend drugs. Applicants for initial licensure do not need to apply for or possess a certificate as referred to in sections 148.571 to 148.574. The fees mentioned in this section are for the use of the board and in no case shall be refunded.

Sec. 2. Minnesota Statutes 2014, section 148.57, subdivision 2, is amended to read:

Subd. 2. **Endorsement.** An optometrist who holds a current license from another state, and who has practiced in that state not less than three years immediately preceding application, may apply for licensure in Minnesota by filling out and swearing to an application for license by endorsement furnished by the board. The completed application with all required documentation shall be filed at the board office along with a fee ~~of $87~~ established by the board, not to exceed the amount specified in section 148.59. The application fee shall be for the use of the board and in no case shall be refunded. To verify that the applicant possesses the knowledge and ability essential to the practice of optometry in this state, the applicant must provide evidence of:

(1) having obtained a clinical doctorate degree from a board-approved school or college of optometry;

(2) successful completion of both written and practical examinations for licensure in the applicant's original state of licensure that thoroughly tested the fitness of the applicant to practice;

(3) successful completion of an examination of Minnesota state optometry laws;

(4) compliance with the requirements for board certification in section 148.575;

(5) compliance with all continuing education required for license renewal in every state in which the applicant currently holds an active license to practice; and

(6) being in good standing with every state board from which a license has been issued.

Documentation from a national certification system or program, approved by the board, which supports any of the listed requirements, may be used as evidence. The applicant may then be issued a license if the requirements for licensure in the other state are deemed by the board to be equivalent to those of sections 148.52 to 148.62.

Sec. 3. Minnesota Statutes 2014, section 148.59, is amended to read:

148.59 LICENSE RENEWAL; ~~FEE~~ LICENSE AND REGISTRATION FEES.

A licensed optometrist shall pay to the state Board of Optometry a fee as set by the board in order to renew a license as provided by board rule. No fees shall be refunded. Fees may not exceed the following amounts but may be adjusted lower by board direction and are for the exclusive use of the board:

(1) optometry licensure application, $160;

(2) optometry annual licensure renewal, $135;

(3) optometry late penalty fee, $75;

(4) annual license renewal card, $10;

(5) continuing education provider application, $45;

(6) emeritus registration, $10;

(7) endorsement/reciprocity application, $160;

(8) replacement of initial license, $12; and

(9) license verification, $50.

Sec. 4. Minnesota Statutes 2014, section 148E.075, is amended to read:

148E.075 ~~INACTIVE LICENSES~~ ALTERNATE LICENSES.

Subdivision 1. **~~Inactive status~~ Temporary leave license.** (a) ~~A licensee qualifies for inactive status under either of the circumstances described in paragraph (b) or (c).~~

~~(b) A licensee qualifies for inactive status when the licensee is granted temporary leave from active practice.~~ A licensee qualifies for temporary leave from active practice if

the licensee demonstrates to the satisfaction of the board that the licensee is not engaged in the practice of social work in any setting, including settings in which social workers are exempt from licensure according to section 148E.065. A licensee who is granted temporary leave from active practice may reactivate the license according to section 148E.080.

(b) A licensee may maintain a temporary leave license for no more than four consecutive years.

~~(c) A licensee qualifies for inactive status when a licensee is granted an emeritus license. A licensee qualifies for an emeritus license if the licensee demonstrates to the satisfaction of the board that:~~

~~(1) the licensee is retired from social work practice; and~~

~~(2) the licensee is not engaged in the practice of social work in any setting, including settings in which social workers are exempt from licensure according to section 148E.065.~~

~~A licensee who possesses an emeritus license may reactivate the license according to section 148E.080.~~

(c) A licensee who is granted temporary leave from active practice may reactivate the license according to section 148E.080. If a licensee does not apply for reactivation within 60 days following the end of the consecutive four-year period, the license automatically expires. An individual with an expired license may apply for new licensure according to section 148E.055.

(d) Except as provided in paragraph (e), a licensee who holds a temporary leave license must not practice, attempt to practice, offer to practice, or advertise or hold out as authorized to practice social work.

(e) The board may grant a variance to the requirements of paragraph (d) if a licensee on temporary leave license provides emergency social work services. A variance is granted only if the board provides the variance in writing to the licensee. The board may impose conditions or restrictions on the variance.

(f) In making representations of professional status to the public, when holding a temporary leave license, a licensee must state that the license is not active and that the licensee cannot practice social work.

Subd. 1a. **Emeritus inactive license.** (a) A licensee qualifies for an emeritus inactive license if the licensee demonstrates to the satisfaction of the board that the licensee is:

(1) retired from social work practice; and

(2) not engaged in the practice of social work in any setting, including settings in which social workers are exempt from licensure according to section 148E.065.

(b) A licensee with an emeritus inactive license may apply for reactivation according to section 148E.080 only during the four years following the granting of the emeritus

inactive license. However, after four years following the granting of the emeritus inactive license, an individual may apply for new licensure according to section 148E.055.

(c) Except as provided in paragraph (d), a licensee who holds an emeritus inactive license must not practice, attempt to practice, offer to practice, or advertise or hold out as authorized to practice social work.

(d) The board may grant a variance to the requirements of paragraph (c) if a licensee on emeritus inactive license provides emergency social work services. A variance is granted only if the board provides the variance in writing to the licensee. The board may impose conditions or restrictions on the variance.

(e) In making representations of professional status to the public, when holding an emeritus inactive license, a licensee must state that the license is not active and that the licensee cannot practice social work.

Subd. 1b. **Emeritus active license.** (a) A licensee qualifies for an emeritus active license if the applicant demonstrates to the satisfaction of the board that the licensee is:

(1) retired from social work practice; and

(2) in compliance with the supervised practice requirements, as applicable, under sections 148E.100 to 148E.125.

(b) A licensee who is issued an emeritus active license is only authorized to engage in:

(1) pro bono or unpaid social work practice as specified in section 148E.010, subdivisions 6 and 11; or

(2) paid social work practice not to exceed 240 clock hours per calendar year, for the exclusive purpose of providing licensing supervision as specified in sections 148E.100 to 148E.125; and

(3) the authorized scope of practice specified in section 148E.050.

(c) An emeritus active license must be renewed according to the requirements specified in section 148E.070, subdivisions 1, 2, 3, 4, and 5.

(d) At the time of license renewal a licensee must provide evidence satisfactory to the board that the licensee has, during the renewal term, completed 20 clock hours of continuing education, including at least two clock hours in ethics, as specified in section 148E.130:

(1) for licensed independent clinical social workers, at least 12 clock hours must be in the clinical content areas specified in section 148E.055, subdivision 5; and

(2) for social workers providing supervision according to sections 148E.100 to 148E.125, at least three clock hours must be in the practice of supervision.

(e) Independent study hours must not consist of more than eight clock hours of continuing education per renewal term.

(f) Failure to renew an active emeritus license on the expiration date will result in an expired license as specified in section 148E.070, subdivision 5.

(g) The board may grant a variance to the requirements of paragraph (b) if a licensee holding an emeritus active license provides emergency social work services. A variance is granted only if the board provides the variance in writing to the licensee. The board may impose conditions or restrictions on the variance.

(h) In making representations of professional status to the public, when holding an emeritus active license, a licensee must state that an emeritus active license authorizes only pro bono or unpaid social work practice, or paid social work practice not to exceed 240 clock hours per calendar year, for the exclusive purpose of providing licensing supervision as specified in sections 148E.100 to 148E.125.

(i) Notwithstanding the time limit and emeritus active license renewal requirements specified in this section, a licensee who possesses an emeritus active license may reactivate the license according to section 148E.080 or apply for new licensure according to section 148E.055.

Subd. 2. **Application.** A licensee may apply for ~~inactive status~~ temporary leave license, emeritus inactive license, or emeritus active license:

(1) at any time when currently licensed under section 148E.055, 148E.0555, 148E.0556, or 148E.0557, or when licensed as specified in section 148E.075, by submitting an application ~~for a temporary leave from active practice or for an emeritus license~~ form required by the board; or

(2) as an alternative to applying for the renewal of a license by so recording on the application ~~for license renewal~~ form required by the board and submitting the completed, signed application to the board.

An application that is not completed or signed, or that is not accompanied by the correct fee, must be returned to the applicant, along with any fee submitted, and is void. For applications submitted electronically, a "signed application" means providing an attestation as specified by the board.

Subd. 3. **Fee.** (a) Regardless of when the application for ~~inactive status~~ temporary leave license or emeritus inactive license is submitted, the temporary leave license or emeritus inactive license fee specified in section 148E.180, whichever is applicable, must accompany the application. A licensee who is approved for ~~inactive status~~ temporary leave license or emeritus inactive license before the license expiration date is not entitled to receive a refund for any portion of the license or renewal fee.

(b) If an application for temporary leave license or emeritus active license is received after the license expiration date, the licensee must pay a renewal late fee as specified in section 148E.180 in addition to the temporary leave fee.

(c) Regardless of when the application for emeritus active license is submitted, the emeritus active license fee is one-half of the renewal fee for the applicable license specified in section 148E.180, subdivision 3, and must accompany the application. A licensee who is approved for emeritus active license before the license expiration date is not entitled to receive a refund for any portion of the license or renewal fee.

~~Subd. 4. **Time limits for temporary leaves.** A licensee may maintain an inactive license on temporary leave for no more than five consecutive years. If a licensee does not apply for reactivation within 60 days following the end of the consecutive five-year period, the license automatically expires.~~

~~Subd. 5. **Time limits for emeritus license.** A licensee with an emeritus license may not apply for reactivation according to section 148E.080 after five years following the granting of the emeritus license. However, after five years following the granting of the emeritus license, an individual may apply for new licensure according to section 148E.055.~~

~~Subd. 6. **Prohibition on practice.** (a) Except as provided in paragraph (b), a licensee whose license is inactive must not practice, attempt to practice, offer to practice, or advertise or hold out as authorized to practice social work.~~

~~(b) The board may grant a variance to the requirements of paragraph (a) if a licensee on inactive status provides emergency social work services. A variance is granted only if the board provides the variance in writing to the licensee. The board may impose conditions or restrictions on the variance.~~

~~Subd. 7. **Representations of professional status.** In making representations of professional status to the public, a licensee whose license is inactive must state that the license is inactive and that the licensee cannot practice social work.~~

Subd. 8. **Disciplinary or other action.** The board may resolve any pending complaints against a licensee before approving an application for ~~inactive status~~ an alternate license specified in this section. The board may take action according to sections 148E.255 to 148E.270 against a licensee ~~whose license is inactive~~ who is issued an alternate license specified in this section based on conduct occurring before the license is inactive or conduct occurring while the license is ~~inactive~~ effective.

Sec. 5. Minnesota Statutes 2014, section 148E.080, subdivision 1, is amended to read:

Subdivision 1. **Mailing notices to licensees on temporary leave.** The board must mail a notice for reactivation to a licensee on temporary leave at least 45 days before the

expiration date of the license according to section 148E.075, subdivision ~~4~~ 1. Mailing the notice by United States mail to the licensee's last known mailing address constitutes valid mailing. Failure to receive the reactivation notice does not relieve a licensee of the obligation to comply with the provisions of this section to reactivate a license.

Sec. 6. Minnesota Statutes 2014, section 148E.080, subdivision 2, is amended to read:

Subd. 2. **Reactivation from a temporary leave or emeritus status.** To reactivate a license from a temporary leave or emeritus status, a licensee must do the following within the time period specified in section 148E.075, subdivisions ~~4 and 5~~ 1, 1a, and 1b:

(1) complete an application form specified by the board;

(2) document compliance with the continuing education requirements specified in subdivision 4;

(3) submit a supervision plan, if required;

(4) pay the reactivation of ~~an inactive licensee~~ a license fee specified in section 148E.180; and

(5) pay the wall certificate fee according to section 148E.095, subdivision 1, paragraph (b) or (c), if the licensee needs a duplicate license.

Sec. 7. Minnesota Statutes 2014, section 148E.180, subdivision 2, is amended to read:

Subd. 2. **License fees.** License fees are as follows:

(1) for a licensed social worker, $81;

(2) for a licensed graduate social worker, $144;

(3) for a licensed independent social worker, $216;

(4) for a licensed independent clinical social worker, $238.50;

(5) for an emeritus inactive license, $43.20; ~~and~~

(6) for an emeritus active license, one-half of the renewal fee specified in subdivision 3; and

(7) for a temporary leave fee, the same as the renewal fee specified in subdivision 3.

If the licensee's initial license term is less or more than 24 months, the required license fees must be prorated proportionately.

Sec. 8. Minnesota Statutes 2014, section 148E.180, subdivision 5, is amended to read:

Subd. 5. **Late fees.** Late fees are as follows:

(1) renewal late fee, one-fourth of the renewal fee specified in subdivision 3; ~~and~~

(2) supervision plan late fee, $40~~.~~; and

(3) license late fee, $100 plus the prorated share of the license fee specified in subdivision 2 for the number of months during which the individual practiced social work without a license.

Sec. 9. Minnesota Statutes 2014, section 150A.091, subdivision 4, is amended to read:

Subd. 4. **Annual license fees.** Each limited faculty or resident dentist shall submit with an annual license renewal application a fee established by the board not to exceed the following amounts:

(1) limited faculty dentist, $168; and

(2) resident dentist or dental provider, ~~$59~~ $85.

Sec. 10. Minnesota Statutes 2014, section 150A.091, subdivision 5, is amended to read:

Subd. 5. **Biennial license or permit fees.** Each of the following applicants shall submit with a biennial license or permit renewal application a fee as established by the board, not to exceed the following amounts:

(1) dentist or full faculty dentist, ~~$336~~ $475;

(2) dental therapist, ~~$180~~ $300;

(3) dental hygienist, ~~$118~~ $200;

(4) licensed dental assistant, ~~$80~~ $150; and

(5) dental assistant with a permit as described in Minnesota Rules, part 3100.8500, subpart 3, $24.

Sec. 11. Minnesota Statutes 2014, section 150A.091, subdivision 11, is amended to read:

Subd. 11. **Certificate application fee for anesthesia/sedation.** Each dentist shall submit with a general anesthesia or moderate sedation application ~~or~~, a contracted sedation provider application, or biennial renewal, a fee as established by the board not to exceed the following amounts:

(1) for both a general anesthesia and moderate sedation application, ~~$250~~ $400;

(2) for a general anesthesia application only, ~~$250~~ $400;

(3) for a moderate sedation application only, ~~$250~~ $400; and

(4) for a contracted sedation provider application, ~~$250~~ $400.

Sec. 12. Minnesota Statutes 2014, section 150A.091, is amended by adding a subdivision to read:

Subd. 17. **Advanced dental therapy examination fee.** Any dental therapist eligible to sit for the advanced dental therapy certification examination must submit with the application a fee as established by the board, not to exceed $250.

Sec. 13. Minnesota Statutes 2014, section 150A.091, is amended by adding a subdivision to read:

Subd. 18. **Corporation or professional firm late fee.** Any corporation or professional firm whose annual fee is not postmarked or otherwise received by the board by the due date of December 31 shall, in addition to the fee, submit a late fee as established by the board, not to exceed $15.

Sec. 14. Minnesota Statutes 2014, section 150A.31, is amended to read:

150A.31 FEES.

(a) The initial biennial registration fee is $50.

(b) The biennial renewal registration fee is ~~$25~~ not to exceed $80.

(c) The fees specified in this section are nonrefundable and shall be deposited in the state government special revenue fund.

Sec. 15. Minnesota Statutes 2014, section 151.065, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

(1) pharmacist licensed by examination, ~~$130~~ $145;

(2) pharmacist licensed by reciprocity, ~~$225~~ $240;

(3) pharmacy intern, ~~$30~~ $37.50;

(4) pharmacy technician, ~~$30~~ $37.50;

(5) pharmacy, ~~$190~~ $225;

(6) drug wholesaler, legend drugs only, ~~$200~~ $235;

(7) drug wholesaler, legend and nonlegend drugs, ~~$200~~ $235;

(8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~$175~~ $210;

(9) drug wholesaler, medical gases, ~~$150~~ $175;

(10) drug wholesaler, also licensed as a pharmacy in Minnesota, ~~$125~~ $150;

(11) drug manufacturer, legend drugs only, ~~$200~~ $235;

(12) drug manufacturer, legend and nonlegend drugs, ~~$200~~ $235;

(13) drug manufacturer, nonlegend or veterinary legend drugs, ~~$175~~ $210;

(14) drug manufacturer, medical gases, ~~$150~~ $185;

(15) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~$125~~ $150;

(16) medical gas distributor, ~~$75~~ $110;

(17) controlled substance researcher, ~~$50~~ $75; and

(18) pharmacy professional corporation, ~~$100~~ $125.

Sec. 16. Minnesota Statutes 2014, section 151.065, subdivision 2, is amended to read:

Subd. 2. **Original license fee.** The pharmacist original licensure fee, ~~$130~~ $145.

Sec. 17. Minnesota Statutes 2014, section 151.065, subdivision 3, is amended to read:

Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:

(1) pharmacist, ~~$130~~ $145;

(2) pharmacy technician, ~~$30~~ $37.50;

(3) pharmacy, ~~$190~~ $225;

(4) drug wholesaler, legend drugs only, ~~$200~~ $235;

(5) drug wholesaler, legend and nonlegend drugs, ~~$200~~ $235;

(6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~$175~~ $210;

(7) drug wholesaler, medical gases, ~~$150~~ $185;

(8) drug wholesaler, also licensed as a pharmacy in Minnesota, ~~$125~~ $150;

(9) drug manufacturer, legend drugs only, ~~$200~~ $235;

(10) drug manufacturer, legend and nonlegend drugs, ~~$200~~ $235;

(11) drug manufacturer, nonlegend, veterinary legend drugs, or both, ~~$175~~ $210;

(12) drug manufacturer, medical gases, ~~$150~~ $185;

(13) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~$125~~ $150;

(14) medical gas distributor, ~~$75~~ $110;

(15) controlled substance researcher, ~~$50~~ $75; and

(16) pharmacy professional corporation, ~~$45~~ $75.

Sec. 18. Minnesota Statutes 2014, section 151.065, subdivision 4, is amended to read:

Subd. 4. **Miscellaneous fees.** Fees for issuance of affidavits and duplicate licenses and certificates are as follows:

(1) intern affidavit, ~~$15~~ $20;

(2) duplicate small license, ~~$15~~ $20; and

(3) duplicate large certificate, ~~$25~~ $30.

Sec. 19. **REPEALER.**

Minnesota Statutes 2014, section 148E.060, subdivision 12, is repealed.

ARTICLE 10

HEALTH CARE

Section 1. Minnesota Statutes 2014, section 16A.724, subdivision 2, is amended to read:

Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund, effective for the biennium beginning July 1, 2007, the commissioner of management and budget shall transfer the excess funds from the health care access fund to the general fund on June 30 of each year, provided that the amount transferred in any fiscal biennium shall not exceed $96,000,000. The purpose of this transfer is to meet the rate increase required under Laws 2003, First Special Session chapter 14, article 13C, section 2, subdivision 6.

(b) ~~For fiscal years 2006 to 2011, MinnesotaCare shall be a forecasted program, and, if necessary,~~ The commissioner shall reduce these transfers from the health care access fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary, transfer sufficient funds from the general fund to the health care access fund to meet annual MinnesotaCare expenditures.

(c) Notwithstanding section 295.581, to the extent available resources in the health care access fund exceed expenditures in that fund after the transfer required in paragraph (a), effective for the biennium beginning July 1, 2013, the commissioner of management and budget shall transfer $1,000,000 each fiscal year from the health access fund to the medical education and research costs fund established under section 62J.692, for distribution under section 62J.692, subdivision 4, paragraph (c).

Sec. 2. Minnesota Statutes 2014, section 62A.045, is amended to read:

62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT HEALTH PROGRAMS.

(a) As a condition of doing business in Minnesota or providing coverage to residents of Minnesota covered by this section, each health insurer shall comply with the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171, including any federal regulations adopted under that act, to the extent that it imposes a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal act prior to the effective date provided for that provision in the federal act. The commissioner shall enforce this section.

For the purpose of this section, "health insurer" includes self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit

managers, or other parties that are by contract legally responsible to pay a claim for a health-care item or service for an individual receiving benefits under paragraph (b).

(b) No plan offered by a health insurer issued or renewed to provide coverage to a Minnesota resident shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256; 256B; or 256D or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2; 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer providing benefits under plans covered by this section shall use eligibility for medical programs named in this section as an underwriting guideline or reason for nonacceptance of the risk.

(c) If payment for covered expenses has been made under state medical programs for health care items or services provided to an individual, and a third party has a legal liability to make payments, the rights of payment and appeal of an adverse coverage decision for the individual, or in the case of a child their responsible relative or caretaker, will be subrogated to the state agency. The state agency may assert its rights under this section within three years of the date the service was rendered. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according to sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12; children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; and county-based purchasing entities under section 256B.692.

(d) Notwithstanding any law to the contrary, when a person covered by a plan offered by a health insurer receives medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. If a person was receiving medical benefits through the Department of Human Services at the time a service was provided, the provider must indicate this benefit coverage on any claim forms submitted by the provider to the health insurer for those services. If the commissioner of human services notifies the health insurer that the commissioner has made payments to the provider, payment for benefits or notices of denials issued by the health insurer must be issued directly to the commissioner. Submission by the department to the health insurer of the claim on a Department of Human Services claim form is proper notice and shall be considered proof of payment of the claim to the provider and supersedes any contract requirements of the health insurer relating to the form of submission. Liability to the insured for coverage is satisfied to the

extent that payments for those benefits are made by the health insurer to the provider or the commissioner as required by this section.

(e) When a state agency has acquired the rights of an individual eligible for medical programs named in this section and has health benefits coverage through a health insurer, the health insurer shall not impose requirements that are different from requirements applicable to an agent or assignee of any other individual covered.

(f) A health insurer must process a clean claim made by a state agency for covered expenses paid under state medical programs within 90 business days of the claim's submission. A health insurer must process all other claims made by a state agency for covered expenses paid under a state medical program within the timeline set forth in Code of Federal Regulations, title 42, section 447.45(d)(4).

(g) A health insurer may request a refund of a claim paid in error to the Department of Human Services within two years of the date the payment was made to the department. A request for a refund shall not be honored by the department if the health insurer makes the request after the time period has lapsed.

Sec. 3. Minnesota Statutes 2014, section 174.29, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purpose of sections 174.29 and 174.30 "special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed exclusively or primarily to serve individuals who are elderly or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144E.001, subdivision 3. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, taxis, and volunteers driving private automobiles. Special transportation service also means those nonemergency medical transportation services under section 256B.0625, subdivision 17, that are subject to the operating standards for special transportation service under sections 174.29 to 174.30 and Minnesota Rules, chapter 8840.

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

Sec. 4. Minnesota Statutes 2014, section 174.30, subdivision 3, is amended to read:

Subd. 3. **Other standards; wheelchair securement; protected transport.** (a) A special transportation service that transports individuals occupying wheelchairs is subject to the provisions of sections 299A.11 to 299A.18 concerning wheelchair securement devices. The commissioners of transportation and public safety shall cooperate in the enforcement of this section and sections 299A.11 to 299A.18 so that a single inspection

is sufficient to ascertain compliance with sections 299A.11 to 299A.18 and with the standards adopted under this section. Representatives of the Department of Transportation may inspect wheelchair securement devices in vehicles operated by special transportation service providers to determine compliance with sections 299A.11 to 299A.18 and to issue certificates under section 299A.14, subdivision 4.

(b) In place of a certificate issued under section 299A.14, the commissioner may issue a decal under subdivision 4 for a vehicle equipped with a wheelchair securement device if the device complies with sections 299A.11 to 299A.18 and the decal displays the information in section 299A.14, subdivision 4.

(c) For vehicles designated as protected transport under section 256B.0625, subdivision 17, paragraph (h), the commissioner of transportation, during the commissioner's inspection, shall check to ensure the safety provisions contained in that paragraph are in working order.

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

Sec. 5. Minnesota Statutes 2014, section 174.30, subdivision 4, is amended to read:

Subd. 4. **Vehicle and equipment inspection; rules; decal; complaint contact information; restrictions on name of service.** (a) The commissioner shall inspect or provide for the inspection of vehicles at least annually. In addition to scheduled annual inspections and reinspections scheduled for the purpose of verifying that deficiencies have been corrected, unannounced inspections of any vehicle may be conducted.

(b) On determining that a vehicle or vehicle equipment is in a condition that is likely to cause an accident or breakdown, the commissioner shall require the vehicle to be taken out of service immediately. The commissioner shall require that vehicles and equipment not meeting standards be repaired and brought into conformance with the standards and shall require written evidence of compliance from the operator before allowing the operator to return the vehicle to service.

(c) The commissioner shall provide in the rules procedures for inspecting vehicles, removing unsafe vehicles from service, determining and requiring compliance, and reviewing driver qualifications.

(d) The commissioner shall design a distinctive decal to be issued to special transportation service providers with a current certificate of compliance under this section. A decal is valid for one year from the last day of the month in which it is issued. A person who is subject to the operating standards adopted under this section may not provide special transportation service in a vehicle that does not conspicuously display a decal issued by the commissioner.

(e) All special transportation service providers shall pay an annual fee of $45 to obtain a decal. Providers of ambulance service, as defined in section 144E.001, subdivision 3, are exempt from the annual fee. Fees collected under this paragraph must be deposited in the trunk highway fund, and are appropriated to the commissioner to pay for costs related to administering the special transportation service program.

(f) Special transportation service providers shall prominently display in each vehicle all contact information for the submission of complaints regarding the transportation services provided to that individual. All vehicles providing service under section 473.386 shall display contact information for the Metropolitan Council. All other special transportation service vehicles shall display contact information for the commissioner of transportation.

(g) Nonemergency medical transportation providers must comply with Minnesota Rules, part 8840.5450, except that a provider may use the phrase "nonemergency medical transportation" in its name or in advertisements or information describing the service.

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

Sec. 6. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision to read:

Subd. 4b. **Variance from the standards.** A nonemergency medical transportation provider who was not subject to the standards in this section prior to July 1, 2014, must apply for a variance from the commissioner if the provider cannot meet the standards by January 1, 2017. The commissioner may grant or deny the variance application. Variances, if granted, shall not exceed 60 days unless extended by the commissioner.

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

Sec. 7. Minnesota Statutes 2014, section 174.30, is amended by adding a subdivision to read:

Subd. 10. **Background studies.** (a) Providers of special transportation service regulated under this section must initiate background studies in accordance with chapter 245C on the following individuals:

(1) each person with a direct or indirect ownership interest of five percent or higher in the transportation service provider;

(2) each controlling individual as defined under section 245A.02;

(3) managerial officials as defined in section 245A.02;

(4) each driver employed by the transportation service provider;

(5) each individual employed by the transportation service provider to assist a passenger during transport; and

(6) all employees of the transportation service agency who provide administrative support, including those who:

(i) may have face-to-face contact with or access to passengers, their personal property, or their private data;

(ii) perform any scheduling or dispatching tasks; or

(iii) perform any billing activities.

(b) The transportation service provider must initiate the background studies required under paragraph (a) using the online NETStudy system operated by the commissioner of human services.

(c) The transportation service provider shall not permit any individual to provide any service listed in paragraph (a) until the transportation service provider has received notification from the commissioner of human services indicating that the individual:

(1) is not disqualified under chapter 245C; or

(2) is disqualified, but has received a set-aside of that disqualification according to section 245C.23 related to that transportation service provider.

(d) When a local or contracted agency is authorizing a ride under section 256B.0625, subdivision 17, by a volunteer driver, and the agency authorizing the ride has reason to believe the volunteer driver has a history that would disqualify the individual or that may pose a risk to the health or safety of passengers, the agency may initiate a background study to be completed according to chapter 245C using the commissioner of human services' online NETStudy system, or through contacting the Department of Human Services background study division for assistance. The agency that initiates the background study under this paragraph shall be responsible for providing the volunteer driver with the privacy notice required under section 245C.05, subdivision 2c, and payment for the background study required under section 245C.10, subdivision 11, before the background study is completed.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 8. Minnesota Statutes 2014, section 245C.03, is amended by adding a subdivision to read:

Subd. 10. **Providers of special transportation service.** The commissioner shall conduct background studies on any individual required under section 174.30 to have a background study completed under this chapter.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 9. Minnesota Statutes 2014, section 245C.10, is amended by adding a subdivision to read:

Subd. 11. **Providers of special transportation service.** The commissioner shall recover the cost of background studies initiated by providers of special transportation service under section 174.30 through a fee of no more than $20 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 10. Minnesota Statutes 2014, section 256.015, subdivision 7, is amended to read:

Subd. 7. **Cooperation with information requests required.** (a) Upon the request of the commissioner of human services:

(1) any state agency or third-party payer shall cooperate by furnishing information to help establish a third-party liability, as required by the federal Deficit Reduction Act of 2005, Public Law 109-171;

(2) any employer or third-party payer shall cooperate by furnishing a data file containing information about group health insurance plan or medical benefit plan coverage of its employees or insureds within 60 days of the request. The information in the data file must include at least the following: full name, date of birth, Social Security number if collected and stored in a system routinely used for producing data files by the employer or third-party payer, employer name, policy identification number, group identification number, and plan or coverage type.

