1.1 Section 1. Minnesota Statutes 2010, section 62J.495, is amended by adding a
1.2 subdivision to read:

1.3 Subd. 7. **Exemption.** Any clinical practice with a total annual net revenue of less
1.4 than $500,000, and that has not received a state or federal grant for implementation
1.5 of electronic health records, is exempt from the requirements of subdivision 1. This
1.6 subdivision expires in 2020.

1.7 Sec. 2. Minnesota Statutes 2010, section 62J.497, is amended by adding a subdivision
1.8 to read:

1.9 Subd. 6. **Additional standards for electronic prescribing.** By January 1, 2012,
1.10 the commissioner of health, in consultation with the Minnesota e-Health Advisory
1.11 Committee, must develop a method for incorporation of the following transactions into the
1.12 requirements and standards for electronic prescribing provided in subdivisions 2 and 3:

1.13 (1) submission of requests for a formulary exception based on information required
1.14 on the form developed according to subdivision 4; and

1.15 (2) submission of prior authorization requests based on information required on the
1.16 form developed according to subdivision 5.

1.17 Sec. 3. Minnesota Statutes 2010, section 62J.692, is amended to read:

1.18 **62J.692 MEDICAL EDUCATION.**

1.19 Subdivision 1. **Definitions.** For purposes of this section, the following definitions
1.20 apply:

1.21 (a) "Accredited clinical training" means the clinical training provided by a
1.22 medical education program that is accredited through an organization recognized by the
1.23 Department of Education, the Centers for Medicare and Medicaid Services, or another
1.24 national body who reviews the accrediting organizations for multiple disciplines and
1.25 whose standards for recognizing accrediting organizations are reviewed and approved by
1.26 the commissioner of health in consultation with the Medical Education and Research
1.27 Advisory Committee.

1.28 (b) "Commissioner" means the commissioner of health.

1.29 (c) "Clinical medical education program" means the accredited clinical training of
1.30 physicians (medical students and residents), doctor of pharmacy practitioners, doctors
1.31 of chiropractic, dentists, advanced practice nurses (clinical nurse specialists, certified
1.32 registered nurse anesthetists, nurse practitioners, and certified nurse midwives), and
1.33 physician assistants.

(d) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota that sponsors and maintains primary organizational and financial responsibility for a clinical medical education program in Minnesota and which is accountable to the accrediting body.

(e) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota.

(f) "Trainee" means a student or resident involved in a clinical medical education program.

(g) "Eligible trainee FTE's" means the number of trainees, as measured by full-time equivalent counts, that are at training sites located in Minnesota with currently active medical assistance enrollment status and a National Provider Identification (NPI) number where training occurs in either an inpatient or ambulatory patient care setting and where the training is funded, in part, by patient care revenues. ~~Training that occurs in nursing facility settings is not eligible for funding under this section.~~

Subd. 3. **Application process.** (a) A clinical medical education program conducted in Minnesota by a teaching institution to train physicians, doctor of pharmacy practitioners, dentists, advanced dental therapists, chiropractors, or physician assistants is eligible for funds under subdivision 4, or subdivision 11, as appropriate, if the program:

(1) is funded, in part, by patient care revenues;

(2) occurs in patient care settings that face increased financial pressure as a result of ~~competition with nonteaching patient care entities~~ training activities; and

(3) emphasizes primary care ~~or specialties that are in undersupply in Minnesota~~ in rural areas or for racial, ethnic, or cultural populations in the state experiencing health disparities.

~~A clinical medical education program that trains pediatricians is requested to include in its program curriculum training in case management and medication management for children suffering from mental illness to be eligible for funds under subdivision 4.~~

(b) A clinical medical education program for advanced practice nursing, registered nurses, or licensed practical nurses is eligible for funds under subdivision 4, or subdivision 11, as appropriate, if the program meets the eligibility requirements in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or institutions that are part of the Minnesota State Colleges and Universities system or members of the Minnesota Private College Council.