(b) For purposes of section 176.191, subdivision 4, the commissioner of labor and industry may allow the commissioner of human services and county agencies direct access and data matching on information relating to workers' compensation claims in order to determine whether the claimant has reported the fact of a pending claim and the amount paid to or on behalf of the claimant to the commissioner of human services.

(c) For the purpose of compliance with section 169.09, subdivision 13, and federal requirements under Code of Federal Regulations, title 42, section 433.138 (d)(4), the commissioner of public safety shall provide accident data as requested by the commissioner of human services. The disclosure shall not violate section 169.09, subdivision 13, paragraph (d).

(d) The commissioner of human services and county agencies shall limit its use of information gained from agencies, third-party payers, and employers to purposes directly

connected with the administration of its public assistance and child support programs. The provision of information by agencies, third-party payers, and employers to the department under this subdivision is not a violation of any right of confidentiality or data privacy.

Sec. 11. Minnesota Statutes 2014, section 256.969, subdivision 1, is amended to read:

Subdivision 1. **Hospital cost index.** (a) The hospital cost index shall be the change in the Consumer Price Index-All Items (United States city average) (CPI-U) forecasted by Data Resources, Inc. The commissioner shall use the indices as forecasted in the third quarter of the calendar year prior to the rate year. The hospital cost index may be used to adjust the base year operating payment rate through the rate year on an annually compounded basis.

(b) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for hospital payment rates under medical assistance. ~~The commissioner of management and budget shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in hospital payment rates under medical assistance based upon the hospital cost index.~~

Sec. 12. Minnesota Statutes 2014, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in

which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through ~~June 30, 2016~~ the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, through ~~June 30, 2016,~~ the next rebasing that occurs the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

(1) pediatric services;

(2) behavioral health services;

(3) trauma services as defined by the National Uniform Billing Committee;

(4) transplant services;

(5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;

(6) outlier admissions;

(7) low-volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(f) Hospital payment rates established under paragraph (c) must incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, interim per diem payment rates shall be based on the ratio of cost and charges reported on the base year Medicare cost report or reports and applied to medical assistance utilization data. Final settlement payments for a state fiscal year must be determined based on a review of the medical assistance cost report required under subdivision 4b for the applicable state fiscal year;

(3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

(g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year and the next base year. The commissioner shall establish the base year for each rebasing period considering the most recent year for which filed Medicare cost reports are available. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Annual payments to hospitals under this paragraph shall equal the total cost for critical access hospitals as reflected in base year cost reports, and until the next rebasing that occurs, shall result in no greater than a five percent decrease from the base year payments for any hospital. The new cost-based rate shall be the final rate and shall not be settled to

actual incurred costs. The factors used to develop the new methodology may include but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

Sec. 13. Minnesota Statutes 2014, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. **Payments.** (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third-party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates 30 days prior to implementation. The rate setting data must reflect the admissions data used to establish relative values. The commissioner may adjust base year cost, relative value, and case mix

index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans

shall be reduced for services provided on or after July 1, 2009, through June 30, 2011, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 or corresponding APR-DRGs, and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2011, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced one percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.

(i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2011, to reflect this reduction.

(j) Effective for discharges on and after November 1, 2014, from hospitals paid under subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this subdivision must be incorporated into the rebased rates established under subdivision 2b, paragraph (c), and must not be applied to each claim.

(k) Effective for discharges on and after July 1, 2015, from hospitals paid under subdivision 2b, paragraph (a), clauses (2) and (3), the rate adjustments in this subdivision must be incorporated into the rates and must not be applied to each claim.

Sec. 14. Minnesota Statutes 2014, section 256.969, subdivision 3c, is amended to read:

Subd. 3c. **Rateable reduction and readmissions reduction.** (a) The total payment for fee for service admissions occurring on or after September 1, 2011, to October 31, 2014, made to hospitals for inpatient services before third-party liability and spenddown, is reduced ten percent from the current statutory rates. Facilities defined under subdivision 16, long-term hospitals as determined under the Medicare program, children's hospitals

whose inpatients are predominantly under 18 years of age, and payments under managed care are excluded from this paragraph.

(b) Effective for admissions occurring during calendar year 2010 and each year after, the commissioner shall calculate a readmission rate for admissions to all hospitals occurring within 30 days of a previous discharge using data from the Reducing Avoidable Readmissions Effectively (RARE) campaign. The commissioner may adjust the readmission rate taking into account factors such as the medical relationship, complicating conditions, and sequencing of treatment between the initial admission and subsequent readmissions.

(c) Effective for payments to all hospitals on or after July 1, 2013, through October 31, 2014, the reduction in paragraph (a) is reduced one percentage point for every percentage point reduction in the overall readmissions rate between the two previous calendar years to a maximum of five percent.

(d) The exclusion from the rate reduction in paragraph (a) shall apply to a hospital located in Hennepin County with a licensed capacity of 1,700 beds as of September 1, 2011, for admissions of children under 18 years of age occurring on or after September 1, 2011, through August 31, 2013, but shall not apply to payments for admissions occurring on or after September 1, 2013, through October 31, 2014.

(e) Effective for discharges on or after November 1, 2014, from hospitals paid under subdivision 2b, paragraph (a), clauses (1) and (4), the rate adjustments in this subdivision must be incorporated into the rebased rates established under subdivision 2b, paragraph (c), and must not be applied to each claim.

(f) Effective for discharges on and after July 1, 2015, from hospitals paid under subdivision 2b, paragraph (a), clauses (2) and (3), the rate adjustments in this subdivision must be incorporated into the rates and must not be applied to each claim.

Sec. 15. Minnesota Statutes 2014, section 256.969, subdivision 9, is amended to read:

Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the

mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1.

~~The commissioner may establish a separate disproportionate population payment rate adjustment for critical access hospitals.~~ The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) Certified public expenditures made by Hennepin County Medical Center shall be considered Medicaid disproportionate share hospital payments. Hennepin County and Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning July 1, 2005, or another date specified by the commissioner, that may qualify for reimbursement under federal law. Based on these reports, the commissioner shall apply for federal matching funds.

(c) Upon federal approval of the related state plan amendment, paragraph (b) is effective retroactively from July 1, 2005, or the earliest effective date approved by the Centers for Medicare and Medicaid Services.

(d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid in accordance with a new methodology. Annual DSH payments made under this paragraph shall equal the total amount of DSH payments made for 2012. The new methodology shall take into account a variety of factors, including but not limited to:

(1) the medical assistance utilization rate of the hospitals that receive payments under this subdivision;

(2) whether the hospital is located within Minnesota;

(3) the hospital's status as a safety net, critical access, children's, rehabilitation, or long-term hospital;

(4) whether the hospital's administrative cost of compiling the necessary DSH reports exceeds the anticipated value of any calculated DSH payment; and

(5) whether the hospital provides specific services designated by the commissioner to be of particular importance to the medical assistance program.

(e) Any payments or portion of payments made to a hospital under this subdivision that are subsequently returned to the commissioner because the payments are found to

exceed the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the number of fee-for-service discharges, to other DSH-eligible nonchildren's hospitals that have a medical assistance utilization rate that is at least one standard deviation above the mean.

Sec. 16. Minnesota Statutes 2014, section 256B.06, is amended by adding a subdivision to read:

Subd. 6. **Legal referral and assistance grants.** (a) The commissioner shall award grants to one or more nonprofit programs that provide legal services based on indigency to provide legal services to individuals with emergency medical conditions or chronic health conditions who are not currently eligible for medical assistance or other public health care programs based on their legal status, but who may meet eligibility requirements with legal assistance.

(b) The grantees, in collaboration with hospitals and safety net providers, shall provide referral assistance to connect individuals identified in paragraph (a) with alternative resources and services to assist in meeting their health care needs.

Sec. 17. Minnesota Statutes 2014, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. **Dental services.** (a) Medical assistance covers dental services.

(b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:

(1) comprehensive exams, limited to once every five years;

(2) periodic exams, limited to one per year;

(3) limited exams;

(4) bitewing x-rays, limited to one per year;

(5) periapical x-rays;

(6) panoramic x-rays or full-mouth series of x-rays , limited to ~~one~~ once every five years except (1) when medically necessary for the diagnosis and follow-up of oral and maxillofacial pathology and trauma or (2) once every two years for patients who cannot cooperate for intraoral film due to a developmental disability or medical condition that does not allow for intraoral film placement;

(7) prophylaxis, limited to one per year;

(8) application of fluoride varnish, limited to one per year;

(9) posterior fillings, all at the amalgam rate;

(10) anterior fillings;

(11) endodontics, limited to root canals on the anterior and premolars only;

(12) removable prostheses, each dental arch limited to one every six years;

(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;

(14) palliative treatment and sedative fillings for relief of pain; ~~and~~

(15) full-mouth debridement, limited to one every five years; and

(16) nonsurgical treatment for periodontal disease, including scaling, root planing, and routine periodontal maintenance procedures, limited to once per quadrant per year.

(c) In addition to the services specified in paragraph (b), medical assistance covers the following services for adults, if provided in an outpatient hospital setting or freestanding ambulatory surgical center as part of outpatient dental surgery:

(1) periodontics, limited to periodontal scaling and root planing once every ~~two years~~ year;

(2) general anesthesia; and

~~(3) full-mouth survey once every five years~~

(3) a comprehensive oral examination and full-mouth series of x-rays.

(d) Medical assistance covers medically necessary dental services for children and pregnant women. The following guidelines apply:

(1) posterior fillings are paid at the amalgam rate;

(2) application of sealants are covered once every five years per permanent molar for children only;

(3) application of fluoride varnish is covered once every six months; and

(4) orthodontia is eligible for coverage for children only.

(e) In addition to the services specified in paragraphs (b) and (c), medical assistance covers the following services for adults:

(1) house calls or extended care facility calls for on-site delivery of covered services;

(2) behavioral management when additional staff time is required to accommodate behavioral challenges and sedation is not used;

(3) oral or IV sedation, if the covered dental service cannot be performed safely without it or would otherwise require the service to be performed under general anesthesia in a hospital or surgical center; and

(4) prophylaxis, in accordance with an appropriate individualized treatment plan, but no more than four times per year.

(f) The commissioner shall not require prior authorization for the services included in paragraph (e), clauses (1) to (3), and shall prohibit managed care and county-based purchasing plans from requiring prior authorization for the services included in paragraph (e), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

Sec. 18. Minnesota Statutes 2014, section 256B.0625, is amended by adding a subdivision to read:

Subd. 9b. **Dental services provided by faculty members and resident dentists at a dental school.** (a) A dentist who is not enrolled as a medical assistance provider, is a faculty or adjunct member at the University of Minnesota or a resident dentist licensed under section 150A.06, subdivision 1b, and is providing dental services at a dental clinic owned or operated by the University of Minnesota, may be enrolled as a medical assistance provider if the provider completes and submits to the commissioner an agreement form developed by the commissioner. The agreement must specify that the faculty or adjunct member or resident dentist:

(1) will not receive payment for the services provided to medical assistance or MinnesotaCare enrollees performed at the dental clinics owned or operated by the University of Minnesota;

(2) will not be listed in the medical assistance or MinnesotaCare provider directory; and

(3) is not required to serve medical assistance and MinnesotaCare enrollees when providing nonvolunteer services in a private practice.

(b) A dentist or resident dentist enrolled under this subdivision as a fee-for-service provider shall not otherwise be enrolled in or receive payments from medical assistance or MinnesotaCare as a fee-for-service provider.

Sec. 19. Minnesota Statutes 2014, section 256B.0625, is amended by adding a subdivision to read:

Subd. 9c. **Prior authorization for dental services.** Effective for dental services rendered on or after January 1, 2016, the following prior authorization requirements shall apply for services provided under fee-for-service or through a managed care plan or county-based purchasing plan:

(1) prior authorization for a dental service shall remain valid for at least 12 months;

(2) a new prior authorization for a dental service shall not be required if a prior authorization for the service has already been provided within the previous 12 months for the same enrollee, if the enrollee changes health plans within the 12-month period in which the prior authorization is valid; and

(3) a managed care plan or county-based purchasing plan shall not require prior authorization before providing dental services to an enrollee that is more restrictive than the prior authorization requirements established by the commissioner for the fee-for-service system.

Sec. 20. Minnesota Statutes 2014, section 256B.0625, is amended by adding a subdivision to read:

Subd. 9d. **Administrative simplification for dental services.** By January 1, 2016, the commissioner shall designate a uniform application form to be used in the credentialing of all dental providers serving persons enrolled in medical assistance and MinnesotaCare. The uniform application shall be developed by the commissioner in consultation with representatives of managed care plans, county-based purchasing plans, dental benefit administrators, and dental providers, and must meet the National Committee for Quality Assurance accreditation standards related to credentialing.

Sec. 21. Minnesota Statutes 2014, section 256B.0625, subdivision 13h, is amended to read:

Subd. 13h. **Medication therapy management services.** (a) Medical assistance ~~and general assistance medical care cover~~ covers medication therapy management services for a recipient taking ~~three or more~~ prescriptions to treat or prevent one or more chronic medical conditions~~; a recipient with a drug therapy problem that is identified by the commissioner or identified by a pharmacist and approved by the commissioner; or prior authorized by the commissioner that has resulted or is likely to result in significant nondrug program costs. The commissioner may cover medical therapy management services under MinnesotaCare if the commissioner determines this is cost-effective~~. For purposes of this subdivision, "medication therapy management" means the provision of the following pharmaceutical care services by a licensed pharmacist to optimize the therapeutic outcomes of the patient's medications:

(1) performing or obtaining necessary assessments of the patient's health status;

(2) formulating a medication treatment plan;

(3) monitoring and evaluating the patient's response to therapy, including safety and effectiveness;

(4) performing a comprehensive medication review to identify, resolve, and prevent medication-related problems, including adverse drug events;

(5) documenting the care delivered and communicating essential information to the patient's other primary care providers;

(6) providing verbal education and training designed to enhance patient understanding and appropriate use of the patient's medications;

(7) providing information, support services, and resources designed to enhance patient adherence with the patient's therapeutic regimens; and

(8) coordinating and integrating medication therapy management services within the broader health care management services being provided to the patient.

Nothing in this subdivision shall be construed to expand or modify the scope of practice of the pharmacist as defined in section 151.01, subdivision 27.

(b) To be eligible for reimbursement for services under this subdivision, a pharmacist must meet the following requirements:

(1) have a valid license issued by the Board of Pharmacy of the state in which the medication therapy management service is being performed;

(2) have graduated from an accredited college of pharmacy on or after May 1996, or completed a structured and comprehensive education program approved by the Board of Pharmacy and the American Council of Pharmaceutical Education for the provision and documentation of pharmaceutical care management services that has both clinical and didactic elements;

(3) be practicing in an ambulatory care setting as part of a multidisciplinary team or have developed a structured patient care process that is offered in a private or semiprivate patient care area that is separate from the commercial business that also occurs in the setting, or in home settings, including long-term care settings, group homes, and facilities providing assisted living services, but excluding skilled nursing facilities; and

(4) make use of an electronic patient record system that meets state standards.

(c) For purposes of reimbursement for medication therapy management services, the commissioner may enroll individual pharmacists as medical assistance ~~and general assistance medical care~~ providers. The commissioner may also establish contact requirements between the pharmacist and recipient, including limiting the number of reimbursable consultations per recipient.

(d) If there are no pharmacists who meet the requirements of paragraph (b) practicing within a reasonable geographic distance of the patient, a pharmacist who meets the requirements may provide the services via two-way interactive video. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to the services provided. To qualify for reimbursement under this paragraph, the pharmacist providing the services must meet the requirements of paragraph (b), and must be located within an ambulatory care setting ~~approved by the commissioner~~ that meets the requirements of paragraph (b), clause (3). The patient must also be located within an ambulatory care setting ~~approved by the commissioner~~ that meets the requirements of paragraph (b), clause (3). Services provided under this paragraph may not be transmitted into the patient's residence.

~~(c) The commissioner shall establish a pilot project for an intensive medication therapy management program for patients identified by the commissioner with multiple chronic conditions and a high number of medications who are at high risk of preventable hospitalizations, emergency room use, medication complications, and suboptimal treatment outcomes due to medication-related problems. For purposes of the pilot project, medication therapy management services may be provided in a patient's home or community setting, in addition to other authorized settings. The commissioner may waive existing payment policies and establish special payment rates for the pilot project. The pilot project must be designed to produce a net savings to the state compared to the estimated costs that would otherwise be incurred for similar patients without the program. The pilot project must begin by January 1, 2010, and end June 30, 2012.~~

(e) Medication therapy management services may be delivered into a patient's residence via secure interactive video if the medication therapy management services are performed electronically during a covered home care visit by an enrolled provider. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to the services provided. To qualify for reimbursement under this paragraph, the pharmacist providing the services must meet the requirements of paragraph (b) and must be located within an ambulatory care setting that meets the requirements of paragraph (b), clause (3).

Sec. 22. Minnesota Statutes 2014, section 256B.0625, subdivision 14, is amended to read:

Subd. 14. **Diagnostic, screening, and preventive services.** (a) Medical assistance covers diagnostic, screening, and preventive services.

(b) "Preventive services" include services related to pregnancy, including:

(1) services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome;

(2) prenatal HIV risk assessment, education, counseling, and testing; and

(3) alcohol abuse assessment, education, and counseling on the effects of alcohol usage while pregnant. Preventive services available to a woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance.

(c) "Screening services" include, but are not limited to~~,~~:

(1) blood lead tests~~.~~; and

(2) oral health screenings, using the risk factors established by the American Academies of Pediatrics and Pediatric Dentistry, conducted by a licensed dental provider

in collaborative practice under section 150A.10, subdivision 1a, 150A.105, or 150A.106, to determine an enrollee's need to be seen by a dentist for diagnosis and assessment to identify possible signs of oral or systemic disease, malformation, or injury and the potential need for referral for diagnosis and treatment. For purposes of this paragraph, oral health screenings are limited to once per year, and the provider performing the screening must have an agreement in effect that refers those needing necessary follow-up care to a licensed dentist where the necessary care is provided.

(d) The commissioner shall encourage, at the time of the child and teen checkup or at an episodic care visit, the primary care health care provider to perform primary caries preventive services. Primary caries preventive services include, at a minimum:

(1) a general visual examination of the child's mouth without using probes or other dental equipment or taking radiographs;

(2) a risk assessment using the factors established by the American Academies of Pediatrics and Pediatric Dentistry; and

(3) the application of a fluoride varnish beginning at age one to those children assessed by the provider as being high risk in accordance with best practices as defined by the Department of Human Services. The provider must obtain parental or legal guardian consent before a fluoride varnish is applied to a minor child's teeth.

At each checkup, if primary caries preventive services are provided, the provider must provide to the child's parent or legal guardian: information on caries etiology and prevention; and information on the importance of finding a dental home for their child by the age of one. The provider must also advise the parent or legal guardian to contact the child's managed care plan or the Department of Human Services in order to secure a dental appointment with a dentist. The provider must indicate in the child's medical record that the parent or legal guardian was provided with this information and document any primary caries prevention services provided to the child.

Sec. 23. Minnesota Statutes 2014, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service" means motor vehicle transportation provided by a public or private person that serves Minnesota health care program beneficiaries who do not require emergency ambulance service, as defined in section 144E.001, subdivision 3, to obtain covered medical services. ~~Nonemergency medical transportation service includes, but is not limited to, special transportation service, defined in section 174.29, subdivision 1.~~

(b) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) nonemergency medical transportation providers who meet the requirements of this subdivision;

(2) ambulances, as defined in section 144E.001, subdivision 2;

(3) taxicabs ~~and~~;

(4) public transit, as defined in section 174.22, subdivision 7; or

~~(4)~~ (5) not-for-hire vehicles, including volunteer drivers.

(c) Medical assistance covers nonemergency medical transportation provided by nonemergency medical transportation providers enrolled in the Minnesota health care programs. All nonemergency medical transportation providers must comply with the operating standards for special transportation service as defined in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840, and in consultation with the Minnesota Department of Transportation. All nonemergency medical transportation providers shall bill for nonemergency medical transportation services in accordance with Minnesota health care programs criteria. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements outlined in this paragraph.

(d) The administrative agency of nonemergency medical transportation must:

(1) adhere to the policies defined by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee;

(2) pay nonemergency medical transportation providers for services provided to Minnesota health care programs beneficiaries to obtain covered medical services;

(3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled trips, and number of trips by mode; and

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a Web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services.

(e) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph (h), clauses (4), (5), (6), and (7).

(f) The commissioner may use an order by the recipient's attending physician or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs or stretchers in the vehicle. ~~Nonemergency medical transportation providers must have trip logs, which include pickup and drop-off times, signed by the medical provider or client attesting mileage traveled to obtain covered medical services, whichever is deemed most appropriate. Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must take clients to the health care provider, using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency. The minimum medical assistance reimbursement rates for special transportation services are:~~

~~(1)(i) $17 for the base rate and $1.35 per mile for special transportation services to eligible persons who need a wheelchair-accessible van;~~

~~(ii) $11.50 for the base rate and $1.30 per mile for special transportation services to eligible persons who do not need a wheelchair-accessible van; and~~

~~(iii) $60 for the base rate and $2.40 per mile, and an attendant rate of $9 per trip, for special transportation services to eligible persons who need a stretcher-accessible vehicle; and~~

~~(2)~~ Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency.

Nonemergency medical transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Nonemergency medical transportation providers must maintain trip logs, which include pickup and drop-off times, signed by the medical provider or client, whichever is deemed most appropriate, attesting to mileage traveled to obtain covered medical services. Clients requesting client mileage reimbursement must sign the trip log attesting mileage traveled to obtain covered medical services.

~~(g) The covered modes of nonemergency medical transportation include transportation provided directly by clients or family members of clients with their own~~

~~transportation, volunteers using their own vehicles, taxicabs, and public transit, or provided to a client who needs a stretcher-accessible vehicle, a lift/ramp equipped vehicle, or a vehicle that is not stretcher-accessible or lift/ramp equipped designed to transport ten or fewer persons. Upon implementation of a new rate structure, a new covered mode of nonemergency medical transportation shall include transportation provided to a client who needs a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver.~~

~~(h)~~ (g) The administrative agency shall use the level of service process established by the commissioner in consultation with the Nonemergency Medical Transportation Advisory Committee to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

(h) The ~~new~~ covered modes of transportation, which may not be implemented without a new rate structure, are:

(1) client reimbursement, which includes client mileage reimbursement provided to clients who have their own transportation, or to family or an acquaintance who provides transportation to the client;

(2) volunteer transport, which includes transportation by volunteers using their own vehicle;

(3) unassisted transport, which includes transportation provided to a client by a taxicab or public transit. If a taxicab or ~~publicly operated~~ public transit ~~system~~ is not available, the client can receive transportation from another nonemergency medical transportation provider;

(4) assisted transport, which includes transport provided to clients who require assistance by a nonemergency medical transportation provider;

(5) lift-equipped/ramp transport, which includes transport provided to a client who is dependent on a device and requires a nonemergency medical transportation provider with a vehicle containing a lift or ramp;

(6) protected transport, which includes transport provided to a client who has received a prescreening that has deemed other forms of transportation inappropriate and who requires a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety locks, a video recorder, and a transparent thermoplastic partition between the passenger and the vehicle driver; and (ii) who is certified as a protected transport provider; and

(7) stretcher transport, which includes transport for a client in a prone or supine position and requires a nonemergency medical transportation provider with a vehicle that can transport a client in a prone or supine position.

(i) ~~In accordance with subdivision 18e, by July 1, 2016,~~ The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph (h) according to ~~a new rate structure, once this is adopted~~ paragraphs (l) and (m) when the commissioner has developed, made available, and funded the Web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government.

(j) The commissioner shall:

(1) in consultation with the Nonemergency Medical Transportation Advisory Committee, verify that the mode and use of nonemergency medical transportation is appropriate;

(2) verify that the client is going to an approved medical appointment; and

(3) investigate all complaints and appeals.

(k) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

(l) Payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (g), not the type of vehicle used to provide the service. The medical assistance reimbursement rates for nonemergency medical transportation services that are payable by or on behalf of the commissioner for nonemergency medical transportation services are:

(1) $0.22 per mile for client reimbursement;

(2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer transport;

(3) equivalent to the standard fare for unassisted transport when provided by public transit, and $11 for the base rate and $1.30 per mile when provided by a nonemergency medical transportation provider;

(4) $13 for the base rate and $1.30 per mile for assisted transport;

(5) $18 for the base rate and $1.55 per mile for lift-equipped/ramp transport;

(6) $75 for the base rate and $2.40 per mile for protected transport; and

(7) $60 for the base rate and $2.40 per mile for stretcher transport, and $9 per trip for an additional attendant if deemed medically necessary.

~~The base rates for special transportation services in areas defined under RUCA to be super rural shall be equal to the reimbursement rate established in paragraph (f), clause (1), plus 11.3 percent, and for special~~ (m) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph (l), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

(1) for a trip equal to 17 miles or less, ~~mileage reimbursement shall be~~ equal to 125 percent of the respective mileage rate in paragraph ~~(f)~~ (l), ~~clause~~ clauses (1) to (7); and

(2) for a trip between 18 and 50 miles, ~~mileage reimbursement shall be~~ equal to 112.5 percent of the respective mileage rate in paragraph ~~(f)~~ (l), ~~clause~~ clauses (1) to (7).

~~(m)~~ (n) For purposes of reimbursement rates for ~~special~~ nonemergency medical transportation services under ~~paragraph (c)~~ paragraphs (l) and (m), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

~~(n)~~ (o) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

~~(o) Effective for services provided on or after September 1, 2011, nonemergency transportation rates, including special transportation, taxi, and other commercial carriers, are reduced 4.5 percent. Payments made to managed care plans and county-based purchasing plans must be reduced for services provided on or after January 1, 2012, to reflect this reduction.~~

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

Sec. 24. Minnesota Statutes 2014, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** ~~(a)~~ Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001, medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

~~(b) Effective for services provided on or after September 1, 2011, ambulance services payment rates are reduced 4.5 percent. Payments made to managed care plans and county-based purchasing plans must be reduced for services provided on or after January 1, 2012, to reflect this reduction.~~

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

Sec. 25. Minnesota Statutes 2014, section 256B.0625, subdivision 18a, is amended to read:

Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for meals for persons traveling to receive medical care may not exceed $5.50 for breakfast, $6.50 for lunch, or $8 for dinner.

(b) Medical assistance reimbursement for lodging for persons traveling to receive medical care may not exceed $50 per day unless prior authorized by the local agency.

(c) ~~Medical assistance direct mileage reimbursement to the eligible person or the eligible person's driver may not exceed 20 cents per mile.~~

~~(d)~~ Regardless of the number of employees that an enrolled health care provider may have, medical assistance covers sign and oral language interpreter services when provided by an enrolled health care provider during the course of providing a direct, person-to-person covered health care service to an enrolled recipient with limited English proficiency or who has a hearing loss and uses interpreting services. Coverage for face-to-face oral language interpreter services shall be provided only if the oral language interpreter used by the enrolled health care provider is listed in the registry or roster established under section 144.058.

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

Sec. 26. Minnesota Statutes 2014, section 256B.0625, subdivision 18e, is amended to read:

Subd. 18e. **Single administrative structure and delivery system.** The commissioner, in coordination with the commissioner of transportation, shall implement a single administrative structure and delivery system for nonemergency medical transportation, beginning the latter of the date the single administrative assessment tool required in this subdivision is available for use, as determined by the commissioner or by July 1, 2016.

In coordination with the Department of Transportation, the commissioner shall develop and authorize a Web-based single administrative structure and assessment

tool, which must operate 24 hours a day, seven days a week, to facilitate the enrollee assessment process for nonemergency medical transportation services. The Web-based tool shall facilitate the transportation eligibility determination process initiated by clients and client advocates; shall include an accessible automated intake and assessment process and real-time identification of level of service eligibility; and shall authorize an appropriate and auditable mode of transportation authorization. The tool shall provide a single framework for reconciling trip information with claiming and collecting complaints regarding inappropriate level of need determinations, inappropriate transportation modes utilized, and interference with accessing nonemergency medical transportation. The Web-based single administrative structure shall operate on a trial basis for one year from implementation and, if approved by the commissioner, shall be permanent thereafter. The commissioner shall seek input from the Nonemergency Medical Transportation Advisory Committee to ensure the software is effective and user-friendly and make recommendations regarding funding of the single administrative system.

EFFECTIVE DATE. This section is effective July 1, 2015.

Sec. 27. Minnesota Statutes 2014, section 256B.0625, subdivision 31, is amended to read:

Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient. ~~The commissioner may set reimbursement rates for specified categories of medical supplies at levels below the Medicare payment rate.~~

(b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies must enroll as a Medicare provider.

(c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment requirement if:

(1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic, or medical supply;

(2) the vendor serves ten or fewer medical assistance recipients per year;

(3) the commissioner finds that other vendors are not available to provide same or similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

(4) the vendor complies with all screening requirements in this chapter and Code of Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare and Medicaid Services approved national accreditation organization as complying with the Medicare program's supplier and quality standards and the vendor serves primarily pediatric patients.

(d) Durable medical equipment means a device or equipment that:

(1) can withstand repeated use;

(2) is generally not useful in the absence of an illness, injury, or disability; and

(3) is provided to correct or accommodate a physiological disorder or physical condition or is generally used primarily for a medical purpose.