(c) Applications must be submitted to the commissioner by a sponsoring institution on behalf of an eligible clinical medical education program and must be received by

October 31 of each year for distribution in the following year. An application for funds must contain the following information:

(1) the official name and address of the sponsoring institution and the official name and site address of the clinical medical education programs on whose behalf the sponsoring institution is applying;

(2) the name, title, and business address of those persons responsible for administering the funds;

(3) for each clinical medical education program for which funds are being sought; the type and specialty orientation of trainees in the program; the name, site address, and medical assistance provider number or National Provider Identification number (NPI) of each training site used in the program; the total number of trainees at each training site; and the total number of eligible trainee FTEs at each site; and

(4) other supporting information the commissioner deems necessary to determine program eligibility based on the criteria in paragraphs (a) and (b) and to ensure the ~~equitable~~ appropriate distribution of funds.

(d) An application must include the information specified in clauses (1) to (3) for each clinical medical education program on an annual basis for three consecutive years. After that time, an application must include the information specified in clauses (1) to (3) when requested, at the discretion of the commissioner:

(1) audited clinical training costs per trainee for each clinical medical education program when available or estimates of clinical training costs based on audited financial data;

(2) a description of current sources of funding for clinical medical education costs, including a description and dollar amount of all state and federal financial support, including Medicare direct and indirect payments; and

(3) other revenue received for the purposes of clinical training.

(e) An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the current funding cycle.

Subd. 4. **Distribution of funds.** (a) Following the distribution described under paragraph (b), the commissioner shall annually distribute the available medical education funds to all qualifying applicants based on ~~a distribution formula that reflects a summation of two factors:~~

~~(1)~~ 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~~; and~~.

~~(2) a supplemental public program volume factor, which is determined by providing a supplemental payment of 20 percent of each training site's grant 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. 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.~~

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 paragraph (a), 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 $1000, based on the formula described in paragraph (a), are ineligible for funds available under this subdivision.

(b) $5,350,000 of the available medical education funds shall be distributed to fund training designed to address health disparities as follows:

(1) ~~$1,475,000~~ $500,000 to ~~the University of Minnesota Medical Center-Fairview~~ the White Earth Band of Ojibwe Indians in accordance with section 145.9271;

(2) ~~$2,075,000~~ $1,000,000 to the ~~University of Minnesota School of Dentistry~~ University of Minnesota in accordance with section 137.395; ~~and~~

(3) $500,000 shall be distributed to the community health centers development grants program in accordance with section 145.987;

(4) $500,000 shall be distributed to the community mental health centers grant program in accordance with section 145.9272;

(5) $1,000,000 shall be distributed to the health careers opportunities grant program in accordance with section 144.1499; and

~~(3)~~ (6) $1,800,000 to the Academic Health Center. $150,000 of the funds distributed to the Academic Health Center under this paragraph shall be used for a program to assist internationally trained physicians who are legal residents and who commit to serving

underserved Minnesota communities in a health professional shortage area to successfully compete for family medicine residency programs at the University of Minnesota.

(c) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

(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 paragraph (a) 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.

(e) 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.

(f) 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.

Subd. 5. **Report.** (a) Sponsoring institutions receiving funds under this section must sign and submit a medical education grant verification report (GVR) to verify that the correct grant amount was forwarded to each eligible training site. ~~If the sponsoring institution fails to submit the GVR by the stated deadline, or to request and meet the deadline for an extension, the sponsoring institution is required to return the full amount of funds received to the commissioner 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.~~

(b) The reports must provide verification of the distribution of the funds and must include:

6.1 (1) the total number of eligible trainee FTEs in each clinical medical education
6.2 program;
6.3 (2) the name of each funded program and, for each program, the dollar amount
6.4 distributed to each training site;
6.5 (3) documentation of any discrepancies between the initial grant distribution notice
6.6 included in the commissioner's approval letter and the actual distribution;
6.7 (4) a statement by the sponsoring institution stating that the completed grant
6.8 verification report is valid and accurate; and
6.9 (5) other information the commissioner, with advice from the advisory committee,
6.10 deems appropriate to evaluate the effectiveness of the use of funds for medical education.
6.11 (c) By February 15 of each year, the commissioner, with advice from the
6.12 advisory committee, shall provide an annual summary report to the legislature on the
6.13 implementation of this section.
6.14 Subd. 6. **Other available funds.** The commissioner is authorized to distribute, in
6.15 accordance with subdivision 4, funds made available through:
6.16 (1) voluntary contributions by employers or other entities;
6.17 (2) allocations for the commissioner of human services to support medical education
6.18 and research; and
6.19 (3) other sources as identified and deemed appropriate by the legislature for
6.20 inclusion in the fund.
6.21 Subd. 7. **Transfers from the commissioner of human services.** Of the amount
6.22 transferred according to section 256B.69, subdivision 5c, paragraph (a), clauses (1) to (4),
6.23 $21,714,000 shall be distributed as follows:
6.24 (1) $2,157,000 shall be distributed by the commissioner to the University of
6.25 Minnesota Board of Regents for the purposes described in sections 137.38 to 137.40;
6.26 (2) $1,035,360 shall be distributed by the commissioner to the Hennepin County
6.27 Medical Center for clinical medical education;
6.28 (3) $17,400,000 shall be distributed by the commissioner to the University of
6.29 Minnesota Board of Regents for purposes of medical education;
6.30 (4) ~~$1,121,640~~ $1,021,640 shall be distributed by the commissioner to clinical
6.31 medical education dental innovation grants in accordance with subdivision 7a; ~~and~~
6.32 (5) $100,000 shall be distributed to the health careers opportunities grant program
6.33 in accordance with section 144.1499; and
6.34 (6) the remainder of the amount transferred according to section 256B.69,
6.35 subdivision 5c, clauses (1) to (4), shall be distributed by the commissioner annually to

clinical medical education programs that meet the qualifications of subdivision 3 based on the formula in subdivision 4, paragraph (a), or subdivision 11, as appropriate.

Subd. 7a. **Clinical medical education innovations grants.** (a) The commissioner shall award grants to teaching institutions and clinical training sites ~~for projects that~~ that provide training to increase dental access for underserved populations ~~and promote innovative clinical training of dental professionals~~ and for racial, ethnic or cultural populations in the state experiencing health disparities. In awarding the grants, the commissioner, in consultation with the commissioner of human services, shall consider the following:

(1) potential to successfully increase access to an underserved population;

(2) ~~the long-term viability of the project to improve access beyond the period of initial funding;~~

~~(3)~~ evidence of collaboration between the applicant and local communities; and

~~(4) the efficiency in the use of the funding; and~~

~~(5)~~ (3) the priority level of the project in relation to ~~state clinical education, access, and~~ health disparity workforce goals.

(b) The commissioner shall periodically evaluate the priorities in awarding the innovations grants in order to ensure that the priorities meet the changing workforce needs of the state.

Subd. 8. **Federal financial participation.** The commissioner of human services shall seek to maximize federal financial participation in payments for medical education and research costs.

The commissioner shall use physician clinic rates where possible to maximize federal financial participation. Any additional funds that become available must be distributed under subdivision 4, paragraph (a), or subdivision 11, as appropriate.