(e) Electronic tablets may be considered durable medical equipment if the electronic tablet will be used as an augmentative and alternative communication system as defined under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must be locked in order to prevent use not related to communication.

Sec. 28. Minnesota Statutes 2014, section 256B.0625, subdivision 57, is amended to read:

Subd. 57. **Payment for Part B Medicare crossover claims.** (a) Effective for services provided on or after January 1, 2012, medical assistance payment for an enrollee's cost-sharing associated with Medicare Part B is limited to an amount up to the medical assistance total allowed, when the medical assistance rate exceeds the amount paid by Medicare.

(b) Excluded from this limitation are payments for mental health services and payments for dialysis services provided to end-stage renal disease patients. The exclusion for mental health services does not apply to payments for physician services provided by psychiatrists and advanced practice nurses with a specialty in mental health.

(c) Excluded from this limitation are payments to federally qualified health centers and rural health clinics.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 29. Minnesota Statutes 2014, section 256B.0625, subdivision 58, is amended to read:

Subd. 58. **Early and periodic screening, diagnosis, and treatment services.** Medical assistance covers early and periodic screening, diagnosis, and treatment services (EPSDT). The payment amount for a complete EPSDT screening shall not include charges for ~~vaccines~~ health care services and products that are available at no cost to the provider and shall not exceed the rate established per Minnesota Rules, part 9505.0445, item M, effective October 1, 2010.

Sec. 30. Minnesota Statutes 2014, section 256B.0631, is amended to read:

256B.0631 MEDICAL ASSISTANCE CO-PAYMENTS.

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, effective for services provided on or after September 1, 2011:

(1) $3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) $3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to $20 upon federal approval;

(3) $3 per brand-name drug prescription and $1 per generic drug prescription, subject to a $12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

(4) ~~effective January 1, 2012,~~ a family deductible equal to ~~the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54~~ $2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) ~~for individuals identified by the commissioner with income at or below 100 percent of the federal poverty guidelines,~~ total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waivered service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following exceptions:

(1) children under the age of 21;

(2) pregnant women for services that relate to the pregnancy or any other medical condition that may complicate the pregnancy;

(3) recipients expected to reside for at least 30 days in a hospital, nursing home, or intermediate care facility for the developmentally disabled;

(4) recipients receiving hospice care;

(5) 100 percent federally funded services provided by an Indian health service;

(6) emergency services;

(7) family planning services;

(8) services that are paid by Medicare, resulting in the medical assistance program paying for the coinsurance and deductible;

(9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses, and nonemergency visits to a hospital-based emergency room; ~~and~~

(10) services, fee-for-service payments subject to volume purchase through competitive bidding~~.~~;

(11) American Indians who meet the requirements in Code of Federal Regulations, title 42, section 447.51;

(12) persons needing treatment for breast or cervical cancer as described under section 256B.057, subdivision 10; and

(13) services that currently have a rating of A or B from the United States Preventive Services Task Force (USPSTF), immunizations recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention, and preventive services and screenings provided to women as described in Code of Federal Regulations, title 45, section 147.130.

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment or deductible, except that reimbursements shall not be reduced:

(1) once a recipient has reached the $12 per month maximum for prescription drug co-payments; or

(2) for a recipient ~~identified by the commissioner under 100 percent of the federal poverty guidelines~~ who has met their monthly five percent cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment or deductible.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of co-payments or deductibles effective on or after January 1, 2009.

EFFECTIVE DATE. The amendment to subdivision 1, paragraph (a), clause (4), is effective retroactively from January 1, 2014.

Sec. 31. **[256B.0638] OPIOID PRESCRIBING IMPROVEMENT PROGRAM.**

Subdivision 1. **Program established.** The commissioner of human services, in conjunction with the commissioner of health, shall coordinate and implement an opioid prescribing improvement program to reduce opioid dependency and substance use by Minnesotans due to the prescribing of opioid analgesics by health care providers.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of human services and the commissioner of health.

(d) "DEA" means the United States Drug Enforcement Administration.

(e) "Minnesota health care program" means a public health care program administered by the commissioner of human services under chapters 256B and 256L, and the Minnesota restricted recipient program.

(f) "Opioid disenrollment standards" means parameters of opioid prescribing practices that fall outside community standard thresholds for prescribing to such a degree that a provider must be disenrolled as a medical assistance provider.

(g) "Opioid prescriber" means a licensed health care provider who prescribes opioids to medical assistance and MinnesotaCare enrollees under the fee-for-service system or under a managed care or county-based purchasing plan.

(h) "Opioid quality improvement standard thresholds" means parameters of opioid prescribing practices that fall outside community standards for prescribing to such a degree that quality improvement is required.

(i) "Program" means the statewide opioid prescribing improvement program established under this section.

(j) "Provider group" means a clinic, hospital, or primary or specialty practice group that employs, contracts with, or is affiliated with an opioid prescriber. Provider group does not include a professional association supported by dues-paying members.

(k) "Sentinel measures" means measures of opioid use that identify variations in prescribing practices during the prescribing intervals.

Subd. 3. **Opioid prescribing work group.** (a) The commissioner of human services, in consultation with the commissioner of health, shall appoint the following voting members to an opioid prescribing work group:

(1) two consumer members who have been impacted by an opioid abuse disorder or opioid dependence disorder, either personally or with family members;

(2) one member who is a licensed physician actively practicing in Minnesota and registered as a practitioner with the DEA;

(3) one member who is a licensed pharmacist actively practicing in Minnesota and registered as a practitioner with the DEA;

(4) one member who is a licensed nurse practitioner actively practicing in Minnesota and registered as a practitioner with the DEA;

(5) one member who is a licensed dentist actively practicing in Minnesota and registered as a practitioner with the DEA;

(6) two members who are nonphysician licensed health care professionals actively engaged in the practice of their profession in Minnesota, and their practice includes treating pain;

(7) one member who is a mental health professional who is licensed or registered in a mental health profession, who is actively engaged in the practice of that profession in Minnesota, and whose practice includes treating patients with chemical dependency or substance abuse;

(8) one member who is a medical examiner for a Minnesota county;

(9) one member of the Health Services Policy Committee established under section 256B.0625, subdivisions 3c to 3e;

(10) one member who is a medical director of a health plan company doing business in Minnesota;

(11) one member who is a pharmacy director of a health plan company doing business in Minnesota; and

(12) one member representing Minnesota law enforcement.

(b) In addition, the work group shall include the following nonvoting members:

(1) the medical director for the medical assistance program;

(2) a member representing the Department of Human Services pharmacy unit; and

(3) the medical director for the Department of Labor and Industry.

(c) An honorarium of $200 per meeting and reimbursement for mileage and parking shall be paid to each voting member in attendance.

Subd. 4. **Program components.** (a) The working group shall recommend to the commissioners the components of the statewide opioid prescribing improvement program, including, but not limited to, the following:

(1) developing criteria for opioid prescribing protocols, including:

(i) prescribing for the interval of up to four days immediately after an acute painful event;

(ii) prescribing for the interval of up to 45 days after an acute painful event; and

(iii) prescribing for chronic pain, which for purposes of this program means pain lasting longer than 45 days after an acute painful event;

(2) developing sentinel measures;

(3) developing educational resources for opioid prescribers about communicating with patients about pain management and the use of opioids to treat pain;

(4) developing opioid quality improvement standard thresholds and opioid disenrollment standards for opioid prescribers and provider groups. In developing opioid disenrollment standards, the standards may be described in terms of the length of time in which prescribing practices fall outside community standards and the nature and amount of opioid prescribing that fall outside community standards; and

(5) addressing other program issues as determined by the commissioners.

(b) The opioid prescribing protocols shall not apply to opioids prescribed for patients who are experiencing pain caused by a malignant condition or who are receiving hospice care, or to opioids prescribed as medication-assisted therapy to treat opioid dependency.

(c) All opioid prescribers who prescribe opioids to Minnesota health care program enrollees must participate in the program in accordance with subdivision 5. Any other prescriber who prescribes opioids may comply with the components of this program described in paragraph (a) on a voluntary basis.

Subd. 5. **Program implementation.** (a) The commissioner shall implement the programs within the Minnesota health care program to improve the health of and quality of care provided to Minnesota health care program enrollees. The commissioner shall annually collect and report to opioid prescribers data showing the sentinel measures of their opioid prescribing patterns compared to their anonymized peers.

(b) The commissioner shall notify an opioid prescriber and all provider groups with which the opioid prescriber is employed or affiliated when the opioid prescriber's prescribing pattern exceeds the opioid quality improvement standard thresholds. An opioid prescriber and any provider group that receives a notice under this paragraph shall submit to the commissioner a quality improvement plan for review and approval by the commissioner with the goal of bringing the opioid prescriber's prescribing practices into alignment with community standards. A quality improvement plan must include:

(1) components of the program described in subdivision 4, paragraph (a);

(2) internal practice-based measures to review the prescribing practice of the opioid prescriber and, where appropriate, any other opioid prescribers employed by or affiliated with any of the provider groups with which the opioid prescriber is employed or affiliated; and

(3) appropriate use of the prescription monitoring program under section 152.126.

(c) If, after a year from the commissioner's notice under paragraph (b), the opioid prescriber's prescribing practices do not improve so that they are consistent with community standards, the commissioner shall take one or more of the following steps:

(1) monitor prescribing practices more frequently than annually;

(2) monitor more aspects of the opioid prescriber's prescribing practices than the sentinel measures; or

(3) require the opioid prescriber to participate in additional quality improvement efforts, including but not limited to mandatory use of the prescription monitoring program established under section 152.126.

(d) The commissioner shall terminate from Minnesota health care programs all opioid prescribers and provider groups whose prescribing practices fall within the applicable opioid disenrollment standards.

Subd. 6. **Data practices.** (a) Reports and data identifying an opioid prescriber are private data on individuals as defined under section 13.02, subdivision 12, until an

opioid prescriber is subject to termination as a medical assistance provider under this section. Notwithstanding this data classification, the commissioner shall share with all of the provider groups with which an opioid prescriber is employed or affiliated, a report identifying an opioid prescriber who is subject to quality improvement activities under subdivision 5, paragraph (b) or (c).

(b) Reports and data identifying a provider group are nonpublic data as defined under section 13.02, subdivision 9, until the provider group is subject to termination as a medical assistance provider under this section.

(c) Upon termination under this section, reports and data identifying an opioid prescriber or provider group are public, except that any identifying information of Minnesota health care program enrollees must be redacted by the commissioner.

Subd. 7. **Annual report to legislature.** By September 15, 2016, and annually thereafter, the commissioner of human services shall report to the legislature on the implementation of the opioid prescribing improvement program in the Minnesota health care programs. The report must include data on the utilization of opioids within the Minnesota health care programs.

Sec. 32. Minnesota Statutes 2014, section 256B.0757, is amended to read:

256B.0757 COORDINATED CARE THROUGH A HEALTH HOME.

Subdivision 1. **Provision of coverage.** (a) The commissioner shall provide medical assistance coverage of health home services for eligible individuals with chronic conditions who select a designated provider~~, a team of health care professionals, or a health team~~ as the individual's health home.

(b) The commissioner shall implement this section in compliance with the requirements of the state option to provide health homes for enrollees with chronic conditions, as provided under the Patient Protection and Affordable Care Act, Public Law 111-148, sections 2703 and 3502. Terms used in this section have the meaning provided in that act.

(c) The commissioner shall establish health homes to serve populations with serious mental illness who meet the eligibility requirements described under subdivision 2, clause (4). The health home services provided by health homes shall focus on both the behavioral and the physical health of these populations.

Subd. 2. **Eligible individual.** An individual is eligible for health home services under this section if the individual is eligible for medical assistance under this chapter and has at least:

(1) two chronic conditions;

(2) one chronic condition and is at risk of having a second chronic condition; ~~or~~

(3) one serious and persistent mental health condition~~.~~; or

(4) a condition that meets the definition in section 245.462, subdivision 20, paragraph (a), or 245.4871, subdivision 15, clause (2); and has a current diagnostic assessment as defined in Minnesota Rules, part 9505.0372, subpart 1, item B or C, as performed or reviewed by a mental health professional employed by or under contract with the behavioral health home. The commissioner shall establish criteria for determining continued eligibility.

Subd. 3. **Health home services.** (a) Health home services means comprehensive and timely high-quality services that are provided by a health home. These services include:

(1) comprehensive care management;

(2) care coordination and health promotion;

(3) comprehensive transitional care, including appropriate follow-up, from inpatient to other settings;

(4) patient and family support, including authorized representatives;

(5) referral to community and social support services, if relevant; and

(6) use of health information technology to link services, as feasible and appropriate.

(b) The commissioner shall maximize the number and type of services included in this subdivision to the extent permissible under federal law, including physician, outpatient, mental health treatment, and rehabilitation services necessary for comprehensive transitional care following hospitalization.

Subd. 4. **~~Health teams~~ Designated provider.** (a) Health home services are voluntary and an eligible individual may choose any designated provider. The commissioner shall establish ~~health teams to support the patient-centered~~ designated providers to serve as health ~~home~~ homes and provide the services described in subdivision 3 to individuals eligible under subdivision 2. The commissioner shall apply for grants ~~or contracts~~ as provided under section 3502 of the Patient Protection and Affordable Care Act to establish health ~~teams~~ homes and provide capitated payments to ~~primary care~~ designated providers. For purposes of this section, ~~"health teams"~~ "designated provider" means ~~community-based, interdisciplinary, interprofessional teams of health care providers that support primary care practices. These providers may include medical specialists, nurses, advanced practice registered nurses, pharmacists, nutritionists, social workers, behavioral and mental health providers, doctors of chiropractic, licensed complementary and alternative medicine practitioners, and physician assistants.~~ a provider, clinical practice or clinical group practice, rural clinic, community health center, community mental health center, or any other entity that is determined by the commissioner to be qualified to be a

health home for eligible individuals. This determination must be based on documentation evidencing that the designated provider has the systems and infrastructure in place to provide health home services and satisfies the qualification standards established by the commissioner in consultation with stakeholders and approved by the Centers for Medicare and Medicaid Services.

(b) The commissioner shall develop and implement certification standards for designated providers under this subdivision.

Subd. 5. **Payments.** The commissioner shall make payments to each ~~health home and each health team~~ designated provider for the provision of health home services described in subdivision 3 to each eligible individual ~~with chronic conditions~~ under subdivision 2 that selects the health home as a provider.

Subd. 6. **Coordination.** The commissioner, to the extent feasible, shall ensure that the requirements and payment methods for ~~health homes and health teams~~ designated providers developed under this section are consistent with the requirements and payment methods for health care homes established under sections 256B.0751 and 256B.0753. The commissioner may modify requirements and payment methods under sections 256B.0751 and 256B.0753 in order to be consistent with federal health home requirements and payment methods.

Subd. 8. **Evaluation and continued development.** (a) For continued certification under this section, health homes must meet process, outcome, and quality standards developed and specified by the commissioner. The commissioner shall collect data from health homes as necessary to monitor compliance with certification standards.

(b) The commissioner may contract with a private entity to evaluate patient and family experiences, health care utilization, and costs.

(c) The commissioner shall utilize findings from the implementation of behavioral health homes to determine populations to serve under subsequent health home models for individuals with chronic conditions.

EFFECTIVE DATE. This section is effective January 1, 2016, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 33. **[256B.0758] HEALTH CARE DELIVERY PILOT PROGRAM.**

(a) The commissioner may establish a health care delivery pilot program to test alternative and innovative integrated health care delivery networks, including accountable care organizations or a community-based collaborative care network created by or

including North Memorial Health Care. If required, the commissioner shall seek federal approval of a new waiver request or amend an existing demonstration pilot project waiver.

(b) Individuals eligible for the pilot program shall be individuals who are eligible for medical assistance under section 256B.055. The commissioner may identify individuals to be enrolled in the pilot program based on zip code or whether the individuals would benefit from an integrated health care delivery network.

(c) In developing a payment system for the pilot programs, the commissioner shall establish a total cost of care for the individuals enrolled in the pilot program that equals the cost of care that would otherwise be spent for these enrollees in the prepaid medical assistance program.

(d) The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance committees on whether an integrated health care delivery network was created by North Memorial Health Care, including a description of the delivery network system and the geographic area served by the network system.

Sec. 34. Minnesota Statutes 2014, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) The commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based

purchasing plans, and providers. The managed care or county-based purchasing plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) The commissioner shall require that managed care plans use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659.

(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous measurement year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner

returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(f) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(g) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of

a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(h) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(i) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(j) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

(k) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

(l) The return of the withhold under paragraphs (h) and (i) is not subject to the requirements of paragraph (c).

(m) Managed care plans and county-based purchasing plans shall maintain current and fully executed agreements for all subcontractors, including bargaining groups, for administrative services that are expensed to the state's public health care programs. Subcontractor agreements of over $200,000 in annual payments must be in the form of a written instrument or electronic document containing the elements of offer, acceptance, and consideration, and must clearly indicate how they relate to state public health care programs. Upon request, the commissioner shall have access to all subcontractor documentation under this paragraph. Nothing in this paragraph shall allow release of information that is nonpublic data pursuant to section 13.02.

Sec. 35. Minnesota Statutes 2014, section 256B.69, subdivision 5i, is amended to read:

Subd. 5i. **Administrative expenses.** (a) ~~Managed care plan and county-based purchasing plan~~ Administrative costs ~~for a prepaid health plan provided~~ paid to managed care plans and county-based purchasing plans under this section ~~or~~, section 256B.692, and section 256L.12 must not exceed ~~by more than five~~ 6.6 percent ~~that prepaid health plan's or county-based purchasing plan's actual calculated administrative spending for the previous calendar year as a percentage of total revenue~~ of total payments made to all managed care plans and county-based purchasing plans in aggregate across all state public health care programs, based on payments expected to be made at the beginning of each calendar year. ~~The penalty for exceeding this limit must be the amount of administrative spending in excess of 105 percent of the actual calculated amount. The commissioner may waive this penalty if the excess administrative spending is the result of unexpected shifts in enrollment or member needs or new program requirements.~~ The commissioner may reduce or eliminate administrative requirements to meet the administrative cost limit. For purposes of this paragraph, administrative costs do not include any state or federal taxes, surcharges, or assessments.

(b) The following expenses are not allowable administrative expenses for rate-setting purposes under this section:

(1) charitable contributions made by the managed care plan or the county-based purchasing plan;

(2) ~~any portion of an individual's compensation in excess of $200,000 paid by the managed care plan or county-based purchasing plan~~ compensation of individuals within the organization in excess of $200,000 such that the allocation of compensation for an individual across all state public health care programs in total cannot exceed $200,000;

(3) any penalties or fines assessed against the managed care plan or county-based purchasing plan; ~~and~~

(4) any indirect marketing or advertising expenses of the managed care plan or county-based purchasing plan~~.~~ for marketing that does not specifically target state public health care programs beneficiaries and that has not been approved by the commissioner;

(5) any lobbying and political activities, events, or contributions;

(6) administrative expenses related to the provision of services not covered under the state plan or waiver;

(7) alcoholic beverages and related costs;

(8) membership in any social, dining, or country club or organization; and

(9) entertainment, including amusement, diversion, and social activities, and any costs directly associated with these costs, including but not limited to tickets to shows or sporting events, meals, lodging, rentals, transportation, and gratuities.

For the purposes of this subdivision, compensation includes salaries, bonuses and incentives, other reportable compensation on an IRS 990 form, retirement and other deferred compensation, and nontaxable benefits. Contributions include payments for or to any organization or entity selected by the managed care plan or county-based purchasing plan that is operated for charitable, educational, political, religious, or scientific purposes and not related to the provision of medical and administrative services covered under the state public programs, except to the extent that they improve access to or the quality of covered services for state public programs beneficiaries, or improve the health status of state public health care programs beneficiaries.

(c) Administrative expenses must be reported using the formats designated by the commissioner as part of the rate-setting process and must include, at a minimum, the following categories:

(1) employee benefit expenses;

(2) sales expenses;

(3) general business and office expenses;

(4) taxes and assessments;

(5) consulting and professional fees; and

(6) outsourced services.

Definitions of items to be included in each category shall be provided by the commissioner with quarterly financial filing requirements and shall be aligned with definitions used by the Departments of Commerce and Health in financial reporting for commercial carriers. Where reasonably possible, expenses for an administrative item shall be directly allocated so as to assign costs for an item to an individual state public health care program when the cost can be specifically identified with and benefits the individual state public health care program. For administrative services expensed to the state's public health care programs, managed care plans and county-based purchasing plans must clearly identify and separately record expense items listed under paragraph (b) in their accounting systems in a manner that allows for independent verification of unallowable expenses for purposes of determining payment rates for state public programs.

(d) Notwithstanding paragraph (a), the commissioner shall reduce administrative expenses paid to managed care plans and county-based purchasing plans by .56 of a percentage point for contracts beginning January 1, 2016, and ending December 31, 2017; and by .77 of a percentage point for contracts beginning January 1, 2018, and ending December 31, 2019. To meet the administrative reductions under this paragraph, the commissioner may reduce or eliminate administrative requirements, exclude additional unallowable administrative expenses identified under this section and resulting from the financial audits conducted under subdivision 9d, and utilize competitive bidding to gain efficiencies through economies of scale from increased enrollment. If the total reduction cannot be achieved through administrative reduction, the commissioner may limit total rate increases on payments to managed care plans and county-based purchasing plans.

Sec. 36. Minnesota Statutes 2014, section 256B.69, subdivision 9c, is amended to read:

Subd. 9c. **Managed care financial reporting.** (a) The commissioner shall collect detailed data regarding financials, provider payments, provider rate methodologies, and other data as determined by the commissioner. The commissioner, in consultation with the commissioners of health and commerce, and in consultation with managed care plans and county-based purchasing plans, shall set uniform criteria, definitions, and standards for the data to be submitted, and shall require managed care and county-based purchasing plans to comply with these criteria, definitions, and standards when submitting data under this section. In carrying out the responsibilities of this subdivision, the commissioner shall ensure that the data collection is implemented in an integrated and coordinated manner that avoids unnecessary duplication of effort. To the extent possible, the commissioner shall use existing data sources and streamline data collection in order to reduce public

and private sector administrative costs. Nothing in this subdivision shall allow release of information that is nonpublic data pursuant to section 13.02.

(b) Effective January 1, 2014, each managed care and county-based purchasing plan must quarterly provide to the commissioner the following information on state public programs, in the form and manner specified by the commissioner, according to guidelines developed by the commissioner in consultation with managed care plans and county-based purchasing plans under contract:

(1) an income statement by program;

(2) financial statement footnotes;

(3) quarterly profitability by program and population group;

(4) a medical liability summary by program and population group;

(5) received but unpaid claims report by program;

(6) services versus payment lags by program for hospital services, outpatient services, physician services, other medical services, and pharmaceutical benefits;

(7) utilization reports that summarize utilization and unit cost information by program for hospitalization services, outpatient services, physician services, and other medical services;

(8) pharmaceutical statistics by program and population group for measures of price and utilization of pharmaceutical services;

(9) subcapitation expenses by population group;

(10) third-party payments by program;

(11) all new, active, and closed subrogation cases by program;

(12) all new, active, and closed fraud and abuse cases by program;

(13) medical loss ratios by program;

(14) administrative expenses by category and subcategory by program that reconcile to other state and federal regulatory agencies;

(15) revenues by program, including investment income;

(16) nonadministrative service payments, provider payments, and reimbursement rates by provider type or service category, by program, paid by the managed care plan under this section or the county-based purchasing plan under section 256B.692 to providers and vendors for administrative services under contract with the plan, including but not limited to:

(i) individual-level provider payment and reimbursement rate data;

(ii) provider reimbursement rate methodologies by provider type, by program, including a description of alternative payment arrangements and payments outside the claims process;

(iii) data on implementation of legislatively mandated provider rate changes; and

(iv) individual-level provider payment and reimbursement rate data and plan-specific provider reimbursement rate methodologies by provider type, by program, including alternative payment arrangements and payments outside the claims process, provided to the commissioner under this subdivision are nonpublic data as defined in section 13.02;

(17) data on the amount of reinsurance or transfer of risk by program; and

(18) contribution to reserve, by program.

(c) In the event a report is published or released based on data provided under this subdivision, the commissioner shall provide the report to managed care plans and county-based purchasing plans 15 days prior to the publication or release of the report. Managed care plans and county-based purchasing plans shall have 15 days to review the report and provide comment to the commissioner.

The quarterly reports shall be submitted to the commissioner no later than 60 days after the end of the previous quarter, except the fourth-quarter report, which shall be submitted by April 1 of each year. The fourth-quarter report shall include audited financial statements, parent company audited financial statements, an income statement reconciliation report, and any other documentation necessary to reconcile the detailed reports to the audited financial statements.

(d) Managed care plans and county-based purchasing plans shall certify to the commissioner for the purpose of financial reporting for state public health care programs under this subdivision that costs reported for state public health care programs include:

(1) only services covered under the state plan and waivers, and related allowable administrative expenses; and

(2) the dollar value of unallowable and nonstate plan services, including both medical and administrative expenditures, that have been excluded.

Sec. 37. Minnesota Statutes 2014, section 256B.69, subdivision 9d, is amended to read:

Subd. 9d. **Financial ~~audit~~ and quality assurance audits.** ~~(a) The legislative auditor shall contract with an audit firm to conduct a biennial independent third-party financial audit of the information required to be provided by managed care plans and county-based purchasing plans under subdivision 9c, paragraph (b). The audit shall be conducted in accordance with generally accepted government auditing standards issued by the United States Government Accountability Office. The contract with the audit firm shall be designed and administered so as to render the independent third-party audit eligible for a federal subsidy, if available. The contract shall require the audit to include a determination of compliance with the federal Medicaid rate certification process. The~~

~~contract shall require the audit to determine if the administrative expenses and investment income reported by the managed care plans and county-based purchasing plans are compliant with state and federal law.~~

~~(b) For purposes of this subdivision, "independent third party" means an audit firm that is independent in accordance with government auditing standards issued by the United States Government Accountability Office and licensed in accordance with chapter 326A. An audit firm under contract to provide services in accordance with this subdivision must not have provided services to a managed care plan or county-based purchasing plan during the period for which the audit is being conducted.~~

~~(c)~~ (a) The commissioner shall require, in the request for bids and resulting contracts with managed care plans and county-based purchasing plans under this section and section 256B.692, that each managed care plan and county-based purchasing plan submit to and fully cooperate with the independent third-party financial ~~audit~~ audits by the legislative auditor under subdivision 9e of the information required under subdivision 9c, paragraph (b). Each contract with a managed care plan or county-based purchasing plan under this section or section 256B.692 must provide the commissioner and the ~~audit firm~~ vendors contracting with the legislative auditor access to all data required to complete ~~the audit. For purposes of this subdivision, the contracting audit firm shall have the same investigative power as the legislative auditor under section 3.978, subdivision 2~~ audits under subdivision 9e.

~~(d)~~ (b) Each managed care plan and county-based purchasing plan providing services under this section shall provide to the commissioner biweekly encounter data and claims data for state public health care programs and shall participate in a quality assurance program that verifies the timeliness, completeness, accuracy, and consistency of the data provided. The commissioner shall develop written protocols for the quality assurance program and shall make the protocols publicly available. The commissioner shall contract for an independent third-party audit to evaluate the quality assurance protocols as to the capacity of the protocols to ensure complete and accurate data and to evaluate the commissioner's implementation of the protocols. ~~The audit firm under contract to provide this evaluation must meet the requirements in paragraph (b).~~

~~(e) Upon completion of the audit under paragraph (a) and receipt by the legislative auditor, the legislative auditor shall provide copies of the audit report to the commissioner, the state auditor, the attorney general, and the chairs and ranking minority members of the health and human services finance committees of the legislature.~~ (c) Upon completion of the evaluation under paragraph ~~(d)~~ (b), the commissioner shall provide copies of the report to the legislative auditor and the chairs and ranking minority members of the ~~health~~

~~finance committees of the legislature~~ legislative committees with jurisdiction over health care policy and financing.

~~(f)~~ (d) Any actuary under contract with the commissioner to provide actuarial services must meet the independence requirements under the professional code for fellows in the Society of Actuaries and must not have provided actuarial services to a managed care plan or county-based purchasing plan that is under contract with the commissioner pursuant to this section and section 256B.692 during the period in which the actuarial services are being provided. An actuary or actuarial firm meeting the requirements of this paragraph must certify and attest to the rates paid to the managed care plans and county-based purchasing plans under this section and section 256B.692, and the certification and attestation must be auditable.

(e) The commissioner may conduct ad hoc audits of the state public health care programs administrative and medical expenses of managed care plans and county-based purchasing plans. This includes: financial and encounter data reported to the commissioner under subdivision 9c, including payments to providers and subcontractors; supporting documentation for expenditures; categorization of administrative and medical expenses; and allocation methods used to attribute administrative expenses to state public health care programs. These audits also must monitor compliance with data and financial certifications provided to the commissioner for the purposes of managed care capitation payment rate-setting. The managed care plans and county-based purchasing plans shall fully cooperate with the audits in this subdivision.

~~(g)~~ (f) Nothing in this subdivision shall allow the release of information that is nonpublic data pursuant to section 13.02.

Sec. 38. Minnesota Statutes 2014, section 256B.69, is amended by adding a subdivision to read:

Subd. 9e. **Financial audits.** (a) The legislative auditor shall contract with vendors to conduct independent third-party financial audits of the information required to be provided by managed care plans and county-based purchasing plans under subdivision 9c, paragraph (b). The audits by the vendors shall be conducted as vendor resources permit and in accordance with generally accepted government auditing standards issued by the United States Government Accountability Office. The contract with the vendors shall be designed and administered so as to render the independent third-party audits eligible for a federal subsidy, if available. The contract shall require the audits to include a determination of compliance with the federal Medicaid rate certification process.

(b) For purposes of this subdivision, "independent third-party" means a vendor that is independent in accordance with government auditing standards issued by the United States Government Accountability Office.

Sec. 39. **[256B.695] DENTAL SERVICES UTILIZATION MEASURES.**

Subdivision 1. **Access benchmarks.** The commissioner shall evaluate access to dental services for children and adults enrolled in medical assistance and MinnesotaCare using the following measurements:

(1) the percentage of enrollees that have access to nonspecialty dental services within a 60-minute or 60-mile radius of the enrollee's residence through an analysis of utilization data from claims submitted to determine the service location, and by other appropriate means. This measurement shall be determined in the aggregate and by each individual payer, including the state and each managed care plan and county-based purchasing plan;

(2) the percentage of adult enrollees continuously enrolled for at least six months in a calendar year receiving an oral health evaluation within the year measured; and

(3) the percentage of children under the age of 21 continuously enrolled for at least 90 days in a calendar year receiving, within the year measured:

(i) an oral health evaluation and sealants; and

(ii) follow-up care after an oral health evaluation.

Subd. 2. **Baseline measurement.** The commissioner shall establish a baseline measurement on access to dental services using the measures in subdivision 1 for enrollees receiving dental services through the fee-for-service system and through managed care plans or county-based purchasing plans. The baseline shall be calculated using calendar year 2014 as the base year.

Subd. 3. **Access improvement goals.** (a) By April 1, 2017, the commissioner shall calculate the measures described in subdivision 1 using fiscal year 2016, compare these measures with the baseline measures calculated under subdivision 2, and submit to the legislature the comparison results.

(b) If each measure described in subdivision 1, clauses (1), (2), and (3), has not increased by at least 20 percent, the dental competitive bidding system described in subdivision 4 shall be implemented by the commissioner if the legislature, by law, ratifies its implementation after receipt of the calculations described in paragraph (a).

Subd. 4. **Dental competitive bidding system.** (a) Effective for dental services rendered on or after January 1, 2019, the commissioner shall contract through a competitive bidding process with a qualified entity or entities to directly administer the delivery of dental services to all state public health care program enrollees. The

contracting entity or entities shall administer all dental services currently provided through the fee-for-service system, managed care plans, and county-based purchasing plans.

(b) The commissioner may contract with a health care delivery system established under section 256B.0755 or 256B.0756, or a county-based purchasing plan to receive payment on a prospective per capita basis or through an alternative mutually agreed to arrangement. The payment must be based on activities and outcomes directly related to recruitment of dentists and outreach to state public health care program enrollees residing within a designated geographic area. The contracted activities must be done in coordination with the contracted administrator under paragraph (a) and the commissioner. The commissioner shall contract with one entity under this paragraph to perform these services within any designated geographic area.

Sec. 40. Minnesota Statutes 2014, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals

under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs.

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

Sec. 41. Minnesota Statutes 2014, section 256B.76, subdivision 2, is amended to read:

Subd. 2. **Dental reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) Beginning October 1, 1999, the payment for tooth sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

(c) Effective for services rendered on or after January 1, 2000, payment rates for dental services shall be increased by three percent over the rates in effect on December 31, 1999.

(d) Effective for services provided on or after January 1, 2002, payment for diagnostic examinations and dental x-rays provided to children under age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

(e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000, for managed care.

(f) Effective for dental services rendered on or after October 1, 2010, by a state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare principles of reimbursement. This payment shall be effective for services rendered on or after January 1, 2011, to recipients enrolled in managed care plans or county-based purchasing plans.

(g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in paragraph (f), including state and federal shares, are less than $1,850,000 per fiscal year, a supplemental state payment equal to the difference between the total payments in paragraph (f) and $1,850,000 shall be paid from the general fund to state-operated services for the operation of the dental clinics.

~~(h) If the cost-based payment system for state-operated dental clinics described in paragraph (f) does not receive federal approval, then state-operated dental clinics shall be designated as critical access dental providers under subdivision 4, paragraph (b), and shall receive the critical access dental reimbursement rate as described under subdivision 4, paragraph (a).~~

~~(i)~~ (h) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for dental services shall be reduced by three percent. This reduction does not apply to state-operated dental clinics in paragraph (f).

~~(j)~~ (i) Effective for services rendered on or after January 1, 2014, payment rates for dental services shall be increased by five percent from the rates in effect on December 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, and Indian health services. Effective January 1, 2014, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase described in this paragraph.

(j) Effective for services rendered on or after July 1, 2015, payment rates for dental services shall be set to the percentage of 2012 fee-for-service submitted charges that results in a 24 percent increase in the aggregate payment for dental services from the rates in effect on June 30, 2015. Effective January 1, 2016, payments made to managed care plans and county-based purchasing plans shall reflect the payment increase described in this paragraph.

Sec. 42. Minnesota Statutes 2014, section 256B.76, subdivision 4, is amended to read:

Subd. 4. **Critical access dental providers.** (a) ~~Effective for dental services rendered on or after January 1, 2002, the commissioner shall increase reimbursements to dentists and dental clinics deemed by the commissioner to be critical access dental providers. For dental services rendered on or after July 1, 2007, the commissioner shall increase reimbursement by 35 percent above the reimbursement rate that would otherwise be paid to the critical access dental provider. The commissioner shall pay the managed care plans and county-based purchasing plans in amounts sufficient to reflect increased reimbursements to critical access dental providers as approved by the commissioner.~~ Effective July 1, 2015, the commissioner shall administer an incentive program that makes payments to dental clinics that meet the following eligibility criteria:

(1) nonspecialty dental clinics must meet or exceed the annual median ratio of restorative to preventive dental services calculated based on the median ratio of all nonspecialty dental clinics serving public health care program enrollees; and

(2) specialty dental clinics must have provided services to a fee-for-service or managed care enrollee during the prior year, and must meet or exceed the annual median of dental providers for that dental specialty serving public health care program enrollees.

(b) ~~The commissioner shall designate the following dentists and dental clinics as critical access dental providers:~~

~~(1) nonprofit community clinics that:~~

~~(i) have nonprofit status in accordance with chapter 317A;~~

~~(ii) have tax exempt status in accordance with the Internal Revenue Code, section 501(c)(3);~~

~~(iii) are established to provide oral health services to patients who are low income, uninsured, have special needs, and are underserved;~~

~~(iv) have professional staff familiar with the cultural background of the clinic's patients;~~

~~(v) charge for services on a sliding fee scale designed to provide assistance to low-income patients based on current poverty income guidelines and family size;~~

~~(vi) do not restrict access or services because of a patient's financial limitations or public assistance status; and~~

~~(vii) have free care available as needed;~~

~~(2) federally qualified health centers, rural health clinics, and public health clinics;~~

~~(3) city or county owned and operated hospital-based dental clinics;~~

~~(4) a dental clinic or dental group owned and operated by a nonprofit corporation in accordance with chapter 317A with more than 10,000 patient encounters per year with patients who are uninsured or covered by medical assistance or MinnesotaCare;~~

~~(5) a dental clinic owned and operated by the University of Minnesota or the Minnesota State Colleges and Universities system; and~~

~~(6) private practicing dentists if:~~

~~(i) the dentist's office is located within a health professional shortage area as defined under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E;~~

~~(ii) more than 50 percent of the dentist's patient encounters per year are with patients who are uninsured or covered by medical assistance or MinnesotaCare;~~

~~(iii) the dentist does not restrict access or services because of a patient's financial limitations or public assistance status; and~~

~~(iv) the level of service provided by the dentist is critical to maintaining adequate levels of patient access within the service area in which the dentist operates.~~

~~(c) A designated critical access clinic shall receive the reimbursement rate specified in paragraph (a) for dental services provided off site at a private dental office if the following requirements are met:~~

~~(1) the designated critical access dental clinic is located within a health professional shortage area as defined under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E, and is located outside the seven-county metropolitan area;~~

~~(2) the designated critical access dental clinic is not able to provide the service and refers the patient to the off-site dentist;~~

~~(3) the service, if provided at the critical access dental clinic, would be reimbursed at the critical access reimbursement rate;~~

~~(4) the dentist and allied dental professionals providing the services off site are licensed and in good standing under chapter 150A;~~

~~(5) the dentist providing the services is enrolled as a medical assistance provider;~~

~~(6) the critical access dental clinic submits the claim for services provided off site and receives the payment for the services; and~~

~~(7) the critical access dental clinic maintains dental records for each claim submitted under this paragraph, including the name of the dentist, the off-site location, and the license number of the dentist and allied dental professionals providing the services.~~ Eighty percent of the total payments made under this subdivision shall be paid to nonspecialty dental clinics and 20 percent of the total payments paid shall be paid to specialty dental clinics.

(c) For fiscal year 2016, the total payments under paragraph (a) shall not exceed the total amount paid under the critical access dental program in fiscal year 2015. For fiscal year 2017 and each fiscal year thereafter, total payments under paragraph (a) shall be

adjusted annually based on the value of the dental services component of the medical care services expenditure category of the Consumer Price Index for all Urban Consumers (CPI-U): U.S. city average from the previous year.

(d) Payments under paragraph (a) shall be made proportionate to the dental clinic's share of enrollees served in both managed care and fee-for-service.

(e) Payments under paragraph (a) shall be calculated based on the prior fiscal year claims submitted and be prorated based on the number of months the dental clinic was enrolled in any fee-for-service or managed care program. Payments to dental clinics under this subdivision shall be made no later than April 1 of the year following the fiscal year for which payments are owed beginning fiscal year 2016.

(f) To be eligible for payments under this subdivision, a dental clinic must provide dental services to medical assistance and MinnesotaCare enrollees.

(g) No payments under this subdivision shall be made to dental clinics that receive a cost-based rate, including, but not limited to, federally qualified health centers and state-operated dental clinics.

Sec. 43. Minnesota Statutes 2014, section 256B.76, subdivision 7, is amended to read:

Subd. 7. **Payment for certain primary care services and immunization administration.** (a) Payment for certain primary care services and immunization administration services rendered on or after January 1, 2013, through December 31, 2014, shall be made in accordance with section 1902(a)(13) of the Social Security Act.

(b) Effective for primary care services provided on or after July 1, 2015, payment rates shall be increased by one percent over the rates in effect on June 30, 2015. Effective January 1, 2016, payments made to managed care plans and county-based purchasing plans shall reflect the payment increase described in this paragraph.

(c) Effective for services provided on or after November 1, 2017, payment rates shall be increased 0.25 percent over the rates in effect October 31, 2017. Effective January 1, 2018, payments made to managed care plans and county-based purchasing plans shall reflect the payment increase described in this paragraph.

(d) For purposes of paragraphs (b) and (c), primary care services shall include preventive medicine visits or family planning visits when billed by a physician, advanced registered nurse practitioner, or physician assistant practicing in a family planning agency, general internal medicine practice, general pediatric practice, general geriatric practice, or family medicine practice.

Sec. 44. Minnesota Statutes 2014, section 256B.767, is amended to read:

256B.767 MEDICARE PAYMENT LIMIT.

(a) Effective for services rendered on or after July 1, 2010, fee-for-service payment rates for physician and professional services under section 256B.76, subdivision 1, and basic care services subject to the rate reduction specified in section 256B.766, shall not exceed the Medicare payment rate for the applicable service, as adjusted for any changes in Medicare payment rates after July 1, 2010. The commissioner shall implement this section after any other rate adjustment that is effective July 1, 2010, and shall reduce rates under this section by first reducing or eliminating provider rate add-ons.

(b) This section does not apply to services provided by advanced practice certified nurse midwives licensed under chapter 148 or traditional midwives licensed under chapter 147D. Notwithstanding this exemption, medical assistance fee-for-service payment rates for advanced practice certified nurse midwives and licensed traditional midwives shall equal and shall not exceed the medical assistance payment rate to physicians for the applicable service.

(c) This section does not apply to mental health services or physician services billed by a psychiatrist or an advanced practice registered nurse with a specialty in mental health.

(d) Effective for durable medical equipment, prosthetics, orthotics, or supplies provided on or after July 1, ~~2013, through June 30,~~ 2015, the payment rate for items that are subject to the rates established under Medicare's National Competitive Bidding Program shall be equal to the rate that applies to the same item when not subject to the rate established under Medicare's National Competitive Bidding Program. This paragraph does not apply to mail-order diabetic supplies and does not apply to items provided to dually eligible recipients when Medicare is the primary payer of the item.

Sec. 45. **[256B.79] INTEGRATED CARE FOR HIGH-RISK PREGNANT WOMEN.**

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

(b) "Adverse outcomes" means maternal opiate addiction, other reportable prenatal substance abuse, low birth weight, or preterm birth.

(c) "Qualified integrated perinatal care collaborative" or "collaborative" means a combination of (1) members of community-based organizations that represent communities within the identified targeted populations, and (2) local or tribally based service entities, including health care, public health, social services, mental health, chemical dependency treatment, and community-based providers, determined by the

commissioner to meet the criteria for the provision of integrated care and enhanced services for enrollees within targeted populations.

(d) "Targeted populations" means pregnant medical assistance enrollees residing in geographic areas identified by the commissioner as being at above-average risk for adverse outcomes.

Subd. 2. **Pilot program established.** The commissioner shall implement a pilot program to improve birth outcomes and strengthen early parental resilience for pregnant women who are medical assistance enrollees, are at significantly elevated risk for adverse outcomes of pregnancy, and are in targeted populations. The program must promote the provision of integrated care and enhanced services to these pregnant women, including postpartum coordination to ensure ongoing continuity of care, by qualified integrated perinatal care collaboratives.

Subd. 3. **Grant awards.** The commissioner shall award grants to qualifying applicants to support interdisciplinary, integrated perinatal care. Grants must be awarded beginning July 1, 2016. Grant funds must be distributed through a request for proposals process to a designated lead agency within an entity that has been determined to be a qualified integrated perinatal care collaborative or within an entity in the process of meeting the qualifications to become a qualified integrated perinatal care collaborative. Grant awards must be used to support interdisciplinary, team-based needs assessments, planning, and implementation of integrated care and enhanced services for targeted populations. In determining grant award amounts, the commissioner shall consider the identified health and social risks linked to adverse outcomes and attributed to enrollees within the identified targeted population.

Subd. 4. **Eligibility for grants.** To be eligible for a grant under this section, an entity must show that the entity meets or is in the process of meeting qualifications established by the commissioner to be a qualified integrated perinatal care collaborative. These qualifications must include evidence that the entity has or is in the process of developing policies, services, and partnerships to support interdisciplinary, integrated care. The policies, services, and partnerships must meet specific criteria and be approved by the commissioner. The commissioner shall establish a process to review the collaborative's capacity for interdisciplinary, integrated care, to be reviewed at the commissioner's discretion. In determining whether the entity meets the qualifications for a qualified integrated perinatal care collaborative, the commissioner shall verify and review whether the entity's policies, services, and partnerships:

(1) optimize early identification of drug and alcohol dependency and abuse during pregnancy, effectively coordinate referrals and follow-up of identified patients to

evidence-based or evidence-informed treatment, and integrate perinatal care services with behavioral health and substance abuse services;

(2) enhance access to, and effective use of, needed health care or tribal health care services, public health or tribal public health services, social services, mental health services, chemical dependency services, or services provided by community-based providers by bridging cultural gaps within systems of care and by integrating community-based paraprofessionals such as doulas and community health workers as routinely available service components;

(3) encourage patient education about prenatal care, birthing, and postpartum care, and document how patient education is provided. Patient education may include information on nutrition, reproductive life planning, breastfeeding, and parenting;

(4) integrate child welfare case planning with substance abuse treatment planning and monitoring, as appropriate;

(5) effectively systematize screening, collaborative care planning, referrals, and follow up for behavioral and social risks known to be associated with adverse outcomes and known to be prevalent within the targeted populations;

(6) facilitate ongoing continuity of care to include postpartum coordination and referrals for interconception care, continued treatment for substance abuse, identification and referrals for maternal depression and other chronic mental health conditions, continued medication management for chronic diseases, and appropriate referrals to tribal or county-based social services agencies and tribal or county-based public health nursing services; and

(7) implement ongoing quality improvement activities as determined by the commissioner, including collection and use of data from qualified providers on metrics of quality such as health outcomes and processes of care, and the use of other data that has been collected by the commissioner.

Subd. 5. **Gaps in communication, support, and care.** A collaborative receiving a grant under this section must develop means of identifying and reporting gaps in the collaborative's communication, administrative support, and direct care that must be remedied for the collaborative to effectively provide integrated care and enhanced services to targeted populations.

Subd. 6. **Report.** By January 31, 2019, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on the status and progress of the pilot program. The report must:

(1) describe the capacity of collaboratives receiving grants under this section;

(2) contain aggregate information about enrollees served within targeted populations;

(3) describe the utilization of enhanced prenatal services;

(4) for enrollees identified with maternal substance use disorders, describe the utilization of substance use treatment and dispositions of any child protection cases;

(5) contain data on outcomes within targeted populations and compare these outcomes to outcomes statewide, using standard categories of race and ethnicity; and

(6) include recommendations for continuing the program or sustaining improvements through other means beyond June 30, 2019.

Subd. 7. **Expiration.** This section expires June 30, 2019.

Sec. 46. Minnesota Statutes 2014, section 256L.01, subdivision 3a, is amended to read:

Subd. 3a. **Family.** (a) Except as provided in paragraphs (c) and (d), "family" has the meaning given for family and family size as defined in Code of Federal Regulations, title 26, section 1.36B-1.

(b) The term includes children who are temporarily absent from the household in settings such as schools, camps, or parenting time with noncustodial parents.

(c) For an individual who does not expect to file a federal tax return and does not expect to be claimed as a dependent for the applicable tax year, "family" has the meaning given in Code of Federal Regulations, title 42, section 435.603(f)(3).

(d) For a married couple, "family" has the meaning given in Code of Federal Regulations, title 42, section 435.603(f)(4).

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

Sec. 47. Minnesota Statutes 2014, section 256L.01, subdivision 5, is amended to read:

Subd. 5. **Income.** "Income" has the meaning given for modified adjusted gross income, as defined in Code of Federal Regulations, title 26, section 1.36B-1., and means a household's projected annual income for the applicable tax year

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

Sec. 48. Minnesota Statutes 2014, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Except as otherwise provided in this subdivision, the MinnesotaCare benefit plan shall include the following cost-sharing requirements for all enrollees:

(1) $3 per prescription for adult enrollees;

(2) $25 for eyeglasses for adult enrollees;

(3) $3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(4) $6 for nonemergency visits to a hospital-based emergency room for services provided through December 31, 2010, and $3.50 effective January 1, 2011; and

(5) a family deductible equal to ~~the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54.~~ $2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next-higher five cent increment.

(b) Paragraph (a) does not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 447.51.

(c) Paragraph (a), clause (3), does not apply to mental health services.

(d) MinnesotaCare reimbursements to fee-for-service providers and payments to managed care plans or county-based purchasing plans shall not be increased as a result of the reduction of the co-payments in paragraph (a), clause (4), effective January 1, 2011.

(e) The commissioner, through the contracting process under section 256L.12, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (5). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

EFFECTIVE DATE. The amendment to paragraph (a), clause (5), is effective retroactively from January 1, 2014. The amendment to paragraph (b) is effective the day following final enactment.

Sec. 49. Minnesota Statutes 2014, section 256L.04, subdivision 1a, is amended to read:

Subd. 1a. **Social Security number ~~required~~.** ~~(a)~~ Individuals and families applying for MinnesotaCare coverage must provide a Social Security number if required in Code of Federal Regulations, title 45, section 155.310(a)(3).

~~(b) The commissioner shall not deny eligibility to an otherwise eligible applicant who has applied for a Social Security number and is awaiting issuance of that Social Security number.~~

~~(c) Newborns enrolled under section 256L.05, subdivision 3, are exempt from the requirements of this subdivision.~~

~~(d) Individuals who refuse to provide a Social Security number because of well-established religious objections are exempt from the requirements of this subdivision. The term "well-established religious objections" has the meaning given in Code of Federal Regulations, title 42, section 435.910.~~

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

Sec. 50. Minnesota Statutes 2014, section 256L.04, subdivision 1c, is amended to read:

Subd. 1c. **General requirements.** To be eligible for ~~coverage under~~ MinnesotaCare, a person must meet the eligibility requirements of this section. A person eligible for MinnesotaCare shall not be considered a qualified individual under section 1312 of the Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered through MNsure under chapter 62V.

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

Sec. 51. Minnesota Statutes 2014, section 256L.04, subdivision 7b, is amended to read:

Subd. 7b. **Annual income limits adjustment.** The commissioner shall adjust the income limits under this section ~~each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services except that the income standards shall not go below those in effect on July 1, 2009~~ annually on January 1 as provided in Code of Federal Regulations, title 26, section 1.36B-1(h).

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

Sec. 52. Minnesota Statutes 2014, section 256L.05, is amended by adding a subdivision to read:

Subd. 2a. **Eligibility and coverage.** For purposes of this chapter, an individual is eligible for MinnesotaCare following a determination by the commissioner that the individual meets the eligibility criteria for the applicable period of eligibility. For an individual required to pay a premium, coverage is only available in each month of the applicable period of eligibility for which a premium is paid.

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

Sec. 53. Minnesota Statutes 2014, section 256L.05, subdivision 3, is amended to read:

Subd. 3. **Effective date of coverage.** (a) The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. The effective date of coverage for new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's modified adjusted gross income and the adjusted premium begins in the month the new family member is added.

(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.

(c) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

(d) The effective date of coverage for individuals or families who are exempt from paying premiums under section 256L.15, subdivision 1, paragraph (c), is the first day of the month following the month in which ~~verification of American Indian status is received or~~ eligibility is approved~~, whichever is later~~.

Sec. 54. Minnesota Statutes 2014, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. ~~**Renewal**~~ **Redetermination of eligibility.** (a) ~~Beginning July 1, 2007,~~ An enrollee's eligibility must be ~~renewed every 12 months~~ redetermined on an annual basis. ~~The 12-month period begins in the month after the month the application is approved.~~ The period of eligibility is the entire calendar year following the year in which eligibility is redetermined. Beginning in calendar year 2015, eligibility redeterminations shall occur during the open enrollment period for qualified health plans as specified in Code of Federal Regulations, title 45, section 155.410.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. ~~An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. The premium for the new period of eligibility must be received~~ Coverage begins as provided in section 256L.06 ~~in order for eligibility to continue~~.

~~(c) For children enrolled in MinnesotaCare, the first period of renewal begins the month the enrollee turns 21 years of age.~~

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

Sec. 55. Minnesota Statutes 2014, section 256L.05, subdivision 4, is amended to read:

Subd. 4. **Application processing.** The commissioner of human services shall determine an applicant's eligibility for MinnesotaCare no more than ~~30~~ 45 days from the date that the application is received by the Department of Human Services as set forth in Code of Federal Regulations, title 42, section 435.912. ~~Beginning January 1, 2000, this requirement also applies to local county human services agencies that determine eligibility for MinnesotaCare.~~

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

Sec. 56. Minnesota Statutes 2014, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon both increases and decreases in enrollee income, at the time the change in income is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month following the month for which the premium was due. Persons disenrolled for nonpayment ~~who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment~~ may not reenroll prior to the first day of the month following the payment of an amount equal to two months' premiums.

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

Sec. 57. Minnesota Statutes 2014, section 256L.11, is amended by adding a subdivision to read:

Subd. 7a. **Dental providers.** Effective for dental services provided to MinnesotaCare enrollees on or after January 1, 2016, the payment rate shall be the rate described under section 256B.76, subdivision 2, paragraph (i).

Sec. 58. Minnesota Statutes 2014, section 256L.121, subdivision 1, is amended to read:

Subdivision 1. **Competitive process.** The commissioner of human services shall establish a competitive process for entering into contracts with participating entities for the offering of standard health plans through MinnesotaCare. Coverage through standard health plans must be available to enrollees beginning January 1, 2015. Each standard health plan must cover the health services listed in and meet the requirements of section 256L.03. The competitive process must meet the requirements of section 1331 of the Affordable Care Act and be designed to ensure enrollee access to high-quality health care coverage options. The commissioner, to the extent feasible, shall seek to ensure that enrollees have a choice of coverage from more than one participating entity within a geographic area. In counties that were part of a county-based purchasing plan on January 1, 2013, the commissioner shall use the medical assistance competitive procurement process under section 256B.69, ~~subdivisions 1 to 32,~~ under which selection of entities is based on criteria related to provider network access, coordination of health care with other local services, alignment with local public health goals, and other factors.

Sec. 59. Minnesota Statutes 2014, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly individual or family income.

(b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph ~~(c) with the exception that children 20 years of age and younger in families with income at or below 200 percent of the federal poverty guidelines shall pay no premiums~~ (d).

(c) Paragraph (b) does not apply to:

(1) children 20 years of age or younger; and

(2) individuals with household incomes below 35 percent of the federal poverty guidelines.

~~(c)~~ (d) The following premium scale is established for each individual in the household who is 21 years of age or older and enrolled in MinnesotaCare:

Federal Poverty Guideline		**Individual Premium**
Greater than or Equal to	**Less than**	**Amount**
~~0%~~ 35%	55%	$4
55%	80%	$6
80%	90%	$8
90%	100%	$10
100%	110%	$12
110%	120%	~~$15~~ $14
120%	130%	~~$18~~ $15
130%	140%	~~$21~~ $16
140%	150%	$25
150%	160%	$29
160%	170%	$33
170%	180%	$38
180%	190%	$43
190%		$50

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

Sec. 60. Minnesota Statutes 2014, section 297A.70, subdivision 7, is amended to read:

Subd. 7. **Hospitals, outpatient surgical centers, and critical access dental providers.** (a) Sales, except for those listed in paragraph (d), to a hospital are exempt, if the items purchased are used in providing hospital services. For purposes of this subdivision, "hospital" means a hospital organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under chapter 144 or by any other jurisdiction, and "hospital services" are services authorized or required to be performed by a "hospital" under chapter 144.

(b) Sales, except for those listed in paragraph (d), to an outpatient surgical center are exempt, if the items purchased are used in providing outpatient surgical services. For purposes of this subdivision, "outpatient surgical center" means an outpatient surgical center organized and operated for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, and licensed under chapter 144 or by any other jurisdiction. For the purposes of this subdivision, "outpatient surgical services" means: (1) services authorized or required to be performed by an outpatient surgical center under chapter 144; and (2) urgent care. For purposes of this subdivision, "urgent care" means

health services furnished to a person whose medical condition is sufficiently acute to require treatment unavailable through, or inappropriate to be provided by, a clinic or physician's office, but not so acute as to require treatment in a hospital emergency room.

(c) Sales, except for those listed in paragraph (d), to a critical access dental provider are exempt, if the items purchased are used in providing critical access dental care services. For the purposes of this subdivision, "critical access dental provider" means a dentist or dental clinic that qualifies under section 256B.76, subdivision 4, ~~paragraph (b)~~, and, in the previous calendar year, had no more than 15 percent of its patients covered by private dental insurance.

(d) This exemption does not apply to the following products and services:

(1) purchases made by a clinic, physician's office, or any other medical facility not operating as a hospital, outpatient surgical center, or critical access dental provider, even though the clinic, office, or facility may be owned and operated by a hospital, outpatient surgical center, or critical access dental provider;

(2) sales under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared food, candy, and soft drinks;

(3) building and construction materials used in constructing buildings or facilities that will not be used principally by the hospital, outpatient surgical center, or critical access dental provider;

(4) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a hospital, outpatient surgical center, or critical access dental provider; or

(5) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11.

(e) A limited liability company also qualifies for exemption under this subdivision if (1) it consists of a sole member that would qualify for the exemption, and (2) the items purchased qualify for the exemption.

(f) An entity that contains both a hospital and a nonprofit unit may claim this exemption on purchases made for both the hospital and nonprofit unit provided that:

(1) the nonprofit unit would have qualified for exemption under subdivision 4; and

(2) the items purchased would have qualified for the exemption.

Sec. 61. Laws 2008, chapter 363, article 18, section 3, subdivision 5, is amended to read:

Subd. 5. **Basic Health Care Grants**

(a) **MinnesotaCare Grants**

Health Care Access -0- (770,000)

Incentive Program and Outreach Grants. Of the appropriation for the Minnesota health care outreach program in Laws 2007, chapter 147, article 19, section 3, subdivision 7, paragraph (b):

(1) $400,000 in fiscal year 2009 from the general fund and $200,000 in fiscal year 2009 from the health care access fund are for the incentive program under Minnesota Statutes, section 256.962, subdivision 5. For the biennium beginning July 1, 2009, base level funding for this activity shall be $360,000 from the general fund and $160,000 from the health care access fund; and

(2) $100,000 in fiscal year 2009 from the general fund and $50,000 in fiscal year 2009 from the health care access fund are for the outreach grants under Minnesota Statutes, section 256.962, subdivision 2. For the biennium beginning July 1, 2009, base level funding for this activity shall be $90,000 from the general fund and $40,000 from the health care access fund.