Subd. 9. **Review of eligible providers.** The commissioner and the Medical Education and Research Costs Advisory Committee may review provider groups included in the definition of a clinical medical education program to assure that the distribution of the funds continue to be consistent with the purpose of this section. ~~The results of any such reviews must be reported to the Legislative Commission on Health Care Access.~~

Sec. 4. Minnesota Statutes 2010, section 62J.692, is amended by adding a subdivision to read:

Subd. 11. **Distribution of funds.** (a) Upon receiving federal approval, the commissioner shall annually distribute the available medical education funds to all

8.1 qualifying applicants based on the following distribution formula, which supersedes the
8.2 formula described in subdivision 4, paragraphs (a) and (b):

8.3 (1) funds received pursuant to section 297.10 shall be distributed to eligible clinical
8.4 training sites using a public program volume factor, which is determined by the total
8.5 volume of public program revenue received by each eligible training site as a percentage
8.6 of all public program revenue received by all eligible training sites in the fund pool. Only
8.7 clinical training that occurs in a hospital that reports financial, utilization, and services
8.8 data to the commissioner of health, pursuant to sections 144.695 to 144.703 and 144.564,
8.9 and Minnesota Rules, chapter 4650, is eligible for funding under this clause; and

8.10 (2) funds transferred according to section 256B.69, subdivision 5c, clauses (1) to (4),
8.11 shall be distributed to eligible training sites based on the total number of eligible trainee
8.12 FTEs and the total statewide average costs per FTE, by type of trainee, in each clinical
8.13 medical education program. The number of eligible trainee FTEs for funds distributed
8.14 under this clause is determined using the following steps:

8.15 (i) each FTE trainee from an advanced practice nursing, physician assistant, family
8.16 medicine, internal medicine, general pediatrics, or psychiatry program is weighted at 1.25.
8.17 Each FTE trainee from any other eligible training program is weighted at 1.0;

8.18 (ii) each FTE trainee at a clinical training site located in an isolated rural area
8.19 according to the four category classification of the Rural Urban Commuting Area system
8.20 developed for the U.S. Health Resources and Services Administration (RUCA system)
8.21 shall be weighted at the weight in item (i) multiplied by 1.5; each FTE trainee at a clinical
8.22 training site located in a small rural area according to the RUCA system shall be weighted
8.23 at the weight in item (i) multiplied by 1.25; each FTE trainee at a clinical training site
8.24 located in a large rural area according to the RUCA system shall be weighted at the weight
8.25 in item (i) multiplied by 1.1; and each FTE trainee at a clinical training site located in an
8.26 urban area according to the RUCA system shall be weighted at the weight in item (i)
8.27 multiplied by 1.0;

8.28 (iii) each FTE trainee at a clinical training site that is a hospital eligible for funding
8.29 under paragraph (1) shall be weighted at the weight in item (ii) multiplied by 0.85; and each
8.30 FTE trainee at a clinical training site that is an ambulatory, nursing home or other eligible
8.31 nonhospital setting shall be weighted at the weight in item (ii) multiplied by 1.15; and

8.32 (iv) grants to hospitals under this clause are limited to a percentage share of the total
8.33 pool of funds available under this clause that is no more than 1.5 times the percentage
8.34 of the hospital's total revenue that comes from public programs. Grants to hospitals in
8.35 excess of this amount will be redistributed to other sites eligible for funding under this
8.36 clause. Each eligible clinical training site's grant under this clause will be calculated by

9.1 multiplying the training site's adjusted FTE count upon completion of steps (i) through
9.2 (iv) by the statewide average cost per trainee for each provider type to determine an
9.3 adjusted clinical training cost for each site. The grant to each eligible clinical training site
9.4 under this clause shall equal that site's share of total adjusted clinical training costs for all
9.5 eligible training sites receiving funding under this clause. Any clinical training site with
9.6 fewer than 0.1 FTE eligible trainees from all programs upon completion of the steps (i)
9.7 through (iv) and any clinical training site that would receive less than a cumulative $1,000
9.8 under clauses (1) and (2) of this section will be eliminated from the distribution.