(b) **MA Basic Health Care Grants - Families and Children** -0- (17,280,000)

Third-Party Liability. (a) During fiscal year 2009, the commissioner shall employ a contractor paid on a percentage basis to improve third-party collections. Improvement initiatives may include, but not be limited to, efforts to improve postpayment collection from nonresponsive claims and efforts to uncover third-party payers the commissioner has been unable to identify.

(b) In fiscal year 2009, the first $1,098,000 of recoveries, after contract payments and federal repayments, is appropriated to the commissioner for technology-related expenses.

~~Administrative Costs.~~ ~~(a) For contracts effective on or after January 1, 2009, the commissioner shall limit aggregate administrative costs paid to managed care plans under Minnesota Statutes, section 256B.69, and to county-based purchasing plans under Minnesota Statutes, section 256B.692, to an overall average of 6.6 percent of total contract payments under Minnesota Statutes, sections 256B.69 and 256B.692, for each calendar year. For purposes of this paragraph, administrative costs do not include premium taxes paid under Minnesota Statutes, section 297I.05, subdivision 5, and provider surcharges paid under Minnesota Statutes, section 256.9657, subdivision 3.~~

~~(b) Notwithstanding any law to the contrary, the commissioner may reduce or eliminate administrative requirements to meet the administrative target under paragraph (a).~~

~~(c) Notwithstanding any contrary provision of this article, this rider shall not expire.~~

Hospital Payment Delay. Notwithstanding Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 6, payments from the Medicaid Management Information System that would otherwise have been made for inpatient hospital services for medical assistance enrollees are delayed as follows: (1) for fiscal year 2008, June payments must

be included in the first payments in fiscal year 2009; and (2) for fiscal year 2009, June payments must be included in the first payment of fiscal year 2010. The provisions of Minnesota Statutes, section 16A.124, do not apply to these delayed payments. Notwithstanding any contrary provision in this article, this paragraph expires on June 30, 2010.

(c) **MA Basic Health Care Grants - Elderly and Disabled** (14,028,000) (9,368,000)

Minnesota Disability Health Options Rate Setting Methodology. The commissioner shall develop and implement a methodology for risk adjusting payments for community alternatives for disabled individuals (CADI) and traumatic brain injury (TBI) home and community-based waiver services delivered under the Minnesota disability health options program (MnDHO) effective January 1, 2009. The commissioner shall take into account the weighting system used to determine county waiver allocations in developing the new payment methodology. Growth in the number of enrollees receiving CADI or TBI waiver payments through MnDHO is limited to an increase of 200 enrollees in each calendar year from January 2009 through December 2011. If those limits are reached, additional members may be enrolled in MnDHO for basic care services only as defined under Minnesota Statutes, section 256B.69, subdivision 28, and the commissioner may establish a waiting list for future access of MnDHO members to those waiver services.

MA Basic Elderly and Disabled Adjustments. For the fiscal year ending June 30, 2009, the commissioner may adjust the rates for each service affected by rate changes under this section in such a manner across the fiscal year to achieve the necessary cost savings and minimize disruption to service providers, notwithstanding the requirements of Laws 2007, chapter 147, article 7, section 71.

(d) **General Assistance Medical Care Grants**	-0-	(6,971,000)
(e) **Other Health Care Grants**	-0-	(17,000)

MinnesotaCare Outreach Grants Special Revenue Account. The balance in the MinnesotaCare outreach grants special revenue account on July 1, 2009, estimated to be $900,000, must be transferred to the general fund.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund health care grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Sec. 62. Laws 2014, chapter 312, article 24, section 45, subdivision 2, is amended to read:

Subd. 2. **Application for and terms of variance.** A new provider may apply to the commissioner, on a form supplied by the commissioner for this purpose, for a variance from special transportation service operating standards. The commissioner may grant or deny the variance application. Variances expire on the earlier of February 1, ~~2016~~ 2017, or ~~the date that the commissioner of transportation begins certifying new providers under the terms of this act and successor legislation~~ one year after the date the variance was issued. The commissioner must not grant variances under this subdivision after June 30, 2016.

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

Sec. 63. **ADVISORY GROUP ON ADMINISTRATIVE EFFICIENCY AND REGULATORY SIMPLIFICATION.**

(a) The commissioner of human services, in consultation with the commissioner of health shall convene an advisory group on maximizing administrative efficiency and regulatory simplification in state public health care programs. The advisory group shall develop recommendations for consistent regulatory and licensure requirements, guidelines, definitions, and reporting standards, including a common standardized public reporting template for health maintenance organizations and county-based purchasing plans that participate in state public health care programs. The advisory group shall take into consideration relevant reporting standards of the National Association of Insurance Commissioners and the Centers for Medicare and Medicaid Services.

(b) The membership of the advisory group shall be comprised of the following:

(1) the commissioner of health or designee;

(2) the commissioner of human services or designee;

(3) the commissioner of commerce or designee;

(4) representatives of the health maintenance organizations and county-based purchasing plans; and

(5) representatives of public and private health care experts and consumer representatives, including at least one from a nonprofit organization with legal expertise representing low-income consumers.

(c) The commissioner of health shall submit a report of the recommendations of the advisory group to the chairs and ranking minority members of the legislative committees with jurisdiction over state public health care programs by February 1, 2017.

(d) The advisory group shall expire the day after submitting the report required under paragraph (c).

Sec. 64. **STATEWIDE OPIOID PRESCRIBING IMPROVEMENT PROGRAM.**

The commissioner of human services, in collaboration with the commissioner of health, shall report to the legislature by December 1, 2015, on recommendations made by the opioid prescribing work group under Minnesota Statutes, section 256B.0638, subdivision 4, and steps taken by the commissioner of human services to implement the opioid prescribing improvement program under Minnesota Statutes, section 256B.0638, subdivision 5.

Sec. 65. **TASK FORCE ON HEALTH CARE FINANCING.**

Subdivision 1. **Task force.** (a) The governor shall convene a task force on health care financing to advise the governor and legislature on strategies that will increase access to and improve the quality of health care for Minnesotans. These strategies shall include options for sustainable health care financing, coverage, purchasing, and delivery for all insurance affordability programs, including MNsure, medical assistance, MinnesotaCare, and individuals eligible to purchase coverage with federal advanced premium tax credits and cost-sharing subsidies.

(b) The task force shall consist of:

(1) seven members appointed by the senate, four members appointed by the majority leader of the senate, one of whom must be a legislator; and three members appointed by the minority leader of the senate, one of whom must be a legislator;

(2) seven members of the house of representatives, four members appointed by the speaker of the house, one of whom must be a legislator; and three members appointed by the minority leader of the house of representatives, one of whom must be a legislator;

(3) 11 members appointed by the governor, including public and private health care experts and consumer representatives. The consumer representatives must include one member from a nonprofit organization with legal expertise representing low-income consumers, at least one member from a broad-based nonprofit consumer advocacy organization, and at least one member from an organization representing consumers of color; and

(4) the commissioners of MNsure, commerce, and health, or their designees.

(c) The commissioner of human services and a member of the task force voted by the task force shall serve as cochairs of the task force. The commissioner of human services shall convene the first meeting and the members shall vote on the cochair position at the first meeting.

Subd. 2. **Duties.** (a) The task force shall consider opportunities, including alternatives to MNsure, options under section 1332 of the Patient Protection and Affordable Care Act, and options under a section 1115 waiver of the Social Security Act, including:

(1) options for providing and financing seamless coverage for persons otherwise eligible for insurance affordability programs, including medical assistance, MinnesotaCare, and advanced premium tax credits used to purchase commercial insurance. This includes, but is not limited to: alignment of eligibility and enrollment requirements; smoothing consumer cost-sharing across programs; alignment and alternatives to benefit sets; alternatives to the individual mandate; the employer mandate and penalties; advanced premium tax credits; and qualified health plans;

(2) options for transforming health care purchasing and delivery, including, but not limited to: expansion of value-based direct contracting with providers and other entities to reward improved health outcomes and reduced costs, including selective contracting; contracting to provide services to public programs and commercial products; and payment models that support and reward coordination of care across the continuum of services and programs;

(3) options for alignment, consolidation, and governance of certain operational components, including, but not limited to: MNsure; program eligibility, enrollment, call centers, and contracting; and the shared eligibility IT platform; and

(4) examining the impact of options on the health care workforce and delivery system, including, but not limited to, rural and safety net providers, clinics, and hospitals.

(b) In development of the options in paragraph (a), the task force options and recommendations shall include the following goals:

(1) seamless consumer experience across all programs;

(2) reducing barriers to accessibility and affordability of coverage;

(3) improving sustainable financing of health programs, including impact on the state budget;

(4) assessing the impact of options for innovation on their potential to reduce health disparities;

(5) expanding innovative health care purchasing and delivery systems strategies that reduce cost and improve health;

(6) promoting effectively and efficiently aligning program resources and operations; and

(7) increasing transparency and accountability of program operations.

Subd. 3. **Staff.** (a) The commissioner of human services shall provide staff and administrative services for the task force. The commissioner may accept outside resources to help support its efforts and shall leverage its existing vendor contracts to provide technical expertise to develop options under subdivision 2. The commissioner of human services shall receive expedited review and publication of competitive procurements for additional vendor support needed to support the task force.

(b) Technical assistance shall be provided by the Departments of Health, Commerce, Human Services, and Management and Budget.

Subd. 4. **Report.** The commissioner of human services shall submit recommendations by January 15, 2016, to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over health, human services, and commerce policy and finance.

Subd. 5. **Expiration.** The task force expires the day after submitting the report required under subdivision 4.

Sec. 66. **HEALTH DISPARITIES PAYMENT ENHANCEMENT.**

(a) The commissioner of human services shall develop a methodology to pay a higher payment rate for health care providers and services that takes into consideration the higher cost, complexity, and resources needed to serve patients and populations who experience the greatest health disparities in order to achieve the same health and quality outcomes that are achieved for other patients and populations. In developing the methodology, the commissioner shall take into consideration all existing payment methods and rates, including add-on or enhanced rates paid to providers serving high concentrations of low-income patients or populations or providing access in underserved regions or populations. The new methodology must not result in a net decrease in total payment from all sources for those providers who qualify for additional add-on payments or enhanced payments, including, but not limited to, critical access dental, community clinic add-ons, federally qualified health centers payment rates, and disproportionate share payments. The commissioner shall develop the methodology in consultation with affected stakeholders, including communities impacted by health disparities, using culturally appropriate methods of community engagement. The proposed methodology must include recommendations for how the methodology could be incorporated into payment methods used in both fee-for-service and managed care plans.

(b) The commissioner shall submit a report on the analysis and provide options for new payment methodologies that incorporate health disparities to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by February 1, 2016. The scope of the report and the development work described in paragraph (a) is limited to data currently available to the Department of Human Services; analyses of the data for reliability and completeness; analyses of how these data relate to health disparities, outcomes, and expenditures; and options for incorporating these data or measures into a payment methodology.

Sec. 67. **REPEALER.**

(a) Minnesota Statutes 2014, sections 256.969, subdivisions 23 and 30; and 256B.69, subdivision 32, are repealed and effective July 1, 2015.

(b) Minnesota Statutes 2014, sections 256L.02, subdivision 3; and 256L.05, subdivisions 1b, 1c, 3c, and 5, are repealed and effective the day following final enactment.

(c) Minnesota Statutes 2014, section 256L.11, subdivision 7, is repealed and effective July 1, 2015.

(d) Minnesota Rules, part 8840.5900, subparts 12 and 14, are repealed and effective January 1, 2016.

ARTICLE 11

MNSURE

Section 1. Minnesota Statutes 2014, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Commerce; the Department of Corrections; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; the Department of Human Services; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; the Department of MNsure; and their successor departments.

Sec. 2. Minnesota Statutes 2014, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. **Group I salary limits.** The salary for a position listed in this subdivision shall not exceed 133 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's Web site. This subdivision applies to the following positions:

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;

Commissioner of management and budget;

Commissioner of MNsure;

Commissioner of natural resources;

Commissioner, Pollution Control Agency;

Executive director, Public Employees Retirement Association;

Commissioner of public safety;

Commissioner of revenue;

Executive director, State Retirement System;

Executive director, Teachers Retirement Association;

Commissioner of employment and economic development;

Commissioner of transportation; and

Commissioner of veterans affairs.

Sec. 3. Minnesota Statutes 2014, section 62A.02, subdivision 2, is amended to read:

Subd. 2. **Approval.** (a) The health plan form shall not be issued, nor shall any application, rider, endorsement, or rate be used in connection with it, until the expiration of 60 days after it has been filed unless the commissioner approves it before that time.

(b) Notwithstanding paragraph (a), a rate filed with respect to a policy of accident and sickness insurance as defined in section 62A.01 by an insurer licensed under chapter 60A, may be used on or after the date of filing with the commissioner. Rates that are not approved or disapproved within the 60-day time period are deemed approved. This paragraph does not apply to Medicare-related coverage as defined in section 62A.3099, subdivision 17.

(c) For coverage to begin on or after January 1, 2016, and each January 1 thereafter, health plans in the individual and small group markets that are not grandfathered plans to be offered outside MNsure and qualified health plans to be offered inside MNsure must receive rate approval from the commissioner no later than 30 days prior to the beginning of the annual open enrollment period for MNsure. Premium rates for all carriers in the applicable market for the next calendar year must be made available to the public by the commissioner only after all rates for the applicable market are final and approved. Final and approved rates must be publicly released at a uniform time for all individual and small group health plans that are not grandfathered plans to be offered outside MNsure and qualified health plans to be offered inside MNsure, and no later than 30 days prior to the beginning of the annual open enrollment period for MNsure.

Sec. 4. Minnesota Statutes 2014, section 62V.02, subdivision 2, is amended to read:

Subd. 2. **~~Board~~ Commissioner.** ~~"Board"~~ "Commissioner" means the ~~Board of Directors~~ commissioner of MNsure ~~specified in section 62V.04~~.

Sec. 5. Minnesota Statutes 2014, section 62V.02, is amended by adding a subdivision to read:

Subd. 2a. **Consumer assistance partner.** "Consumer assistance partner" means individuals and entities certified by the commissioner to serve as navigators, in-person assisters, or certified application counselors.

Sec. 6. Minnesota Statutes 2014, section 62V.02, subdivision 11, is amended to read:

Subd. 11. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has been certified by the ~~board~~ commissioner in accordance with section 62V.05, subdivision 5, to be offered through MNsure.

Sec. 7. Minnesota Statutes 2014, section 62V.03, is amended to read:

62V.03 MNSURE; ESTABLISHMENT.

Subdivision 1. **Creation.** MNsure is created as a ~~board under section 15.012, paragraph (a),~~ department of the state government under section 15.01 to:

(1) promote informed consumer choice, innovation, competition, quality, value, market participation, affordability, suitable and meaningful choices, health improvement, care management, reduction of health disparities, and portability of health plans;

(2) facilitate and simplify the comparison, choice, enrollment, and purchase of health plans for individuals purchasing in the individual market through MNsure and for employees and employers purchasing in the small group market through MNsure;

(3) assist small employers with access to small business health insurance tax credits and to assist individuals with access to public health care programs, premium assistance tax credits and cost-sharing reductions, and certificates of exemption from individual responsibility requirements;

(4) facilitate the integration and transition of individuals between public health care programs and health plans in the individual or group market and develop processes that, to the maximum extent possible, provide for continuous coverage; and

(5) establish and modify as necessary a name and brand for MNsure based on market studies that show maximum effectiveness in attracting the uninsured and motivating them to take action.

Subd. 2. **Application of other law.** (a) MNsure ~~must be reviewed~~ is subject to audit by the legislative auditor ~~under section 3.971~~. ~~The legislative auditor shall audit the books, accounts, and affairs of MNsure once each year or less frequently as the legislative auditor's funds and personnel permit. Upon the audit of the financial accounts and affairs of MNsure, MNsure is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill MNsure either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund and are appropriated to the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit Commission is requested to direct the legislative auditor to report by March 1, 2014, to the legislature on any duplication of services that occurs within state government as a result of the creation of MNsure. The legislative auditor may make recommendations on consolidating or eliminating any services deemed duplicative. The board shall reimburse the legislative auditor for any costs incurred in the creation of this report.~~

~~(b) Board members of MNsure are subject to sections 10A.07 and 10A.09. Board members and the personnel of MNsure are subject to section 10A.071.~~

~~(c) All meetings of the board shall comply with the open meeting law in chapter 13D, except that:~~

~~(1) meetings, or portions of meetings, regarding compensation negotiations with the director or managerial staff may be closed in the same manner and according to the same procedures identified in section 13D.03;~~

~~(2) meetings regarding contract negotiation strategy may be closed in the same manner and according to the same procedures identified in section 13D.05, subdivision 3, paragraph (c); and~~

~~(3) meetings, or portions of meetings, regarding not public data described in section 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37, subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with the procedures identified in chapter 13D.~~

~~(d)~~ (b) MNsure and provisions specified under this chapter are exempt from~~:~~

~~(1) chapter 14, including section 14.386, except as specified in section 62V.05; and~~

~~(2)~~ chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2, paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3), paragraph (b), and paragraph (c); and section 16C.16. However, ~~MNsure~~ the commissioner, in consultation with the commissioner of administration, shall implement policies and procedures to establish an open and competitive procurement process

for MNsure that, to the extent practicable, conforms to the principles and procedures contained in chapters 16B and 16C. In addition, ~~MNsure~~ the commissioner may enter into an agreement with the commissioner of administration for other services.

~~(c) The board and~~ (c) The Web site ~~are~~ is exempt from chapter 60K. Any employee of MNsure who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

~~(f)~~ (d) Section 3.3005 applies to any federal funds received by MNsure.

~~(g) MNsure is exempt from the following sections in chapter 16E: 16E.01, subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1, subdivision 2, paragraph (c), and subdivision 3, paragraph (b); 16E.0465; 16E.055; 16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.~~

~~(h) A MNsure decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of MNsure, is an "administrative action" under section 10A.01, subdivision 2.~~

Subd. 3. **Continued operation of a private marketplace.** (a) Nothing in this chapter shall be construed to prohibit: (1) a health carrier from offering outside of MNsure a health plan to a qualified individual or qualified employer; and (2) a qualified individual from enrolling in, or a qualified employer from selecting for its employees, a health plan offered outside of MNsure.

(b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual to enroll or not enroll in a qualified health plan or to participate in MNsure. Nothing in this chapter shall be construed to compel an individual to enroll in a qualified health plan or to participate in MNsure.

(c) For purposes of this subdivision, "qualified individual" and "qualified employer" have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Sec. 8. **[62V.041] GOVERNANCE OF THE SHARED ELIGIBILITY SYSTEM.**

Subdivision 1. **Definition; shared eligibility system.** "Shared eligibility system" means the system that supports eligibility determinations using a modified adjusted gross income methodology for medical assistance under section 256B.056, subdivision 1a, paragraph (b), clause (1); MinnesotaCare under chapter 256L; and qualified health plan enrollment under section 62V.05, subdivision 5, paragraph (c).

Subd. 2. **Executive steering committee.** The shared eligibility system shall be governed and administered by a seven-member executive steering committee. The steering committee shall consist of two members appointed by the commissioner of

human services, two members appointed by the commissioner of MNsure, two members appointed by the commissioner of MN.IT, and one county representative appointed by the commissioner of human services. The commissioner of human services shall designate one of the members appointed by the commissioner of human services to serve as the chair of the steering committee.

Subd. 3. **Duties.** (a) The steering committee shall establish an overall governance structure of the shared eligibility system, and shall be responsible for the overall governance of the system, including setting goals and priorities, allocating the system's resources, and making major system decisions.

(b) The steering committee shall adopt bylaws, policies, and interagency agreements necessary to administer the shared eligibility system.

Subd. 4. **Decision making.** The steering committee, to the extent feasible, shall operate under a consensus model. The steering committee shall make decisions that give particular attention to parts of the system with the largest enrollments and the greatest risks.

Subd. 5. **Administrative structure.** MN.IT services shall be responsible for the design, build, maintenance, operation, and upgrade of the information technology for the shared eligibility system. MN.IT services shall carry out its responsibilities under the governance of the executive steering committee and this section.

Sec. 9. **[62V.042] ADVISORY COMMITTEES.**

Subdivision 1. **Advisory committees.** (a) The commissioner shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the commissioner regarding the operation of MNsure as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The commissioner shall regularly consult with the advisory committees, and, at a minimum, convene each advisory committee at least quarterly. The advisory committees established under this paragraph shall not expire.

(b) The commissioner, in consultation with the commissioner of human services, shall establish an advisory committee to advise the commissioner on the MNsure enrollment process. The committee must include:

(1) health care consumers who are enrollees in qualified health plans;

(2) individuals and entities with experience in facilitating enrollment in qualified health plans;

(3) representatives of small employers and self-employed individuals;

(4) advocates for enrolling hard-to-reach populations; and

(5) other members, as determined by the commissioner or the commissioner of human services.

The advisory committee established under this paragraph shall not expire, except by action of the commissioner.

(c) The commissioner may establish additional advisory committees, as necessary, to gather and provide information to the commissioner in order to facilitate the operation of MNsure. The advisory committees established under this paragraph shall not expire, except by action by the commissioner.

(d) Section 15.0597 shall not apply to any advisory committee established by the commissioner under this subdivision.

(e) The commissioner may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

(f) The advisory committees established under this subdivision are subject to the Open Meeting Law in chapter 13D.

Sec. 10. Minnesota Statutes 2014, section 62V.05, is amended to read:

62V.05 RESPONSIBILITIES AND POWERS OF MNSURE.

Subdivision 1. **General.** (a) The ~~board~~ commissioner shall operate MNsure according to this chapter and applicable state and federal law.

(b) The ~~board~~ commissioner has the power to:

(1) ~~employ personnel and delegate administrative, operational, and other responsibilities to the director and other personnel as deemed appropriate by the board. This authority is subject to chapters 43A and 179A. The director and managerial staff of MNsure shall serve in the unclassified service and shall be governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget for review and comment within 14 days of its receipt, and approved by the Legislative Coordinating Commission and the legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph (e), shall not apply;~~

~~(2) establish the budget of MNsure;~~

~~(3)~~ seek and accept money, grants, loans, donations, materials, services, or advertising revenue from government agencies, philanthropic organizations, and public and private sources to fund the operation of MNsure. No health carrier or insurance producer shall advertise on MNsure;

~~(4)~~ (2) contract for the receipt and provision of goods and services;

~~(5)~~ (3) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to

the confidentiality and integrity of the information to be shared, and comply with all applicable state and federal laws, regulations, and rules, including the requirements of section 62V.06; and

~~(6)~~ (4) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and the Affordable Care Act, Public Law 111-148.

(c) The ~~board~~ commissioner shall establish policies and procedures to gather public comment and provide public notice in the State Register.

~~(d) Within 180 days of enactment, the board shall establish bylaws, policies, and procedures governing the operations of MNsure in accordance with this chapter.~~

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, MNsure shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the cash reserves of MNsure, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(c) Beginning January 1, 2016, MNsure shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through MNsure to fund the operations of MNsure, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under section 62E.11, subdivision 6, for calendar year 2012.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to $20,000,000 from the special revenue fund or the statutory general fund under section 16A.671, subdivision 3, paragraph (a), to MNsure. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of MNsure shall cover any compensation provided to navigators participating in the navigator program.

Subd. 3. **Insurance producers.** (a) ~~By April 30, 2013,~~ The ~~board~~ commissioner, in consultation with the commissioner of commerce, shall establish certification requirements that must be met by insurance producers in order to assist individuals and small employers with purchasing coverage through MNsure. ~~Prior to January 1, 2015, the board may amend the requirements, only if necessary, due to a change in federal rules.~~

(b) Certification requirements shall not exceed the requirements established under Code of Federal Regulations, title 45, part 155.220. Certification shall include training on health plans available through MNsure, available tax credits and cost-sharing arrangements, compliance with privacy and security standards, eligibility verification processes, online enrollment tools, and basic information on available public health care programs. Training required for certification under this subdivision shall qualify for continuing education requirements for insurance producers required under chapter 60K, and must comply with course approval requirements under chapter 45.

(c) Producer compensation shall be established by health carriers that provide health plans through MNsure. The structure of compensation to insurance producers must be similar for health plans sold through MNsure and outside MNsure.

(d) Any insurance producer compensation structure established by a health carrier for the small group market must include compensation for defined contribution plans that involve multiple health carriers. The compensation offered must be commensurate with other small group market defined health plans.

(e) Any insurance producer assisting an individual or small employer with purchasing coverage through MNsure must disclose, orally and in writing, to the individual or small employer at the time of the first solicitation with the prospective purchaser the following:

(1) the health carriers and qualified health plans offered through MNsure that the producer is authorized to sell, and that the producer may not be authorized to sell all the qualified health plans offered through MNsure;

(2) that the producer may be receiving compensation from a health carrier for enrolling the individual or small employer into a particular health plan; and

(3) that information on all qualified health plans offered through MNsure is available through the MNsure Web site.

For purposes of this paragraph, "solicitation" means any contact by a producer, or any person acting on behalf of a producer made for the purpose of selling or attempting to sell coverage through MNsure. If the first solicitation is made by telephone, the disclosures required under this paragraph need not be made in writing, but the fact that disclosure has been made must be acknowledged on the application.

(f) Beginning January 15, 2015, each health carrier that offers or sells qualified health plans through MNsure shall report in writing to the ~~board~~ commissioner and the commissioner of commerce the compensation and other incentives it offers or provides to insurance producers with regard to each type of health plan the health carrier offers or sells both inside and outside of MNsure. Each health carrier shall submit a report

annually and upon any change to the compensation or other incentives offered or provided to insurance producers.

(g) Nothing in this chapter shall prohibit an insurance producer from offering professional advice and recommendations to a small group purchaser based upon information provided to the producer.

(h) An insurance producer that offers health plans in the small group market shall notify each small group purchaser of which group health plans qualify for Internal Revenue Service approved section 125 tax benefits. The insurance producer shall also notify small group purchasers of state law provisions that benefit small group plans when the employer agrees to pay 50 percent or more of its employees' premium. Individuals who are eligible for cost-effective medical assistance will count toward the 75 percent participation requirement in section 62L.03, subdivision 3.

(i) Nothing in this subdivision shall be construed to limit the licensure requirements or regulatory functions of the commissioner of commerce under chapter 60K.

(j) The commissioners of human services and MNsure, upon federal approval, shall establish an insurance producer incentive program to compensate insurance producers for providing application enrollment assistance for public health care programs. The program must include certification training standards for insurance producers seeking compensation under the incentive program. The standards must meet the training modules specified under Minnesota Rules, part 7700.0050, subpart 1, and the training program must not exceed eight hours to complete. This training program shall qualify for eight hours of continuing education credits on public health care programs for insurance producers required under chapter 60K and must comply with course approval requirements under chapter 45. The amount of compensation to be paid to an insurance producer under this program is established in section 256.962, subdivision 5.

Subd. 4. **Navigator; in-person assisters; call center.** (a) The ~~board~~ commissioner shall establish policies and procedures for the ongoing operation of a navigator program, in-person assister program, call center, and customer service provisions for MNsure to be implemented beginning January 1, 2015.

(b) ~~Until the implementation of the policies and procedures described in paragraph (a), the following shall be in effect:~~

~~(1) the navigator program shall be met by section 256.962;~~

~~(2) entities eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210 (c)(2), may serve as in-person assisters;~~

~~(3)~~ The ~~board~~ commissioner shall establish requirements and compensation for the navigator program and the in-person assister program by April 30, 2013. Entities

eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210(c)(2), may serve as in-person assisters. Compensation for navigators and in-person assisters must take into account any other compensation received by the navigator or in-person assister for conducting the same or similar services~~; and~~.

~~(4)~~ (c) Call center operations shall utilize existing state resources and personnel, including referrals to counties for medical assistance.

~~(c)~~ (d) The ~~board~~ commissioner shall establish a toll-free number for MNsure and may hire and contract for additional resources as deemed necessary.

~~(d)~~ (e) The navigator program and in-person assister program must meet the requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In establishing training standards for the navigators and in-person assisters, the ~~board~~ commissioner must ensure that all entities and individuals carrying out navigator and in-person assister functions have training in the needs of underserved and vulnerable populations; eligibility and enrollment rules and procedures; the range of available public health care programs and qualified health plan options offered through MNsure; and privacy and security standards. ~~For calendar year 2014, the commissioner of human services shall ensure that the navigator program under section 256.962 provides application assistance for both qualified health plans offered through MNsure and public health care programs.~~

~~(e)~~ (f) The ~~board~~ commissioner must ensure that any information provided by navigators, in-person assisters, the call center, or other customer assistance portals be accessible to persons with disabilities and that information provided on public health care programs include information on other coverage options available to persons with disabilities.

Subd. 5. **Health carrier and health plan requirements; participation.** ~~(a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through MNsure that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.~~

~~(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:~~

~~(1) apply uniformly to all health carriers and health plans in the individual market;~~

~~(2) apply uniformly to all health carriers and health plans in the small group market; and~~

~~(3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.~~

~~(c)~~ (a) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the ~~board~~ commissioner shall establish policies and procedures for certification

and selection of health plans to be offered as qualified health plans through MNsure. The ~~board~~ commissioner shall certify and select a health plan as a qualified health plan to be offered through MNsure, if:

(1) the health plan meets ~~the minimum certification requirements established in paragraph (a) or~~ the market state regulatory requirements ~~in paragraph (b)~~;

(2) the ~~board~~ commissioner determines that making the health plan available through MNsure is in the interest of qualified individuals and qualified employers;

(3) the health carrier applying to offer the health plan through MNsure also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and

(4) the health carrier does not apply to offer health plans in the individual and small group markets through MNsure under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside MNsure.

~~(d)~~ (b) In determining the interests of qualified individuals and employers under paragraph ~~(c)~~ (a), clause (2), the ~~board~~ commissioner may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The ~~board~~ commissioner may consider:

(1) affordability;

(2) quality and value of health plans;

(3) promotion of prevention and wellness;

(4) promotion of initiatives to reduce health disparities;

(5) market stability and adverse selection;

(6) meaningful choices and access;

(7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and

(8) other criteria that the ~~board~~ commissioner determines appropriate.

~~(e)~~ (c) For qualified health plans offered through MNsure on or after January 1, ~~2015~~ 2017, the ~~board~~ commissioner shall establish policies and procedures ~~under paragraphs (c) and (d)~~ in accordance with this subdivision for selection of health plans to be offered as qualified health plans through MNsure by February 1 of each year, beginning February 1, ~~2014~~ 2016. The ~~board~~ commissioner shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the ~~board~~ commissioner may use the process described in subdivision ~~9~~ 8.

~~(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in MNsure. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through MNsure.~~

~~(g)~~ (d) Under this subdivision, the ~~board~~ commissioner shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in MNsure.

~~(h)~~ (e) The ~~board~~ commissioner has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

~~(i)~~ (f) For qualified health plans offered through MNsure beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. MNsure shall comply with all future changes in federal law with regard to health coverage for the tribes.

Subd. 6. **Appeals.** (a) The ~~board~~ commissioner may conduct hearings, appoint hearing officers, and recommend final orders related to appeals of any MNsure determinations, except for those determinations identified in paragraph (d). An appeal by a health carrier regarding a specific certification or selection determination made by ~~MNsure~~ the commissioner under subdivision 5 must be conducted as a contested case proceeding under chapter 14, with the report or order of the administrative law judge constituting the final decision in the case, subject to judicial review under sections 14.63 to 14.69. For other appeals, the ~~board~~ commissioner shall establish hearing processes which provide for a reasonable opportunity to be heard and timely resolution of the appeal and which are consistent with the requirements of federal law and guidance. An appealing party may be represented by legal counsel at these hearings, but this is not a requirement.

(b) ~~MNsure~~ The commissioner may establish service-level agreements with state agencies to conduct hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is authorized to enter into service-level agreements for this purpose with ~~MNsure~~ the commissioner.

(c) For proceedings under this subdivision, MNsure may be represented by an attorney who is an employee of MNsure.

(d) This subdivision does not apply to appeals of determinations where a state agency hearing is available under section 256.045.

(e) An appellant aggrieved by an order of the commissioner issued in an eligibility appeal, as defined in Minnesota Rules, part 7700.0101, may appeal the order to the

district court of the appellant's county of residence by serving a written copy of a notice of appeal upon the commissioner and any other adverse party of record within 30 days after the date the commissioner issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision. The commissioner shall furnish all parties to the proceedings with a copy of the decision and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the appeals examiner within 45 days after service of the notice of appeal.

(f) Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

(g) Any party may obtain a hearing at a special term of the district court by serving a written notice of the time and place of the hearing at least ten days prior to the date of the hearing. The court may consider the matter in or out of chambers, and shall take no new or additional evidence unless it determines that such evidence is necessary for a more equitable disposition of the appeal.

(h) Any party aggrieved by the order of the district court may appeal the order as in other civil cases. No costs or disbursements shall be taxed against any party nor shall any filing fee or bond be required of any party.

(i) If the commissioner or district court orders eligibility for qualified health plan coverage through MNsure, or eligibility for federal advance payment of premium tax credits or cost-sharing reductions contingent upon full payment of respective premiums, the premiums must be paid or provided pending appeal to the district court, Court of Appeals, or Supreme Court. Provision of eligibility by the commissioner pending appeal does not render moot the commissioner's position in a court of law.

Subd. 7. **Agreements; consultation.** (a) The ~~board~~ commissioner shall:

~~(1) establish and maintain an agreement with the chief information officer of the Office of MN.IT Services for information technology services that ensures coordination with public health care programs. The board may establish and maintain agreements with the chief information officer of the Office of MN.IT Services for other information technology services, including an agreement that would permit MNsure to administer eligibility for additional health care and public assistance programs under the authority of the commissioner of human services;~~

~~(2)~~ (1) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The ~~board~~ commissioner may establish and maintain an agreement with the commissioner of human services for other services;

~~(3)~~ (2) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of MNsure certification requirements for health plans and dental plans offered through MNsure. The ~~board~~ commissioner may establish and maintain agreements with the commissioners of commerce and health for other services; and

~~(4)~~ (3) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating MNsure, excluding medical assistance allocatable costs.

(b) The ~~board~~ commissioner shall consult with the commissioners of commerce and health regarding the operations of MNsure.

(c) The ~~board~~ commissioner shall consult with Indian tribes and organizations regarding the operation of MNsure.

(d) Beginning March 15, ~~2014~~ 2016, and each March 15 thereafter, the ~~board~~ commissioner shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of the Office of MN.IT Services, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.

Subd. 8. **Rulemaking.** ~~(a) If the board's policies, procedures, or other statements are rules, as defined in section 14.02, subdivision 4, the requirements in either paragraph (b) or (c) apply, as applicable.~~

~~(b) Effective upon enactment until January 1, 2015:~~

~~(1) the board shall publish notice of proposed rules in the State Register after complying with section 14.07, subdivision 2;~~

~~(2) interested parties have 21 days to comment on the proposed rules. The board must consider comments it receives. After the board has considered all comments and has complied with section 14.07, subdivision 2, the board shall publish notice of the final rule in the State Register;~~

~~(3) if the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules that differ from the proposed rules shall be included in the notice of adoption, together with a citation to the prior State Register that contained the notice of the proposed rules; and~~

~~(4) rules published in the State Register before January 1, 2014, take effect upon publication of the notice. Rules published in the State Register on and after January 1, 2014, take effect 30 days after publication of the notice.~~

~~(c) Beginning January 1, 2015,~~ The ~~board~~ commissioner may adopt rules to implement any provisions in this chapter using the expedited rulemaking process in section 14.389.

~~(d) The notice of proposed rules required in paragraph (b) must provide information as to where the public may obtain a copy of the rules. The board shall post the proposed rules on the MNsure Web site at the same time the notice is published in the State Register.~~

Subd. 9. **Dental plans.** (a) The provisions of this section that apply to health plans shall apply to dental plans offered as stand-alone dental plans through MNsure, to the extent practicable.

(b) A stand-alone dental plan offered through MNsure must meet all certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, that are applicable to health plans, except for certification requirements that cannot be met because the dental plan only covers dental benefits.

Subd. 10. **Limitations; risk-bearing.** ~~(a) The board~~ MNsure shall not bear insurance risk ~~or~~ and the commissioner shall not enter into any agreement with health care providers to pay claims.

~~(b) Nothing in this subdivision shall prevent MNsure from providing insurance for its employees.~~

Subd. 11. **Prohibition on other product lines.** (a) MNsure is prohibited, either directly or through another agency or business partner, from certifying, selecting, or offering products and policies of coverage other than qualified health plans or dental plans.

(b) This subdivision expires July 1, 2018.

Sec. 11. Minnesota Statutes 2014, section 62V.06, is amended to read:

62V.06 DATA PRACTICES.

Subdivision 1. **Applicability.** MNsure is ~~a state agency for purposes of the Minnesota Government Data Practices Act and is~~ subject to all provisions of chapter 13, in addition to the requirements contained in this section.

Subd. 2. **Definitions.** As used in this section:

(1) "individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services; and

(2) "participating" means that an individual, employee, or employer is seeking, or has sought an eligibility determination, enrollment processing, or premium processing through MNsure.

Subd. 3. **General data classifications.** The following data collected, created, or maintained by MNsure are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) data on any individual participating in MNsure;

(2) data on any individuals participating in MNsure as employees of an employer participating in MNsure; and

(3) data on employers participating in MNsure.

Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer in an application for certification to sell a health plan through MNsure, or submitted by an applicant seeking permission or a commission to act as a navigator or in-person assister, are classified as follows:

(1) at the time the application is submitted, all data contained in the application are private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, except that the name of the applicant is public; and

(2) upon a final determination related to the application for certification by MNsure, all data contained in the application are public, with the exception of trade secret data as defined in section 13.37.

(b) Data created or maintained by a government entity as part of the evaluation of an application are protected nonpublic data, as defined in section 13.02, subdivision 13, until a final determination as to certification is made and all rights of appeal have been exhausted. Upon a final determination and exhaustion of all rights of appeal, these data are public, with the exception of trade secret data as defined in section 13.37 and data subject to attorney-client privilege or other protection as provided in section 13.393.

(c) If an application is denied, the public data must include the criteria used by the ~~board~~ commissioner to evaluate the application and the specific reasons for the denial, and these data must be published on the MNsure Web site.

Subd. 5. **Data sharing.** (a) ~~MNsure~~ The commissioner may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that ~~MNsure~~ the commissioner must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that ~~MNsure~~ the commissioner must enter into a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(b) ~~MNsure~~ The commissioner may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of MNsure, provided that ~~MNsure~~ the commissioner must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of MNsure, provided that ~~MNsure~~ the commissioner must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of MNsure in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennessen warning required by section 13.04, subdivision 2.

~~(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in MNsure with MNsure, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a MNsure participant. The agency must enter into a data-sharing agreement with MNsure prior to sharing any data under this paragraph.~~

Subd. 6. **Notice and disclosures.** (a) In addition to the Tennessen warning required by section 13.04, subdivision 2, ~~MNsure~~ the commissioner must provide any data subject asked to supply private data with:

(1) a notice of rights related to the handling of genetic information, pursuant to section 13.386; and

(2) a notice of the records retention policy of MNsure, detailing the length of time MNsure will retain data on the individual and the manner in which it will be destroyed upon expiration of that time.

(b) All notices required by this subdivision, including the Tennessen warning, must be provided in an electronic format suitable for downloading or printing.

Subd. 7. **Summary data.** In addition to creation and disclosure of summary data derived from private data on individuals, as permitted by section 13.05, subdivision 7, ~~MNsure~~ the commissioner may create and disclose summary data derived from data classified as nonpublic under this section.

Subd. 8. **Access to data; audit trail.** (a) Only individuals with explicit authorization from the ~~board~~ commissioner may enter, update, or access not public data collected, created, or maintained by MNsure. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual, and the statutory authorization that grants access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, or shared or disseminated outside of MNsure, must be recorded in a data audit trail. Data contained in the audit trail are public, to the extent that the data are not otherwise classified by this section.

The ~~board~~ commissioner shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this section, or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization from the ~~board~~ commissioner, the ~~board~~ commissioner shall forward the matter to the county attorney for prosecution.

(b) This subdivision shall not limit or affect the authority of the legislative auditor to access data needed to conduct audits, evaluations, or investigations of MNsure or the obligation of the ~~board~~ commissioner and MNsure employees to comply with section 3.978, subdivision 2.

(c) This subdivision does not apply to actions taken by a MNsure participant to enter, update, or access data held by MNsure, if the participant is the subject of the data that is entered, updated, or accessed.

Subd. 9. **Sale of data prohibited.** ~~MNsure~~ The commissioner may not sell any data collected, created, or maintained by MNsure, regardless of its classification, for commercial or any other purposes.

Subd. 10. **Gun and firearm ownership.** ~~MNsure~~ The commissioner shall not collect information that indicates whether or not an individual owns a gun or has a firearm in the individual's home.

Sec. 12. Minnesota Statutes 2014, section 62V.07, is amended to read:

62V.07 FUNDS.

~~(a) The MNsure account is created in the special revenue fund of the state treasury. All funds received by MNsure shall be deposited in the account. Funds in the account are appropriated to MNsure for the operation of MNsure. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the MNsure account not currently needed, shall be credited to the MNsure account.~~ All funds received by MNsure shall be deposited in the state government special revenue fund.

~~(b) The budget submitted to the legislature under section 16A.11 must include budget information for MNsure.~~

Sec. 13. Minnesota Statutes 2014, section 62V.08, is amended to read:

62V.08 REPORTS.

(a) ~~MNsure~~ The commissioner shall submit a report to the legislature by January 15, ~~2015~~ 2016, and each January 15 thereafter, on: (1) the performance of MNsure operations; (2) meeting MNsure responsibilities; (3) an accounting of MNsure budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of MNsure in reducing the rate of uninsurance.

(b) ~~MNsure~~ The commissioner must publish its administrative and operational costs on a Web site to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

Sec. 14. Minnesota Statutes 2014, section 245C.10, is amended by adding a subdivision to read:

Subd. 12. **MNsure consumer assistance partners.** The commissioner shall recover the cost of background studies required under section 256.962, subdivision 9, through a fee of no more than $20 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 15. Minnesota Statutes 2014, section 256.962, subdivision 5, is amended to read:

Subd. 5. **Incentive program.** Beginning January 1, 2008, the commissioner shall establish an incentive program for ~~organizations and licensed insurance producers under chapter 60K~~ community assistance partners defined under section 62V.02, subdivision 2a, that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare~~,~~ or medical assistance, ~~or general assistance medical care,~~ the commissioner~~, within the available appropriation,~~ shall pay the ~~organization or licensed insurance producer~~ community assistance partner or insurance producer if the insurance producer has completed the certification training program administered by the commissioner of MNsure in accordance with section 62V.05, subdivision 3, paragraph (j), a ~~$25~~ $70 application assistance bonus. ~~The organization or licensed insurance producer may provide an applicant a gift certificate or other incentive upon enrollment.~~

Sec. 16. Minnesota Statutes 2014, section 256.962, is amended by adding a subdivision to read:

Subd. 9. **Background studies for consumer assistance partners.** All consumer assistance partners, as defined in section 62V.02, subdivision 2a, are required to undergo a background study according to the requirements of chapter 245C.

Sec. 17. **EXPANDED ACCESS TO THE SMALL BUSINESS HEALTH CARE TAX CREDIT.**

(a) The commissioner of human services, in consultation with the commissioners of commerce and MNsure, shall develop a proposal to allow small employers the ability to receive the small business health care tax credit when the small employer pays the premiums on behalf of employees enrolled in either a qualified health plan offered through a small business health options program (SHOP) marketplace or a small group health plan offered outside of the small business health options program marketplace within MNsure. To be eligible for the tax credit, the small employer must meet the requirements under

the Affordable Care Act, except that employees may be enrolled in a small group health plan product offered outside of MNsure.

(b) The commissioner of human services shall seek all federal waivers and approvals necessary to implement this proposal. The commissioner shall submit a draft proposal to the legislature at least 30 days before submitting a final proposal to the federal government, and shall notify the legislature of any federal decision or action received regarding the proposal and submitted waiver.

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

Sec. 18. **TRANSITION.**

The Department of MNsure is a continuation of MNsure as it existed on June 30, 2015. Minnesota Statutes, section 15.039, applies. The chief executive officer of MNsure on June 30, 2015, is the acting commissioner of MNsure on July 1, 2015, unless the governor designates a different acting commissioner. Any advisory committee created under Minnesota Statutes 2014, section 62V.04, subdivision 13, remains in effect, and current members continue to serve until the end of their terms unless the commissioner terminates a committee or replaces members.

Sec. 19. **REPEALER.**

Minnesota Statutes 2014, sections 62V.04; 62V.09; and 62V.11, are repealed.

ARTICLE 12

HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

	APPROPRIATIONS	
	Available for the Year	
	Ending June 30	
	2016	**2017**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$ 7,243,449,000 $ 7,588,822,000**

Appropriations by Fund	2016	2017
General	6,333,550,000	6,609,772,000
State Government Special Revenue	4,514,000	4,274,000
Health Care Access	629,886,000	692,459,000
Federal TANF	273,606,000	280,421,000
Lottery Prize	1,893,000	1,896,000

Receipts for Systems Projects. Appropriations and federal receipts for information systems projects for MAXIS, PRISM, MMIS, ISDS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the commissioner of the Office of MN.IT Services, funded by the legislature, and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.

Nonfederal Share Transfers. The nonfederal share of activities for which federal administrative reimbursement is appropriated to the commissioner may be transferred to the special revenue fund.

TANF Maintenance of Effort. (a) In order to meet the basic maintenance of effort

(MOE) requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1, the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF/MOE expenditures:

(1) MFIP cash, diversionary work program, and food assistance benefits under Minnesota Statutes, chapter 256J;

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671; and

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674.

(b) The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's TANF/MOE requirements. For the activities

listed in paragraph (a), clauses (2) to (7), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) For fiscal years beginning with state fiscal year 2003, the commissioner shall ensure that the maintenance of effort used by the commissioner of management and budget for the February and November forecasts required under Minnesota Statutes, section 16A.103, contains expenditures under paragraph (a), clause (1), equal to at least 11 percent in fiscal years 2016 and 2017, and 16 percent beginning in 2018 of the total required under Code of Federal Regulations, title 45, section 263.1.

(d) The requirement in Minnesota Statutes, section 256.011, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law, does not apply if the grants or aids are federal TANF funds.

(e) For the federal fiscal years beginning on or after October 1, 2007, the commissioner may not claim an amount of TANF/MOE in excess of the 75 percent standard in Code of Federal Regulations, title 45, section 263.1(a)(2), except:

(1) to the extent necessary to meet the 80 percent standard under Code of Federal Regulations, title 45, section 263.1(a)(1), if it is determined by the commissioner

that the state will not meet the TANF work participation target rate for the current year;

(2) to provide any additional amounts under Code of Federal Regulations, title 45, section 264.5, that relate to replacement of TANF funds due to the operation of TANF penalties; and

(3) to provide any additional amounts that may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess MOE provisions of Code of Federal Regulations, title 45, section 261.43(a)(2).

For the purposes of clauses (1) to (3), the commissioner may supplement the MOE claim with working family credit expenditures or other qualified expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this subdivision, subdivision 2, and subdivision 3.

(f) Notwithstanding any contrary provision in this article, paragraphs (a) to (e) expire June 30, 2019.

Working Family Credit Expenditure as TANF/MOE. The commissioner may claim as TANF maintenance of effort up to $6,707,000 per year of working family credit expenditures in each fiscal year.

Subd. 2. **Working Family Credit to be Claimed for TANF/MOE**

The commissioner may count the following additional amounts of working family credit expenditures as TANF maintenance of effort:

(1) fiscal year 2016, $0;

(2) fiscal year 2017, $1,283,000;

(3) fiscal year 2018, $0; and

(4) fiscal year 2019, $0.

Notwithstanding any contrary provision in this article, this subdivision expires June 30, 2019.

Subd. 3. **TANF Transfer To Federal Child Care and Development Fund**

(a) The following TANF fund amounts are appropriated to the commissioner for purposes of MFIP/transition year child care assistance under Minnesota Statutes, section 119B.05:

(1) fiscal year 2016, $49,235,000;

(2) fiscal year 2017, $51,532,000;

(3) fiscal year 2018, $49,658,000; and

(4) fiscal year 2019, $49,658,000.

(b) The commissioner shall authorize the transfer of sufficient TANF funds to the federal child care and development fund to meet this appropriation and shall ensure that all transferred funds are expended according to federal child care and development fund regulations.

Subd. 4. **Central Office**

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) **Operations**

	Appropriations by Fund	
General	114,038,000	111,936,000
State Government Special Revenue	4,389,000	4,149,000
Health Care Access	14,646,000	13,751,000
Federal TANF	100,000	100,000

MN.IT Reimbursement. The Office of MN.IT Services shall reimburse the commissioner of human services $7,200,000 in fiscal year 2016 for excess billings for shared information technology services.

Return on Taxpayer Investment Study. $156,000 in fiscal year 2016 and $156,000 in fiscal year 2017 are to the commissioner of human services for transfer to the commissioner of management and budget to develop and implement a return on taxpayer investment (ROTI) methodology using the Pew-MacArthur Results First framework to evaluate corrections and human services programs administered and funded by state and county governments. The commissioner shall engage and work with staff from Pew-MacArthur Results First and shall consult with representatives of other state agencies, counties, legislative staff, the commissioners of corrections and human services, and other commissioners of state agencies and stakeholders to implement the established methodology. The commissioner of management and budget shall report on implementation progress and make recommendations to the governor and legislature by January 31, 2017.

Administrative Recovery; Set-Aside. The commissioner may invoice local entities through the SWIFT accounting system as an alternative means to recover the actual cost of administering the following provisions:

(1) Minnesota Statutes, section 125A.744, subdivision 3;

(2) Minnesota Statutes, section 245.495, paragraph (b);

(3) Minnesota Statutes, section 256B.0625, subdivision 20, paragraph (k);

(4) Minnesota Statutes, section 256B.0924, subdivision 6, paragraph (g);

(5) Minnesota Statutes, section 256B.0945, subdivision 4, paragraph (d); and

(6) Minnesota Statutes, section 256F.10, subdivision 6, paragraph (b).

IT Appropriations Generally. This appropriation includes funds for information technology projects, services, and support. Notwithstanding Minnesota Statutes, section 16E.0466, funding for information technology project costs shall be incorporated into the service level agreement and paid to the Office of MN.IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

Continued Development of MNsure IT System. The following amounts are appropriated for transfer to the state systems account under Minnesota Statutes, section 256.014:

(1) $5,180,000 in fiscal year 2016 and $2,590,000 in fiscal year 2017 are from the general fund for the state share of Medicaid-allocated costs for the acceleration of the MNsure IT system development project. The general fund base is $3,045,000 each year in fiscal years 2018 and 2019; and

(2) $1,820,000 in fiscal year 2016 and $910,000 in fiscal year 2017 are from the health care access fund for the state share of MinnesotaCare-allocated costs for the acceleration of the MNsure IT system development project. The health care access fund base is $455,000 each year in fiscal years 2018 and 2019.

Base Level Adjustment. The general fund base is increased by $473,000 in fiscal years 2018 and 2019. The health care access fund base is decreased by $455,000 in fiscal years 2018 and 2019.

(b) **Children and Families**

	Appropriations by Fund	
General	10,057,000	9,958,000
Federal TANF	2,582,000	2,582,000

Financial Institution Data Match and Payment of Fees. The commissioner is authorized to allocate up to $310,000 each year in fiscal year 2016 and fiscal year 2017 from the PRISM special revenue account to make payments to financial institutions in exchange for performing data matches between account information held by financial institutions and the public authority's database of child support obligors as authorized by Minnesota Statutes, section 13B.06, subdivision 7.

Of the general fund appropriation, $392,000 in fiscal year 2016 and $453,000 in fiscal year 2017 are for the Ombudsperson for Families.

Base Level Adjustment. The general fund base is increased by $31,000 in fiscal years 2018 and 2019.

(c) **Health Care**

	Appropriations by Fund	
General	16,278,000	16,680,000
Health Care Access	30,674,000	30,216,000

Task Force. Of the health care access fund appropriation, $500,000 in fiscal year 2016 is for administrative services and support to the Task Force on Health Care Financing. This is a onetime appropriation.

Base Level Adjustment. The general fund base is decreased by $148,000 in fiscal year 2018 and is decreased by $246,000 in fiscal year 2019. The health care access fund base is increased by $1,740,000 in fiscal year 2018 only.

(d) **Continuing Care**

	Appropriations by Fund	
General	31,339,000	29,036,000
State Government Special Revenue	125,000	125,000

Training of Direct Support Services Providers. $250,000 in fiscal year 2017 is appropriated for training of individual providers of direct support services as defined in Minnesota Statutes, section 256B.0711, subdivision 1. This appropriation is only available if the labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota under Minnesota Statutes, section 179A.54, is approved under Minnesota Statutes, sections 3.855 and 179A.22.

Base Level Adjustment. The general fund base is increased by $286,000 in fiscal year 2018 and $226,000 in fiscal year 2019.

(e) **Chemical and Mental Health**

	Appropriations by Fund	
General	6,958,000	7,240,000
Lottery Prize	160,000	163,000

Base Level Adjustment. The general fund base is decreased by $301,000 in fiscal year 2018 and is decreased by $353,000 in fiscal year 2019.

Subd. 5. **Forecasted Programs**

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) **MFIP/DWP**

	Appropriations by Fund	
General	90,182,000	93,975,000
Federal TANF	115,102,000	119,620,000

(b) **MFIP Child Care Assistance** 101,541,000 109,263,000

(c) **General Assistance** 55,117,000 57,847,000

General Assistance Standard. The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or living apart from parents or a legal guardian at $203. The commissioner may reduce this amount according to Laws 1997, chapter 85, article 3, section 54.

Emergency General Assistance. The amount appropriated for emergency general assistance is limited to no more than $6,729,812 in fiscal year 2016 and $6,729,812 in fiscal year 2017. Funds to counties shall be allocated by the commissioner using the allocation method under Minnesota Statutes, section 256D.06.

(d) **Minnesota Supplemental Aid** 39,668,000 41,169,000

(e) **Group Residential Housing** 155,753,000 167,194,000

(f) **Northstar Care for Children** 41,096,000 46,337,000

(g) **MinnesotaCare** 383,064,000 433,941,000

This appropriation is from the health care access fund.

(h) **Medical Assistance**

	Appropriations by Fund	
General	4,896,473,000	5,144,958,000
Health Care Access	196,586,000	208,404,000

Critical Access Nursing Facilities. $1,500,000 each fiscal year is for critical access nursing facilities under Minnesota Statutes, section 256B.441, subdivision 63.

Behavioral Health Services. $1,000,000 each fiscal year is for behavioral health services provided by hospitals identified under Minnesota Statutes, section 256.969, subdivision 2b, paragraph (a), clause (4). The increase in payments shall be made by increasing the adjustment under Minnesota Statutes, section 256.969, subdivision 2b, paragraph (e), clause (2).

(i) **Alternative Care** 43,997,000 43,222,000

Alternative Care Transfer. Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

(j) **Chemical Dependency Treatment Fund** 83,210,000 86,639,000

Subd. 6. **Grant Programs**

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) **Support Services Grants**

	Appropriations by Fund	
General	13,258,000	8,840,000
Federal TANF	96,311,000	96,311,000

Base Level Adjustment. The general fund base is increased by $227,000 in fiscal years 2018 and 2019.

(b) **Basic Sliding Fee Child Care Assistance Grants** 56,216,000 56,623,000

Basic Sliding Fee Waiting List Allocation. Notwithstanding Minnesota Statutes, section 119B.03, $10,000,000 in fiscal year 2016 is to reduce the basic sliding fee program waiting list as follows:

(1) The calendar year 2016 allocation shall be increased to serve families on the waiting list. To receive funds appropriated for this purpose, a county must have:

(i) a waiting list in the most recent published waiting list month;

(ii) an average of at least ten families on the most recent six months of published waiting list; and

(iii) total expenditures in calendar year 2014 that met or exceeded 80 percent of the county's available final allocation.

(2) Funds shall be distributed proportionately based on the average of the most recent six months of published waiting lists to counties that meet the criteria in clause (1).

(3) Allocations in calendar years 2017 and beyond shall be calculated using the

allocation formula in Minnesota Statutes, section 119B.03.

(4) The guaranteed floor for calendar year 2017 shall be based on the revised calendar year 2016 allocation.

Base Level Adjustment. The general fund base is increased by $2,481,000 in fiscal year 2018 and increased by $2,493,000 in fiscal year 2019.

(c) **Child Care Development Grants**	1,737,000	1,737,000
(d) **Child Support Enforcement Grants**	50,000	50,000

(e) **Children's Services Grants**

	Appropriations by Fund	
General	39,750,000	39,600,000
Federal TANF	140,000	140,000

Safe Place for Newborns. $150,000 from the general fund in fiscal year 2016 is to distribute information on the Safe Place for Newborns law in Minnesota to increase public awareness of the law. This is a onetime appropriation.

Child Protection. $22,000,000 in fiscal years 2016 and 2017 is to address child protection staffing and services under Minnesota Statutes, section 256M.41. The base for this purpose is $12,000,000 each year. $3,000,000 in fiscal years 2016 and 2017 is for child protection supportive services under Minnesota Statutes, section 256M.42.

Title IV-E Adoption Assistance. Additional federal reimbursement to the state as a result of the Fostering Connections to Success and Increasing Adoptions Act's expanded

eligibility for title IV-E adoption assistance are appropriated to the commissioner for postadoption services, including a parent-to-parent support network.

Adoption Assistance Incentive Grants. Federal funds available during fiscal years 2016 and 2017 for adoption incentive grants are appropriated to the commissioner for postadoption services, including a parent-to-parent support network.

Base Level Adjustment. The general fund base is decreased by $9,135,000 in fiscal years 2018 and 2019.