9.9 (b) Public program revenue for the distribution formula includes revenue for the
9.10 relevant MERC reporting period from medical assistance, prepaid medical assistance,
9.11 general assistance medical care, MinnesotaCare, and prepaid general assistance medical
9.12 care, as reported to the Minnesota Department of Health pursuant to Minnesota Statutes,
9.13 sections 144.695 to 144.703, 144.562, Minnesota Statutes, sections 144.564, and
9.14 Minnesota Rules, chapter 4650, by December 31st of the year in which the MERC
9.15 application is submitted. Training sites that receive no public program revenue are
9.16 ineligible for funds available under this subdivision. For purposes of determining
9.17 training-site level grants to be distributed under paragraph (a), clause (2), total statewide
9.18 average costs per trainee for medical residents is based on audited clinical training costs
9.19 per trainee in primary care clinical medical education programs for medical residents.
9.20 Total statewide average costs per trainee for dental residents is based on audited clinical
9.21 training costs per trainee in clinical medical education programs for dental students. Total
9.22 statewide average costs per trainee for pharmacy residents is based on audited clinical
9.23 training costs per trainee in clinical medical education programs for pharmacy students.

9.24 Sec. 5. **[137.395] EDUCATION AND TRAINING FOR HEALTH DISPARITY**
9.25 **POPULATIONS.**

9.26 Subdivision 1. **Condition.** If the Board of Regents accepts the amount transferred
9.27 under section 62J.692, subdivision 4, paragraph (b), clause (2), then it must be used for the
9.28 purposes provided in this section.

9.29 Subd. 2. **Purpose.** The Board of Regents, through the Academic Health Center, is
9.30 requested to implement a scholarship program required in order to increase the number of
9.31 graduates of the Academic Health Center programs who are from racial, ethnic, or cultural
9.32 populations in the state that experience health disparities.

9.33 Subd. 3. **Scholarships.** The Board of Regents is requested to provide full
9.34 scholarships to Academic Health Center programs for students who are from racial, ethnic,
9.35 or cultural populations that experience health disparities.

Sec. 6. Minnesota Statutes 2010, section 144.1499, is amended to read:

144.1499 ~~PROMOTION OF HEALTH CARE AND LONG-TERM CARE CAREERS~~ HEALTH CAREERS OPPORTUNITIES GRANT PROGRAM.

Subd. 1. **Program.** The commissioner of health, ~~in consultation with an organization representing health care employers, long-term care employers, and educational institutions,~~ may make grants to ~~qualifying consortia as defined in section 116L.11, subdivision 4, for intergenerational programs to encourage middle and high school students to work and volunteer in health care and long-term care settings.~~ ~~To qualify for a grant under this section, a consortium shall:~~ health care employers, educational institutions, and related organizations for eligible activities intended to increase the number of people from racial, ethnic, or cultural populations that experience health disparities who are entering health careers in Minnesota.

~~(1) develop a health and long-term care careers curriculum that provides career exploration and training in national skill standards for health care and long-term care and that is consistent with Minnesota graduation standards and other related requirements;~~

~~(2) offer programs for high school students that provide training in health and long-term care careers with credits that articulate into postsecondary programs; and~~

~~(3) provide technical support to the participating health care and long-term care employer to enable the use of the employer's facilities and programs for kindergarten to grade 12 health and long-term care careers education.~~

Subd. 2. **Eligible activities.** Eligible activities must focus on students from racial, ethnic, or cultural populations experiencing health disparities. Eligible activities include the following:

(1) health careers exploration activities for students from racial, ethnic, or cultural populations experiencing health disparities;

(2) elementary, secondary, and postsecondary education activities to improve the academic readiness to enter health professions education programs for students from racial, ethnic, or cultural populations experiencing health disparities;

(3) health careers mentoring for students from racial, ethnic, or cultural populations experiencing health disparities, including support for faculty involved in mentoring these students enrolled in or interested in entering health professions education programs;

(4) secondary and postsecondary summer health care internships that provide students from racial, ethnic, or cultural populations experiencing health disparities with formal exposure to a health care profession in an employment setting;