(f) **Children and Community Service Grants**	57,701,000	57,701,000

White Earth Band of Ojibwe Human Services. $1,400,000 in fiscal year 2016 and $1,400,000 in fiscal year 2017 are for a grant to the White Earth Band of Ojibwe for the direct implementation and administrative costs of the White Earth transfer authorized under Laws 2011, First Special Session chapter 9, article 9, section 18. This appropriation is added to the base.

(g) **Children and Economic Support Grants**	26,423,000	26,305,000

Healthy Eating Here at Home. $183,000 in fiscal year 2016 and $193,000 in fiscal year 2017 are for the healthy eating here at home program.

Homeless Youth Act. Of this appropriation, at least $500,000 must be awarded to providers in greater Minnesota, with at least 25 percent of this amount for new applicant providers. The commissioner shall provide outreach and technical assistance to greater

Minnesota providers and new providers to encourage responding to the request for proposals.

Stearns County Administrative Funding. $26,000 in fiscal year 2016 and $26,000 in fiscal year 2017 are for a grant to Stearns County to provide administrative funding in support of a service provider serving veterans in Stearns County. The administrative funding grant may be used to support group residential housing services, corrections-related services, veteran services, and other social services related to the service provider serving veterans in Stearns County. This is a onetime appropriation.

Transitional Housing. $321,000 in fiscal year 2016 is for a grant to an organization in Ramsey County that serves African American males who are experiencing or have experienced some degree of homelessness. The organization must provide a comprehensive program, including services, education, skills training, and housing, to transition clients from homelessness to stability in both housing and employment. The grant under this section is for transitional housing for up to 34 men who participate in the program. This is a onetime appropriation.

Minnesota Food Assistance Program. Unexpended funds for the Minnesota food assistance program for fiscal year 2016 do not cancel but are available for this purpose in fiscal year 2017.

Base Level Adjustment. The general fund base is increased by $183,000 in fiscal year 2018 and is increased by $421,000 in fiscal year 2019.

(h) **Health Care Grants**

	Appropriations by Fund	
General	1,932,000	2,904,000
Health Care Access	3,341,000	3,465,000

Base Level Adjustment. The general fund base is increased by $783,000 in fiscal year 2018 and increased by $354,000 in fiscal year 2019.

(i) **Other Long-Term Care Grants** 2,306,000 2,480,000

Transition Populations. $1,551,000 in fiscal year 2016 and $1,725,000 in fiscal year 2017 are for home and community-based services transition grants to assist in providing home and community-based services and treatment for transition populations under Minnesota Statutes, section 256.478.

Base Level Adjustment. The general fund base is decreased by $5,000 in fiscal years 2018 and 2019.

(j) **Aging and Adult Services Grants** 27,838,000 27,537,000

Base Level Adjustment. The general fund base is increased by $75,000 in fiscal years 2018 and 2019.

(k) **Deaf and Hard-of-Hearing Grants** 1,875,000 1,875,000

(l) **Disabilities Grants** 20,247,000 20,258,000

(m) **Adult Mental Health Grants**

	Appropriations by Fund	
General	69,027,000	69,075,000
Health Care Access	1,575,000	2,682,000
Lottery Prize	1,733,000	1,733,000

Funding Usage. Up to 75 percent of a fiscal year's appropriation for adult mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Culturally Specific Mental Health Services. $100,000 in fiscal year 2016 is for grants to nonprofit organizations to provide resources and referrals for culturally specific mental health services to Southeast Asian veterans born before 1965 who do not qualify for services available to veterans formally discharged from the United States armed forces.

Problem Gambling. $225,000 in fiscal year 2016 and $225,000 in fiscal year 2017 are appropriated from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling.

Sustainability Grants. $2,125,000 in fiscal year 2016 and $2,125,000 in fiscal year 2017 are for sustainability grants under Minnesota Statutes, section 256B.0622, subdivision 11.

Base Level Adjustment. The general fund base is increased by $2,245,000 in fiscal year 2018 and is increased by $2,545,000 in fiscal year 2019. The health care access fund base

is decreased by $1,932,000 in fiscal years 2018 and 2019.

(n) **Child Mental Health Grants** 22,421,000 22,853,000

Services and Supports for First Episode Psychosis. $90,000 in fiscal year 2017 is for grants under Minnesota Statutes, section 245.4889, to mental health providers to pilot evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis and for a public awareness campaign on the signs and symptoms of psychosis. The base for these grants is $160,000 in fiscal year 2018 and $225,000 in fiscal year 2019.

Adverse Childhood Experiences. $363,000 in fiscal year 2018 and $363,000 in fiscal year 2019 are for grants under Minnesota Statutes, section 245.4889, to children's mental health and family services collaboratives for adverse childhood experiences (ACEs) training grants and for an interactive Web site connection to support ACEs in Minnesota.

Funding Usage. Up to 75 percent of a fiscal year's appropriation for child mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Base Level Adjustment. The general fund base is increased by $235,000 in fiscal year 2018 and is increased by $600,000 in fiscal year 2019.

(o) **Chemical Dependency Treatment Support Grants** 1,701,000 1,701,000

Fetal Alcohol Syndrome Grants. $540,000 in fiscal year 2016 and $540,000 in fiscal year

2017 are for grants to be administered by the Minnesota Organization on Fetal Alcohol Syndrome to provide comprehensive, gender-specific, services to pregnant and parenting women suspected of or known to use or abuse alcohol or other drugs. This appropriation is for grants to no fewer than three eligible recipients. Minnesota Organization on Fetal Alcohol Syndrome must report to the commissioner of human services annually by January 15 on the grants funded by this appropriation. The report must include measurable outcomes for the previous year, including the number of pregnant women served and the number of toxic-free babies born.

Subd. 7. **DCT State-Operated Services**

Transfer Authority for State-Operated Services. Money appropriated for state-operated services may be transferred between fiscal years of the biennium with the approval of the commissioner of management and budget.

The amounts that may be spent from the appropriation for each purpose are as follows:

(a) **DCT State-Operated Services Mental Health**	129,009,000	126,467,000

Child and Adolescent Behavioral Health Services Program Closure. Closure of the Child and Adolescent Behavioral Health Services Inpatient Hospital in Willmar shall not occur prior to June 30, 2016.

Transfer. Notwithstanding Minnesota Statutes, section 246.18, subdivision 8, the commissioner of human services shall

transfer $2,000,000 in fiscal year 2017 from the account under Minnesota Statutes, section 246.18, subdivision 8, in the special revenue fund to the general fund. This is a onetime transfer for repeal of never implemented grants for mental health specialty treatment services.

Dedicated Receipts Available. Of the revenue received under Minnesota Statutes, section 246.18, subdivision 8, paragraph (a), up to $1,000,000 each year is available for the purposes of Minnesota Statutes, section 246.18, subdivision 8, paragraph (b), clause (1); and up to $2,713,000 each year is available for the purposes of Minnesota Statutes, section 246.18, subdivision 8, paragraph (b), clause (3).

Transfers from State-Operated Services Account. (a) If the commissioner of human services notifies the commissioner of management and budget by July 31, 2015, that the fiscal year 2015 general fund expenditures exceed the general fund appropriation for state-operated services mental health to the Department of Human Services, notwithstanding Minnesota Statutes, section 246.18, subdivision 8, the commissioner of human services, with the approval of the commissioner of management and budget, shall transfer up to $1,000,000 in fiscal year 2015 from the account under Minnesota Statutes, section 246.18, subdivision 8, in the special revenue fund to the general fund. The amount transferred under this paragraph must not exceed the amount of the fiscal year

2015 negative balance in the general fund appropriation for state-operated services mental health to the Department of Human Services. The amount transferred under this paragraph, up to $1,000,000 in fiscal year 2015, is appropriated from the general fund to the commissioner of human services for state-operated services mental health expenditures. This paragraph is effective the day following final enactment and expires on October 1, 2015. Any amount transferred under this paragraph that is not expended by September 30, 2015, shall cancel to the account from which the amount was transferred.

(b) If the commissioner of human services notifies the commissioner of management and budget by July 31, 2015, that the balance in fiscal year 2015 in the Minnesota state-operated community services fund is a negative amount, notwithstanding Minnesota Statutes, section 246.18, subdivision 8, the commissioner of human services, with the approval of the commissioner of management and budget, shall transfer up to $3,200,000 in fiscal year 2015 from the account under Minnesota Statutes, section 246.18, subdivision 8, in the special revenue fund to the Minnesota state-operated community services fund. The amount transferred under this paragraph must not exceed the amount of the fiscal year 2015 negative balance in the Minnesota state-operated community services fund. This paragraph is effective the day following final enactment and expires on October 1, 2015. Any amount transferred

under this paragraph that is not expended by September 30, 2015, shall cancel to the account from which the amount was transferred.

Appropriations Retroactive to Fiscal Year 2015. If the commissioner of human services notifies the commissioner of management and budget by July 31, 2015, that the fiscal year 2015 general fund expenditures exceed the general fund appropriation for state-operated services mental health to the Department of Human Services, up to $5,000,000 of this appropriation in fiscal year 2016 may be used in fiscal year 2015 for state-operated services mental health expenditures. The commissioner of human services must report to the commissioner of management and budget the purpose and amount of any expenditures under this paragraph, and the commissioner of management and budget must approve the total amount attributable to this paragraph. This paragraph is effective the day following final enactment and expires on October 1, 2015.

Base Level Adjustment. The general fund base is decreased by $1,074,000 in fiscal years 2018 and 2019.

(b) **DCT State-Operated Services Enterprise Services**	8,058,000	5,615,000

Transfers from Consolidated Chemical Dependency Treatment Fund. (a) If the commissioner of human services notifies the commissioner of management and budget by July 31, 2015, that the balance in fiscal year 2015 in the community addiction recovery enterprise fund is a negative amount,

notwithstanding Minnesota Statutes, section 254B.06, subdivision 1, the commissioner of human services, with the approval of the commissioner of management and budget, shall transfer $2,000,000 in fiscal year 2015 from the consolidated chemical dependency treatment fund account in the special revenue fund to the community addiction recovery enterprise fund. The amount transferred under this paragraph must not exceed the amount of the fiscal year 2015 negative balance in the community addiction recovery enterprise fund. This paragraph is effective the day following final enactment and expires on October 1, 2015. Any amount transferred under this paragraph that is not expended by September 30, 2015, shall cancel to the account from which the amount was transferred.

(b) If the commissioner of human services notifies the commissioner of management and budget by July 31, 2015, that the fiscal year 2015 general fund expenditures exceed the general fund appropriation for state-operated services mental health to the Department of Human Services, notwithstanding Minnesota Statutes, section 254B.06, subdivision 1, the commissioner of human services, with the approval of the commissioner of management and budget, shall transfer $1,500,000 in fiscal year 2015 from the consolidated chemical dependency treatment fund account in the special revenue fund to the general fund. $1,500,000 in fiscal year 2015 is appropriated from the general fund to the commissioner of human

services for state-operated services mental health expenditures. The amount transferred under this paragraph must not exceed the amount of the fiscal year 2015 negative balance in the general fund appropriation for state-operated services mental health to the Department of Human Services. This paragraph is effective the day following final enactment and expires on October 1, 2015. Any amount transferred under this paragraph that is not expended by September 30, 2015, shall cancel to the account from which the amount was transferred.

(c) **DCT State-Operated Services Minnesota Security Hospital** 81,821,000 83,233,000

Base Level Adjustment. The general fund base is increased by $17,000 in fiscal year 2018 and $34,000 in fiscal year 2019.

Subd. 8. **DCT Minnesota Sex Offender Program** 86,473,000 89,464,000

Individual Evaluations of MSOP Client. $1,487,000 in fiscal year 2016 and $1,487,000 in fiscal year 2017 are to conduct biennial individual evaluations of MSOP clients on statutory criteria for reduction in custody. This appropriation is added to the base.

Transfer Authority for Minnesota Sex Offender Program. Money appropriated for the Minnesota sex offender program may be transferred between fiscal years of the biennium with the approval of the commissioner of management and budget.

Limited Carryforward Allowed. Notwithstanding any contrary provision in this article, of this appropriation, up to

$875,000 in fiscal year 2016 and $2,625,000 in fiscal year 2017 are available until June 30, 2019.

Minnesota Sex Offender Program. Any funds from the appropriation made by Laws 2014, chapter 312, article 30, section 2, subdivision 6, that are not used for payment of court-ordered costs in compliance with the United States District Court order of February 20, 2014, in the matter of Karsjens et al. v. Jesson et al., including any funds returned by the court that had been deposited with the court but not spent, may be used by the commissioner of human services to offset past and future litigation expenses in the same matter and to comply with any future orders of the United States District Court.

Base Level Adjustment. The general fund base is decreased by $2,625,000 in fiscal years 2018 and 2019.

Subd. 9. **Technical Activities** 59,371,000 61,668,000

This appropriation is from the federal TANF fund.

Base Level Adjustment. The TANF fund appropriation is decreased by $1,874,000 in fiscal years 2018 and 2019.

Sec. 3. **COMMISSIONER OF HEALTH**

Subdivision 1. **Total Appropriation** **$ 185,600,000 $ 187,657,000**

Appropriations by Fund

	2016	2017
General	95,339,000	98,168,000
State Government Special Revenue	55,524,000	55,318,000
Health Care Access	34,737,000	34,171,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Health Improvement**

	Appropriations by Fund	
General	74,573,000	75,795,000
State Government Special Revenue	6,264,000	6,182,000
Health Care Access	34,737,000	34,171,000

Violence Against Asian Women Working Group. $200,000 in fiscal year 2016 from the general fund is for the working group on violence against Asian women and children.

Poison Information Center Grants. $750,000 in fiscal year 2016 and $750,000 in fiscal year 2017 from the general fund are for regional poison information center grants under Minnesota Statutes, section 145.93.

Early Dental Prevention Grants. $172,000 in fiscal year 2016 and $140,000 in fiscal year 2017 are for the development and distribution of the early dental prevention initiative under Minnesota Statutes, section 144.3875.

International Medical Graduate Assistance Program. (a) $500,000 in fiscal year 2016 and $500,000 in fiscal year 2017 are from the health care access fund for the grant programs and necessary contracts under Minnesota Statutes, section 144.1911, subdivisions 3, paragraph (a), clause (4), and 4 and 5. The commissioner may use up to $133,000 per year of the appropriation for international medical graduate assistance program administration duties in Minnesota Statutes, section 144.1911, subdivisions

3, 9, and 10, and for administering the grant programs under Minnesota Statutes, section 144.1911, subdivisions 4, 5, and 6. The commissioner shall develop recommendations for any additional funding required for initiatives needed to achieve the objectives of Minnesota Statutes, section 144.1911. The commissioner shall report the funding recommendations to the legislature by January 15, 2016, in the report required under Minnesota Statutes, section 144.1911, subdivision 10. The base for this purpose is $1,000,000 in fiscal years 2018 and 2019.

(b) $500,000 in fiscal year 2016 and $500,000 in fiscal year 2017 are from the health care access fund for transfer to the revolving international medical graduate residency account established in Minnesota Statutes, section 144.1911, subdivision 6. This is a onetime appropriation.

Somali Women's Health Pilot Program.

(a) The commissioner of health shall establish a pilot program between one or more federally qualified health centers, as defined under Minnesota Statutes, section 145.9269, Isuroon, a Somali-based women's organization, and the Minnesota Evaluation Studies Institute, to develop a promising strategy to address the preventative and primary health care needs of, and address health inequities experienced by, first generation Somali women. The pilot program must collaboratively develop a patient flow process for first generation Somali women by:

(1) addressing and identifying clinical and cultural barriers to Somali women accessing preventative and primary care, including, but not limited to, cervical and breast cancer screenings;

(2) developing a culturally appropriate health curriculum for Somali women based on the outcomes from the community-based participatory research report "Cultural Traditions and the Reproductive Health of Somali Refugees and Immigrants" to increase the health literacy of Somali women and develop culturally specific health care information; and

(3) training the federally qualified health center's providers and staff to enhance provider and staff cultural competence regarding the cultural barriers, including female genital cutting.

(b) The pilot program must develop a process that results in increased screening rates for cervical and breast cancer and can be replicated by other providers serving ethnic minorities. The pilot program must conduct an evaluation of the new patient flow process used by Somali women to access federally qualified health centers services.

(c) The pilot program must report the outcomes to the commissioner by June 30, 2017.

(d) $125,000 in fiscal year 2016 and $125,000 in fiscal year 2017 are for the Somali women's health pilot program. This appropriation is available until June 30, 2017. This is a onetime appropriation.

Menthol Cigarette Study in the African-American Community. (a) The commissioner of health, in consultation with representatives of the African-American community and other interested stakeholders, shall evaluate the current attitudes and beliefs related to menthol-flavored cigarette usage among African-Americans in Minnesota and make recommendations based on this evaluation on ways to reduce the disproportionately high usage of cigarettes by African-Americans, especially the use of menthol-flavored cigarettes, as well as the disproportionate harm tobacco use causes in that community. The commissioner shall engage members of the African-American community and community-based organizations in conducting the evaluation and creating recommendations on how to address tobacco use within the African-American community.

(b) The commissioner shall submit the results of the evaluation and the recommendations to the chairs and ranking minority members of the senate and house of representatives health and human services policy and finance committees by January 15, 2016.

The health care access fund base for the statewide health improvement program is reduced by $200,000 in fiscal year 2016 and $200,000 from the health care access in fiscal year 2016 is appropriated for this study.

Targeted Home Visiting System. (a) $75,000 in fiscal year 2016 is for the commissioner of health, in consultation

with the commissioners of human services and education, community health boards, tribal nations, and other home visiting stakeholders, to design baseline training for new home visitors to ensure statewide coordination across home visiting programs.

(b) $575,000 in fiscal year 2016 and $2,000,000 fiscal year 2017 are to provide grants to community health boards and tribal nations for start-up grants for new nurse-family partnership programs and for grants to expand existing programs to serve first-time mothers, prenatally by 28 weeks gestation until the child is two years of age, who are eligible for medical assistance under Minnesota Statutes, chapter 256B, or the federal Special Supplemental Nutrition Program for Women, Infants, and Children. The commissioner shall award grants to community health boards or tribal nations in metropolitan and rural areas of the state. Priority for all grants shall be given to nurse-family partnership programs that provide services through a Minnesota health care program-enrolled provider that accepts medical assistance. Additionally, priority for grants to rural areas shall be given to community health boards and tribal nations that expand services within regional partnerships that provide the nurse-family partnership program. Funding available under this paragraph may only be used to supplement, not to replace, funds being used for nurse-family partnership home visiting services as of June 30, 2015.

Local and Tribal Public Health Grants. (a) $894,000 in fiscal year 2016 and $894,000 in fiscal year 2017 are for an increase in local public health grants for community health boards under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (e).

(b) $106,000 in fiscal year 2016 and $106,000 in fiscal year 2017 are for an increase in special grants to tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a.

Family Planning Special Projects. $1,000,000 in fiscal year 2016 and $1,000,000 in fiscal year 2017 from the general fund are for family planning special project grants under Minnesota Statutes, section 145.925.

Safe Harbor for Sexually Exploited Youth. $700,000 in fiscal year 2016 and $700,000 in fiscal year 2017 from the general fund are for the safe harbor program under Minnesota Statutes, sections 145.4716 to 145.4718. Funds shall be used for grants to increase the number of regional navigators; training for professionals who engage with exploited or at-risk youth; implementing statewide protocols and best practices for effectively identifying, interacting with, and referring sexually exploited youth to appropriate resources; and program operating costs.

Health Care Grants for Uninsured Individuals. (a) $125,000 of the general fund appropriation in fiscal years 2016 and 2017 is for dental provider grants in Minnesota Statutes, section 145.929, subdivision 1.

(b) $437,500 of the general fund appropriation in fiscal years 2016 and 2017 is for community mental health program grants in Minnesota Statutes, section 145.929, subdivision 2.

(c) $1,500,000 of the general fund appropriation in fiscal years 2016 and 2017 is for the emergency medical assistance outlier grant program in Minnesota Statutes, section 145.929, subdivision 3.

(d) $437,500 of the general fund appropriation in fiscal years 2016 and 2017 is for community health center grants under Minnesota Statutes, section 145.9269. A community health center that receives a grant from this appropriation is not eligible for a grant under paragraph (b).

(e) The commissioner may use up to $25,000 of the appropriations for health care grants for uninsured individuals in fiscal years 2016 and 2017 for grant administration.

Home Visiting and Nutritional Services. $3,579,000 in fiscal year 2016 and $3,579,000 in fiscal year 2017 from the general fund are for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1, paragraph (a).

Infant Mortality. $2,000,000 in fiscal year 2016 and $2,000,000 in fiscal year 2017 from the general fund are for decreasing racial and ethnic disparities in infant mortality rates

under Minnesota Statutes, section 145.928, subdivision 7.

Family Home Visiting. (a) $4,978,000 in fiscal year 2016 and $4,978,000 in fiscal year 2017 from the general fund are for the family home visiting grant program according to Minnesota Statutes, section 145A.17. $4,000,000 of the funding must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1, paragraph (a). $978,000 of the funding must be distributed to tribal governments based on Minnesota Statutes, section 145A.14, subdivision 2a.

(b) The commissioner may use up to 6.23 percent of the funds appropriated each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

Health Professional Loan Forgiveness. $3,131,000 in fiscal year 2016 and $3,131,000 in fiscal year 2017 from the general fund are for the purposes of Minnesota Statutes, section 144.1501. Of this appropriation, the commissioner may use up to $131,000 each year to administer the program.

Minnesota Stroke System. $350,000 in fiscal year 2016 and $350,000 in fiscal year 2017 from the general fund are for the Minnesota stroke system.

Family Planning Grants. $1,156,000 in fiscal year 2016 and $1,156,000 in fiscal year

2017 from the general fund are for family planning grants under Minnesota Statutes, section 145.925.

Regional Grants. $703,000 in fiscal year 2016 and $701,000 in fiscal year 2017 from the general fund are for the regional emergency medical services programs. Of this amount, $118,000 each fiscal year may be used for operating expenses of the program.

Prevention of Violence in Health Care. $50,000 in fiscal year 2016 is to continue the prevention of violence in health care program and creating violence prevention resources for hospitals and other health care providers to use in training their staff on violence prevention. This is a onetime appropriation and is available until June 30, 2017.

Base Level Adjustments. The general fund base is decreased by $175,000 in fiscal year 2018 and $125,000 in fiscal year 2019. The state government special revenue fund base is increased by $33,000 in fiscal year 2018. The health care access fund base is increased by $610,000 in fiscal year 2018 and $23,000 in fiscal year 2019.

Subd. 3. **Health Protection**

	Appropriations by Fund	
General	12,556,000	14,149,000
State Government Special Revenue	49,260,000	49,136,000

Base Level Adjustments. The state government special revenue fund base is increased by $262,000 in fiscal year 2018 and is increased by $235,000 in fiscal year 2019.

Subd. 4. **Administrative Support Services** 8,210,000 8,224,000

Sec. 4. **HEALTH-RELATED BOARDS**

Subdivision 1. **Total Appropriation**	**$ 19,707,000**	**$ 19,597,000**
This appropriation is from the state government special revenue fund. The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Board of Chiropractic Examiners**	507,000	513,000
Subd. 3. **Board of Dentistry**	2,192,000	2,206,000
This appropriation includes $864,000 in fiscal year 2016 and $878,000 in fiscal year 2017 for the health professional services program.		
Subd. 4. **Board of Dietetics and Nutrition Practice**	113,000	115,000
Subd. 5. **Board of Marriage and Family Therapy**	234,000	237,000
Subd. 6. **Board of Medical Practice**	3,933,000	3,962,000
Subd. 7. **Board of Nursing**	4,189,000	4,243,000
Subd. 8. **Board of Nursing Home Administrators**	2,365,000	2,062,000

Administrative Services Unit - Operating Costs. Of this appropriation, $1,482,000 in fiscal year 2016 and $1,497,000 in fiscal year 2017 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services performed by other agencies.

Administrative Services Unit - Volunteer Health Care Provider Program. Of this appropriation, $150,000 in fiscal year 2016 and $150,000 in fiscal year 2017 are to pay for medical professional liability coverage required under Minnesota Statutes, section 214.40.

Administrative Services Unit - Retirement Costs. Of this appropriation, $320,000 in fiscal year 2016 is a onetime appropriation to the administrative services unit to pay for the retirement costs of health-related board employees. This funding may be transferred to the health board incurring the retirement costs. These funds are available either year of the biennium.

Administrative Services Unit - Contested Cases and Other Legal Proceedings. Of this appropriation, $200,000 in fiscal year 2016 and $200,000 in fiscal year 2017 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards funded under this section. Upon certification by a health-related board to the administrative services unit that the costs will be incurred and that there is insufficient money available to pay for the costs out of money currently available to that board, the administrative services unit is authorized to transfer money from this appropriation to the board for payment of those costs with the approval of the commissioner of management and budget. The commissioner of management and budget must require any board that has an unexpended balance for an amount transferred under this paragraph to transfer the unexpended amount to the administrative services unit to be deposited in the state government special revenue fund.

Subd. 9. **Board of Optometry**	138,000	143,000
Subd. 10. **Board of Pharmacy**	2,847,000	2,888,000

Subd. 11. **Board of Physical Therapy**	354,000	359,000
Subd. 12. **Board of Podiatry**	78,000	79,000
Subd. 13. **Board of Psychology**	874,000	884,000
Subd. 14. **Board of Social Work**	1,141,000	1,155,000
Subd. 15. **Board of Veterinary Medicine**	262,000	265,000
Subd. 16. **Board of Behavioral Health and Therapy**	480,000	486,000

Sec. 5. **EMERGENCY MEDICAL SERVICES REGULATORY BOARD** **$ 2,287,000 $ 2,420,000**

Cooper/Sams Volunteer Ambulance Program. $700,000 in fiscal year 2016 and $700,000 in fiscal year 2017 are for the Cooper/Sams volunteer ambulance program under Minnesota Statutes, section 144E.40.

(a) Of this amount, $611,000 in fiscal year 2016 and $611,000 in fiscal year 2017 are for the ambulance service personnel longevity award and incentive program under Minnesota Statutes, section 144E.40.

(b) Of this amount, $89,000 in fiscal year 2016 and $89,000 in fiscal year 2017 are for the operations of the ambulance service personnel longevity award and incentive program under Minnesota Statutes, section 144E.40.

Ambulance Training Grant. $361,000 in fiscal year 2016 and $361,000 in fiscal year 2017 are for training grants.

EMSRB Board Operations. $1,226,000 in fiscal year 2016 and $1,360,000 in fiscal year 2017 are for board operations.

Sec. 6. **COUNCIL ON DISABILITY** **$ 730,000 $ 707,000**

Staffing and Technology. $78,000 in fiscal years 2016 and 2017 is for one staff person. $30,000 in fiscal year 2016 only is for a computer system upgrade.

Sec. 7. **OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES** **$ 2,097,000 $ 2,217,000**

Sec. 8. **MNSURE** **$ 94,026,000 $ 42,865,000**

This appropriation is from the state government special revenue fund.

Base Level Adjustment. The state government special revenue fund base is decreased by $148,000 in fiscal years 2018 and 2019.

Sec. 9. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision to read:

Subd. 40. **Nonfederal share transfers.** The nonfederal share of activities for which federal administrative reimbursement is appropriated to the commissioner may be transferred to the special revenue fund.

Sec. 10. Laws 2013, chapter 108, article 14, section 12, as amended by Laws 2014, chapter 312, article 30, section 11, is amended to read:

Sec. 12. **APPROPRIATION ADJUSTMENTS.**

(a) The general fund appropriation in section 2, subdivision 5, paragraph (g), includes up to $53,391,000 in fiscal year 2014; $216,637,000 in fiscal year 2015; $261,660,000 in fiscal year 2016; and $279,984,000 in fiscal year 2017, for medical assistance eligibility and administration changes related to:

(1) eligibility for children age two to 18 with income up to 275 percent of the federal poverty guidelines;

(2) eligibility for pregnant women with income up to 275 percent of the federal poverty guidelines;

(3) Affordable Care Act enrollment and renewal processes, including elimination of six-month renewals, ex parte eligibility reviews, preprinted renewal forms, changes

in verification requirements, and other changes in the eligibility determination and enrollment and renewal process;

(4) automatic eligibility for children who turn 18 in foster care until they reach age 26;

(5) eligibility related to spousal impoverishment provisions for waiver recipients; and

(6) presumptive eligibility determinations by hospitals.

(b) the commissioner of human services shall determine the difference between the actual or estimated costs to the medical assistance program attributable to the program changes in paragraph (a), clauses (1) to (6), and the costs of paragraph (a), clauses (1) to (6), that were estimated during the 2013 legislative session based on data from the 2013 February forecast.

(c) For each fiscal year from 2014 to ~~2017~~ 2019, the commissioner of human services shall certify the actual or estimated cost differences to the medical assistance program determined under paragraph (b), and report the difference in costs to the commissioner of management and budget at least four weeks prior to a forecast under Minnesota Statutes, section 16A.103. For fiscal years 2014 to ~~2017~~ 2019, forecasts under Minnesota Statutes, section 16A.103, prepared by the commissioner of management and budget shall include actual or estimated adjustments to the health care access fund appropriation in section 2, subdivision 5, paragraph (g), according to paragraph (d).

(d) For each fiscal year from 2014 to ~~2017~~ 2019, the commissioner of management and budget must adjust the health care access fund appropriation by the cumulative difference in costs reported by the commissioner of human services under paragraph (b). If, for any fiscal year, the amount of the cumulative difference in costs determined under paragraph (b) is positive, no adjustment shall be made to the health care access fund appropriation.

(e) This section expires on January 1, ~~2018~~ 2020.

Sec. 11. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2017, within fiscal years among the MFIP, general assistance, general assistance medical care under Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3, medical assistance, MinnesotaCare, MFIP child care assistance under Minnesota Statutes, section 119B.05, Minnesota supplemental aid, and group residential housing programs, the entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the

biennium. The commissioner shall inform the chairs and ranking minority members of the senate Health and Human Services Finance Division and the house of representatives Health and Human Services Finance Committee quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Departments of Health and Human Services as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioner shall inform the chairs and ranking minority members of the senate Health and Human Services Finance Division and the house of representatives Health and Human Services Finance Committee quarterly about transfers made under this subdivision.

Sec. 12. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

The commissioners of health and human services shall not use indirect cost allocations to pay for the operational costs of any program for which they are responsible.

Sec. 13. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2017, unless a different expiration date is explicit.

Sec. 14. **EFFECTIVE DATE.**

This article is effective July 1, 2015, unless a different effective date is specified.

ARTICLE 13

HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

The dollar amounts shown are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2013, chapter 108, article 14, as amended by Laws 2014, chapter 312, article 30, from the general fund, or any other fund named, to the Department of Human Services for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figure "2015" used in this article means that the appropriations listed are available for the fiscal year ending June 30, 2015.

	APPROPRIATIONS Available for the Year Ending June 30	
	2016	**2017**

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$ (255,104,000)**

Appropriations by Fund

	2015
General Fund	(125,910,000)
Health Care Access	(123,113,000)
TANF	(6,081,000)

Subd. 2. **Forecasted Programs**

(a) **MFIP/DWP Grants**

Appropriations by Fund

General Fund	(1,977,000)
TANF	(7,079,000)

(b) **MFIP Child Care Assistance Grants** 9,733,000

(c) **General Assistance Grants** (1,423,000)

(d) **Minnesota Supplemental Aid Grants** (1,121,000)

(e) **Group Residential Housing Grants** (6,314,000)

(f) **MinnesotaCare Grants** (75,675,000)

This appropriation is from the health care access fund.

(g) **Medical Assistance Grants**

Appropriations by Fund

General Fund	(124,557,000)
Health Care Access	(47,438,000)

(h) **Alternative Care Grants** 0

(i) **CD Entitlement Grants** (251,000)

Subd. 3. **Technical Activities** 998,000

This appropriation is from the TANF fund.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

APPENDIX
Article locations in S1458-2

62V.04 GOVERNANCE.

Subdivision 1. **Board.** MNsure is governed by a board of directors with seven members.

Subd. 2. **Appointment.** (a) Board membership of MNsure consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. **Terms.** (a) Board members may serve no more than two consecutive terms, except for the commissioner or the commissioner's designee, who shall serve until replaced by the governor.

(b) A board member may resign at any time by giving written notice to the board.

(c) The appointed members under subdivision 2, paragraph (a), clauses (1) and (2), shall have an initial term of two, three, or four years, determined by lot by the secretary of state.

Subd. 4. **Conflicts of interest.** (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of significant value to or through MNsure. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a board member's decisions in matters related to MNsure or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 5. **Acting chair; first meeting; supervision.** (a) The governor shall designate as acting chair one of the appointees described in subdivision 2.

(b) The board shall hold its first meeting within 60 days of enactment.

(c) The board shall elect a chair to replace the acting chair at the first meeting.

Subd. 6. **Chair.** The board shall have a chair, elected by a majority of members. The chair shall serve for one year.

Subd. 7. **Officers.** The members of the board shall elect officers by a majority of members. The officers shall serve for one year.

Subd. 8. **Vacancies.** If a vacancy occurs, the governor shall appoint a new member within 90 days, and the newly appointed member shall be subject to the same confirmation process described in subdivision 2.

Subd. 9. **Removal.** (a) A board member may be removed by the appointing authority and a majority vote of the board following notice and hearing before the board. For purposes of this subdivision, the appointing authority or a designee of the appointing authority shall be a voting member of the board for purposes of constituting a quorum.

(b) A conflict of interest as defined in subdivision 4, shall be cause for removal from the board.

Subd. 10. **Meetings.** The board shall meet at least quarterly.

Subd. 11. **Quorum.** A majority of the members of the board constitutes a quorum, and the affirmative vote of a majority of members of the board is necessary and sufficient for action taken by the board.

Subd. 12. **Compensation.** (a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.

(b) Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Subd. 13. **Advisory committees.** (a) The board shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the board regarding the operation of MNsure as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The board shall regularly consult with the advisory committees. The advisory committees established under this paragraph shall not expire.

(b) The board may establish additional advisory committees, as necessary, to gather and provide information to the board in order to facilitate the operation of MNsure. The advisory committees established under this paragraph shall not expire, except by action of the board.

(c) Section 15.0597 shall not apply to any advisory committee established by the board under this subdivision.

(d) The board may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

62V.09 EXPIRATION AND SUNSET EXCLUSION.

Notwithstanding section 15.059, the board and its advisory committees shall not expire, except as specified in section 62V.04, subdivision 13. The board and its advisory committees are not subject to review or sunsetting under chapter 3D.

62V.11 LEGISLATIVE OVERSIGHT COMMITTEE.

Subdivision 1. **Legislative oversight.** (a) The Legislative Oversight Committee is established to provide oversight to the implementation of this chapter and the operation of MNsure.

(b) The committee shall review the operations of MNsure at least annually and shall recommend necessary changes in policy, implementation, and statutes to the board and to the legislature.

(c) MNsure shall present to the committee the annual report required in section 62V.08, the appeals process under section 62V.05, subdivision 6, and the actions taken regarding the treatment of multiemployer plans.

Subd. 2. **Membership; meetings; compensation.** (a) The Legislative Oversight Committee shall consist of five members of the senate, three members appointed by the majority leader of the senate, and two members appointed by the minority leader of the senate; and five members of the house of representatives, three members appointed by the speaker of the house, and two members appointed by the minority leader of the house of representatives.

(b) Appointed legislative members serve at the pleasure of the appointing authority and shall continue to serve until their successors are appointed.

(c) The first meeting of the committee shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair at the first meeting. The chair must convene at least one meeting annually, and may convene other meetings as deemed necessary.

Subd. 3. **Review of proposed rules.** (a) Prior to the implementation of rules proposed under section 62V.05, subdivision 8, paragraph (b), the board shall submit the proposed rules to the committee at the same time the proposed rules are published in the State Register.

(b) When the legislature is in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, the rule is approved in law, or the regular session of the legislature is adjourned for the year.

(c) If the legislature is not in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, or February 1, whichever occurs first.

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of MNsure for the next fiscal year by March 15 of each year, beginning March 15, 2014.

144E.52 FUNDING FOR EMERGENCY MEDICAL SERVICES REGIONS.

The Emergency Medical Services Regulatory Board shall distribute funds appropriated from the general fund equally among the emergency medical service regions. Each regional board may use this money to reimburse eligible emergency medical services personnel for continuing education costs related to emergency care that are personally incurred and are not reimbursed from other sources. Eligible emergency medical services personnel include, but are not limited to, dispatchers, emergency room physicians, emergency room nurses, emergency medical responders, emergency medical technicians, and paramedics.

148E.060 TEMPORARY LICENSES.

Subd. 12. **Ineligibility.** An applicant who is currently practicing social work in Minnesota in a setting that is not exempt under section 148E.065 at the time of application is ineligible for a temporary license.

256.969 PAYMENT RATES.

Subd. 23. **Hospital payment adjustment after June 30, 1993.** (a) For admissions occurring after June 30, 1993, the commissioner shall adjust the medical assistance payment paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment under clause (1) for that hospital by 1.1.

(b) Any payment under this subdivision must be reduced by the amount of any payment received under subdivision 9, paragraph (b), clause (1) or (2). For purposes of this subdivision, medical assistance does not include general assistance medical care.

(c) The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in this section. The adjustment must be made on a nondiscounted hospital-specific basis.

Subd. 30. **Payment rates for births.** (a) For admissions occurring on or after November 1, 2014, the total operating and property payment rate, excluding disproportionate population adjustment, for the following diagnosis-related groups, as they fall within the APR-DRG categories: (1) 5601, 5602, 5603, 5604 vaginal delivery; and (2) 5401, 5402, 5403, 5404 cesarean section, shall be no greater than $3,528.

(b) The rates described in this subdivision do not include newborn care.

(c) Payments to managed care and county-based purchasing plans under section 256B.69, 256B.692, or 256L.12 shall be reduced for services provided on or after October 1, 2009, to reflect the adjustments in paragraph (a).

(d) Prior authorization shall not be required before reimbursement is paid for a cesarean section delivery.

256B.69 PREPAID HEALTH PLANS.

Subd. 32. **Initiatives to reduce incidence of low birth weight.** The commissioner shall require managed care and county-based purchasing plans, as a condition of contract, to implement strategies to reduce the incidence of low birth weight in geographic areas identified by the commissioner as having a higher than average incidence of low birth weight. The strategies must coordinate health care with social services and the local public health system. Each plan shall develop and report to the commissioner outcome measures related to reducing the incidence of low birth weight. The commissioner shall consider the outcomes reported when considering plan participation in the competitive bidding program established under subdivision 33.

256D.0513 BUDGETING LUMP SUMS.

Effective January 1, 1998, nonrecurring lump-sum income received by a recipient of general assistance must be budgeted in the normal retrospective cycle.

256D.06 AMOUNT OF ASSISTANCE.

Subd. 8. **Recovery of ATM errors.** For recipients receiving benefits via electronic benefit transfer, if the recipient is overpaid as a result of an automated teller machine (ATM) dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

256D.09 PAYMENT; ASSESSMENT; OVERPAYMENT.

Subd. 6. **Recovery of overpayments.** (a) If an amount of general assistance or family general assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) Except as provided for interim assistance in section 256D.06, subdivision 5, when an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need in nonfraud cases and ten percent where fraud has occurred, or the amount of the monthly payment, whichever is less, for all overpayments.

(c) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(d) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, to include further voluntary reductions in the grant level agreed to in writing by the individual, until the total amount of the overpayment is repaid.

(e) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than $35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

(f) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

256D.49 PAYMENT CORRECTION.

Subdivision 1. **When.** When the county agency finds that the recipient has received less than or more than the correct payment of Minnesota supplemental aid benefits, the county agency shall issue a corrective payment or initiate recovery under subdivision 3, as appropriate.

Subd. 2. **Underpayment of monthly grants.** When the county agency determines that an underpayment of the recipient's monthly payment has occurred, it shall, during that same month, issue a corrective payment. Corrective payments must be excluded when determining the applicant's or recipient's income and resources for the month of payment.

Subd. 3. **Overpayment of monthly grants and recovery of ATM errors.** (a) When the county agency determines that an overpayment of the recipient's monthly payment of Minnesota supplemental aid has occurred, it shall issue a notice of overpayment to the recipient. If the person is no longer receiving Minnesota supplemental aid, the county agency may request voluntary repayment or pursue civil recovery. If the person is receiving Minnesota supplemental aid, the county agency shall recover the overpayment by withholding an amount equal to three percent of the standard of assistance for the recipient or the total amount of the monthly grant, whichever is less.

(b) Establishment of an overpayment is limited to 12 months from the date of discovery due to agency error. Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(c) For recipients receiving benefits via electronic benefit transfer, if the overpayment is a result of an automated teller machine (ATM) dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

(d) Residents of licensed residential facilities shall not have overpayments recovered from their personal needs allowance.

256J.38 CORRECTION OF OVERPAYMENTS AND UNDERPAYMENTS.

Subdivision 1. **Scope of overpayment.** (a) When a participant or former participant receives an overpayment due to agency, client, or ATM error, or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance or for less assistance than was received, the county agency must recoup or recover the overpayment using the following methods:

(1) reconstruct each affected budget month and corresponding payment month;

(2) use the policies and procedures that were in effect for the payment month; and

(3) do not allow employment disregards in section 256J.21, subdivision 3 or 4, in the calculation of the overpayment when the unit has not reported within two calendar months following the end of the month in which the income was received.

(b) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error. Establishment of an overpayment is limited to six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

Subd. 2. **Notice of overpayment.** When a county agency discovers that a participant or former participant has received an overpayment for one or more months, the county agency must notify the participant or former participant of the overpayment in writing. A notice of overpayment must specify the reason for the overpayment, the authority for citing the overpayment, the time period in which the overpayment occurred, the amount of the overpayment, and the participant's or former participant's right to appeal. No limit applies to the period in which the county agency is required to recoup or recover an overpayment according to subdivisions 3 and 4.

Subd. 3. **Recovering overpayments.** A county agency must initiate efforts to recover overpayments paid to a former participant or caregiver. Caregivers, both parental and nonparental, and minor caregivers of an assistance unit at the time an overpayment occurs, whether receiving assistance or not, are jointly and individually liable for repayment of the overpayment. The county agency must request repayment from the former participants and caregivers. When an agreement for repayment is not completed within six months of the date of discovery or when there is a default on an agreement for repayment after six months, the county agency must initiate recovery consistent with chapter 270A, or section 541.05. When a person has been convicted of fraud under section 256.98, recovery must be sought regardless of the amount of overpayment. When an overpayment is less than $35, and is not the result of a fraud conviction under section 256.98, the county agency must not seek recovery under this subdivision. The county agency must retain information about all overpayments regardless of the amount. When an adult, adult caregiver, or minor caregiver reapplies for assistance, the overpayment must be recouped under subdivision 4.

Subd. 4. **Recouping overpayments from participants.** A participant may voluntarily repay, in part or in full, an overpayment even if assistance is reduced under this subdivision, until the total amount of the overpayment is repaid. When an overpayment occurs due to fraud, the county agency must recover from the overpaid assistance unit, including child only cases, ten percent of the applicable standard or the amount of the monthly assistance payment, whichever is less. When a nonfraud overpayment occurs, the county agency must recover from the overpaid assistance unit, including child only cases, three percent of the MFIP standard of need or the amount of the monthly assistance payment, whichever is less.

Subd. 5. **Recovering automatic teller machine errors.** For recipients receiving benefits via electronic benefit transfer, if the overpayment is a result of an ATM dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

Subd. 6. **Scope of underpayments.** A county agency must issue a corrective payment for underpayments made to a participant or to a person who would be a participant if an agency or client error causing the underpayment had not occurred. Corrective payments are limited to 12 months prior to the month of discovery. The county agency must issue the corrective payment according to subdivision 8.

Subd. 7. **Identifying the underpayment.** An underpayment may be identified by a county agency, by a participant, by a former participant, or by a person who would be a participant except for agency or client error.

Subd. 8. **Issuing corrective payments.** A county agency must correct an underpayment within seven calendar days after the underpayment has been identified, by adding the corrective payment amount to the monthly assistance payment of the participant or by issuing a separate payment to a participant or former participant, or by reducing an existing overpayment balance. When an underpayment occurs in a payment month and is not identified until the next payment month or later, the county agency must first subtract the underpayment from any overpayment balance before issuing the corrective payment. The county agency must not apply an underpayment in a current payment month against an overpayment balance. When an underpayment in the current payment month is identified, the corrective payment must be issued within seven calendar days after the underpayment is identified.

Subd. 9. **Appeals.** A participant may appeal an underpayment, an overpayment, and a reduction in an assistance payment made to recoup the overpayment under subdivision 4. The participant's appeal of each issue must be timely under section 256.045. When an appeal based on the notice issued under subdivision 2 is not timely, the fact or the amount of that overpayment must not be considered as a part of a later appeal, including an appeal of a reduction in an assistance payment to recoup that overpayment.

256L.02 PROGRAM ADMINISTRATION.

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of management and budget makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

256L.05 APPLICATION PROCEDURES.

Subd. 1b. **MinnesotaCare enrollment by county agencies.** Beginning September 1, 2006, county agencies shall enroll single adults and households with no children formerly enrolled in general assistance medical care in MinnesotaCare according to Minnesota Statutes

2009 Supplement, section 256D.03, subdivision 3. County agencies shall perform all duties necessary to administer the MinnesotaCare program ongoing for these enrollees, including the redetermination of MinnesotaCare eligibility at renewal.

Subd. 1c. **Open enrollment and streamlined application and enrollment process.**

Subd. 3c. **Retroactive coverage.** Notwithstanding subdivision 3, the effective date of coverage shall be the first day of the month following termination from medical assistance for families and individuals who are eligible for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare coverage with a completed application within 30 days of the mailing of notification of termination from medical assistance. The applicant must provide all required verifications within 30 days of the written request for verification. For retroactive coverage, premiums must be paid in full for any retroactive month, current month, and next month within 30 days of the premium billing. This subdivision does not apply, and shall not be implemented by the commissioner, once eligibility determination for MinnesotaCare is conducted by the MNsure eligibility determination system.

Subd. 5. **Availability of private insurance.** The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in the notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1.

256L.11 PROVIDER PAYMENT.

Subd. 7. **Critical access dental providers.** Effective for dental services provided to MinnesotaCare enrollees on or after January 1, 2007, through August 31, 2011, the commissioner shall increase payment rates to dentists and dental clinics deemed by the commissioner to be critical access providers under section 256B.76, subdivision 4, by 50 percent above the payment rate that would otherwise be paid to the provider. Effective for dental services provided on or after September 1, 2011, the commissioner shall increase the payment rate by 30 percent above the payment rate that would otherwise be paid to the provider. The commissioner shall pay the prepaid health plans under contract with the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan must pass this rate increase to providers who have been identified by the commissioner as critical access dental providers under section 256B.76, subdivision 4.

257.0768 COMMUNITY-SPECIFIC BOARDS.

Subdivision 1. **Membership.** Four community-specific boards are created. Each board consists of five members. The chair of each of the following groups shall appoint the board for the community represented by the group: the Indian Affairs Council; the Council on Affairs of Chicano/Latino people; the Council on Black Minnesotans; and the Council on Asian-Pacific Minnesotans. In making appointments, the chair must consult with other members of the council.

Subd. 2. **Compensation; chair.** Members do not receive compensation but are entitled to receive reimbursement for reasonable and necessary expenses incurred.

Subd. 3. **Meetings.** Each board shall meet regularly at the request of the appointing chair or the ombudsperson.

Subd. 4. **Duties.** Each board shall appoint the ombudsperson for its community. Each board shall advise and assist the ombudsperson for its community in selecting matters for attention; developing policies, plans, and programs to carry out the ombudspersons' functions and powers; establishing protocols for working with the communities of color; developing procedures for the ombudspersons' use of the subpoena power to compel testimony and evidence from nonagency individuals; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights.

Subd. 5. **Terms, compensation, removal, and expiration.** The membership terms, compensation, and removal of members of each board and the filling of membership vacancies are governed by section 15.0575.

Subd. 6. **Joint meetings.** The members of the four community-specific boards shall meet jointly at least four times each year to advise the ombudspersons on overall policies, plans, protocols, and programs for the office.

290.0671 MINNESOTA WORKING FAMILY CREDIT.

Subd. 6a. **TANF appropriation for working family credit expansion.** (a) On an annual basis the commissioner of revenue, with the assistance of the commissioner of human services, shall calculate the value of the refundable portion of the Minnesota Working Family Credit provided under this section that qualifies for payment with funds from the federal Temporary Assistance for Needy Families (TANF) block grant. Of this total amount, the commissioner of revenue shall estimate the portion entailed by the expansion of the credit rates for individuals with qualifying children over the rates provided in Laws 1999, chapter 243, article 2, section 12.

(b) An amount sufficient to pay the refunds entailed by the expansion of the credit rates for individuals with qualifying children over the rates provided in Laws 1999, chapter 243, article 2, section 12, as estimated in paragraph (a), is appropriated to the commissioner of human services from the federal Temporary Assistance for Needy Families (TANF) block grant funds, for transfer to the commissioner of revenue for deposit in the general fund.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 5. **Earned income of wage and salary employees.** Earned income means earned income from employment before mandatory and voluntary payroll deductions. Earned income includes, but is not limited to, salaries, wages, tips, gratuities, commissions, incentive payments from work or training programs, payments made by an employer for regularly accrued vacation or sick leave, payment for jury duty, and profits from other activity earned by an individual's effort or labor. Earned income includes uniform, mileage, and meal allowances if federal income tax is deducted from the allowance. Earned income includes flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash. Earned income received by persons employed on a contractual basis must be prorated over the period covered by the contract even when payments are received over a lesser period of time. When housing is provided as part of the total work compensation, the fair market value of such housing shall be considered as if it were paid in cash.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 6. **Excluded income.** The administering agency shall exclude items A to H from annual income:

A. scholarships, work-study income, and grants that cover costs or reimburse for tuition, fees, books, and educational supplies;

B. student loans for tuition, fees, books, supplies, and living expenses;

C. state and federal earned income tax credits, in-kind noncash public assistance income such as food stamps or food support, energy assistance, foster care assistance, child care assistance, medical assistance, and housing subsidies;

D. earned income of full-time or part-time students up to the age of 19 who have not earned a high school diploma or GED high school equivalency diploma, including earnings from summer employment;

E. grant awards under the family subsidy program;

F. nonrecurring lump sum income that is earmarked and used for the purpose for which it is paid;

G. supplemental security income; and

H. income assigned to the public authority under Minnesota Statutes, section 256.741.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 12. **Determination of unearned income.** Unearned income includes, but is not limited to, the cash portion of MFIP or DWP; adoption assistance; relative custody assistance received under Minnesota Statutes, section 257.85; interest; dividends; unemployment compensation; disability insurance payments; veteran benefits; pension payments; child support and spousal support received or anticipated to be received by a family including child support and maintenance distributed to the family under Minnesota Statutes, section 256.741, subdivision 15; insurance payments or settlements; retirement; survivor's and disability insurance (RSDI) payment; and severance payments. Expenditures necessary to secure payment of unearned income are deducted from unearned income. Payments for illness or disability, except for those payments described as earned income in subpart 5, are considered unearned income whether the premium payments are made wholly or in part by an employer or by a recipient.

3400.0170 INCOME ELIGIBILITY FOR CHILD CARE ASSISTANCE.

Subp. 13. **Treatment of lump-sum payments.** Lump-sum payments received by a family must be considered earned income under subparts 7 to 11 or unearned income according to subpart 12. Nonrecurring lump sums that are earmarked and used for the purpose for which they are paid are not to be included in the determination of income. All other lump sums are to be annualized over 12 months. The sale of property including, but not limited to, a residence is not considered income up to the amount of the original purchase price plus improvements.

8840.5900 DRIVER QUALIFICATIONS.

Subp. 12. **Criminal record.** A driver must not have a criminal record for which the person was convicted of or pled guilty to, either crimes against persons or crimes reasonably related to providing special transportation services.

A. For purposes of this subpart, "criminal record" means the conviction records of the Minnesota Bureau of Criminal Apprehension or other states' criminal history repository in which the last date of discharge from the criminal justice system is less than 15 years.

B. Conviction has the meaning given it in Minnesota Statutes, section 171.01, subdivision 29.

C. Criminal record and driving record includes a conviction, suspension, cancellation, or revocation for a crime in another jurisdiction that would be a violation under this part.

D. The following offenses are considered crimes against persons or reasonably related to providing special transportation services, or both:

(1) Minnesota Statutes, section 609.17, attempts;

(2) Minnesota Statutes, section 609.175, conspiracy;

(3) Minnesota Statutes, section 609.185, murder in the first degree;

(4) Minnesota Statutes, section 609.19, murder in the second degree;

(5) Minnesota Statutes, section 609.195, murder in the third degree;

(6) Minnesota Statutes, section 609.20, manslaughter in the first degree;

(7) Minnesota Statutes, section 609.205, manslaughter in the second degree;

(8) Minnesota Statutes, section 609.2112, 609.2113, or 609.2114, or Minnesota Statutes 2012, section 609.21, criminal vehicular homicide and injury;

(9) Minnesota Statutes, section 609.215, suicide;

(10) Minnesota Statutes, section 609.221, assault in the first degree;

(11) Minnesota Statutes, section 609.222, assault in the second degree;

(12) Minnesota Statutes, section 609.223, assault in the third degree;

(13) Minnesota Statutes, section 609.2231, assault in the fourth degree;

(14) Minnesota Statutes, section 609.224, assault in the fifth degree;

(15) Minnesota Statutes, section 609.228, great bodily harm caused by distribution of drugs;

(16) Minnesota Statutes, section 609.23, mistreatment of persons confined;

(17) Minnesota Statutes, section 609.231, mistreatment of residents or patients;

(18) Minnesota Statutes, section 609.235, use of drugs to injure or facilitate crime;

(19) Minnesota Statutes, section 609.24, simple robbery;

(20) Minnesota Statutes, section 609.245, aggravated robbery;

(21) Minnesota Statutes, section 609.25, kidnapping;

(22) Minnesota Statutes, section 609.255, false imprisonment;

(23) Minnesota Statutes, section 609.265, abduction;

(24) Minnesota Statutes, section 609.2661, murder of an unborn child in the first degree;

(25) Minnesota Statutes, section 609.2662, murder of an unborn child in the second degree;

(26) Minnesota Statutes, section 609.2663, murder of an unborn child in the third degree;

(27) Minnesota Statutes, section 609.2664, manslaughter of an unborn child in the first degree;

(28) Minnesota Statutes, section 609.2665, manslaughter of an unborn child in the second degree;

(29) Minnesota Statutes, section 609.267, assault of an unborn child in the first degree;

(30) Minnesota Statutes, section 609.2671, assault of an unborn child in the second degree;

(31) Minnesota Statutes, section 609.2672, assault of an unborn child in the third degree;

(32) Minnesota Statutes, section 609.268, injury or death of an unborn child in the commission of a crime;

(33) Minnesota Statutes, section 609.322, solicitation, inducement, and promotion of prostitution;

(34) Minnesota Statutes, section 609.323, receiving profit from prostitution;

(35) Minnesota Statutes, section 609.324, subdivisions 1 and 1a, other prohibited acts;

(36) Minnesota Statutes, section 609.33, disorderly house;

(37) Minnesota Statutes, section 609.342, criminal sexual conduct in the first degree;

(38) Minnesota Statutes, section 609.343, criminal sexual conduct in the second degree;

(39) Minnesota Statutes, section 609.344, criminal sexual conduct in the third degree;

(40) Minnesota Statutes, section 609.345, criminal sexual conduct in the fourth degree;

(41) Minnesota Statutes, section 609.3451, criminal sexual conduct in the fifth degree;

(42) Minnesota Statutes, section 609.352, solicitation of children to engage in sexual conduct;

(43) Minnesota Statutes, section 609.365, incest;

(44) Minnesota Statutes, section 609.377, malicious punishment of a child;

(45) Minnesota Statutes, section 609.378, neglect or endangerment of a child;

(46) Minnesota Statutes, section 609.498, tampering with a witness;

(47) Minnesota Statutes, section 609.52, felony theft;

(48) Minnesota Statutes, section 609.561, arson in the first degree;

(49) Minnesota Statutes, section 609.582, subdivisions 1 and 2, burglary;

(50) Minnesota Statutes, section 609.713, terroristic threats;

(51) Minnesota Statutes, section 609.749, nonfelony, harassment and stalking;

(52) Minnesota Statutes, section 617.23, indecent exposure;

(53) Minnesota Statutes, section 617.241, obscene materials and performances;

(54) Minnesota Statutes, section 617.243, indecent literature, distribution;

(55) Minnesota Statutes, section 617.246, use of minors in sexual performance;

(56) Minnesota Statutes, section 617.247, possession of pictorial representations of minors;

(57) Minnesota Statutes, section 617.293, harmful materials; dissemination and display to minors; and

(58) felony convictions under Minnesota Statutes, chapter 152, prohibited drugs.

8840.5900 DRIVER QUALIFICATIONS.

Subp. 14. **Provider responsibility; driver's traffic and criminal record.** Before using or hiring a driver to provide special transportation service, a provider must obtain and review the driving and criminal records of a driver. In addition, a provider shall annually review the driving and criminal record of a driver it uses or employs.

A. The driving and criminal record review must include an examination of the records of the Department of Public Safety, Division of Driver and Vehicle Services, to determine if the driver meets the standards of subparts 9, 10, and 11. The review must also include an examination of the conviction records of the Minnesota Bureau of Criminal Apprehension to determine if the driver has a criminal record of convictions for crimes listed in subpart 12.

B. A provider satisfies the requirements of this subpart by obtaining a background check from the Minnesota Bureau of Criminal Apprehension. A private business or local law enforcement agency may be used for conducting the criminal background check if the review consists of an examination of the records of the Minnesota Bureau of Criminal Apprehension.

C. If a person has resided in Minnesota for less than ten years, the provider shall also conduct a search of the criminal history repository records in each state where the person has resided for the preceding ten years.

D. If a person has held a driver's license in a state other than Minnesota for the preceding three years, the provider shall review the driving record in each state where the person has held a driver's license for the preceding three-year period.