11.1 (5) health careers preparation, guidance and support for students from racial, ethnic,
11.2 or cultural populations experiencing health disparities who are interested in entering health
11.3 professions education programs;
11.4 (6) health careers preparation, guidance, and support for students from racial,
11.5 ethnic, or cultural populations experiencing health disparities who are enrolled in health
11.6 professions education programs and other activities to improve retention of these students
11.7 in health professions education programs; or
11.8 (7) other activities the commissioner has reason to believe will prepare, attract, and
11.9 educate for health careers students from racial, ethnic, or cultural populations experiencing
11.10 health disparities.
11.11 Subd. 3. **Applications.** Applicants seeking a grant must apply to the commissioner.
11.12 Applications must include the following:
11.13 (1) a description of the need or challenges or barriers that the proposed project
11.14 will address;
11.15 (2) a detailed description of the project and how it proposes to address the challenges
11.16 or barriers;
11.17 (3) a budget detailing all sources of funds for the project and how project funds
11.18 will be used;
11.19 (4) baseline data showing the current percentage of program applicants and current
11.20 students who are from racial, ethnic , or cultural populations experiencing health
11.21 disparities;
11.22 (5) a description of achievable objectives that demonstrate how the project will
11.23 contribute to increasing the number of students from racial, ethnic, or cultural populations
11.24 experiencing health disparities who are entering health professions in Minnesota;
11.25 (6) a timeline for completion of the project;
11.26 (7) roles and capabilities of responsible individuals and organizations, including
11.27 partner organizations;
11.28 (8) a plan to evaluate project outcomes; and
11.29 (9) other information the commissioner believes necessary to evaluate the
11.30 application.
11.31 Subd. 4. **Consideration of applications.** The commissioner must review each
11.32 application to determine whether or not the application is complete and whether
11.33 the applicant and the project are eligible for a grant. In evaluating applications, the
11.34 commissioner must evaluate each application based on the following:

12.1 (1) the extent to which the applicant has demonstrated that its project is likely
12.2 to contribute to increasing the number of American Indians and underrepresented
12.3 populations of color entering health professions in Minnesota;
12.4 (2) the application's clarity and thoroughness in describing the challenges and
12.5 barriers it is addressing;
12.6 (3) the extent to which the applicant appears likely to coordinate project efforts
12.7 with other organizations;
12.8 (4) the reasonableness of the project budget; and
12.9 (5) the organizational capacity of the applicant and its partners.
12.10 The commissioner may also take into account other relevant factors. During
12.11 application review the commissioner may request additional information about a proposed
12.12 project, including information on project cost. Failure to provide the information requested
12.13 disqualifies an applicant.
12.14 Subd. 5. **Program oversight.** The commissioner shall determine the amount of a
12.15 grant to be given to an eligible applicant based on the relative strength of each eligible
12.16 application and the funds available to the commissioner. The commissioner may collect
12.17 from grantees any information necessary to evaluate the program.

12.18 Sec. 7. Minnesota Statutes 2010, section 144.1501, subdivision 1, is amended to read:
12.19 Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions
12.20 apply.
12.21 (b) "Dentist" means an individual who is licensed to practice dentistry.
12.22 (c) "Designated rural area" means~~:~~
12.23 ~~(1) an area in Minnesota outside the counties of Anoka, Carver, Dakota, Hennepin,~~
12.24 ~~Ramsey, Scott, and Washington, excluding the cities of Duluth, Mankato, Moorhead,~~
12.25 ~~Rochester, and St. Cloud; or~~
12.26 ~~(2) a municipal corporation, as defined under section 471.634, that is physically~~
12.27 ~~located, in whole or in part, in an area defined as a designated rural area under clause (1).~~
12.28 an area defined as a small rural area or isolated rural area according to the four category
12.29 classifications of the Rural Urban Commuting Area system developed for the U.S. Health
12.30 Resources and Services Administration.
12.31 (d) "Emergency circumstances" means those conditions that make it impossible for
12.32 the participant to fulfill the service commitment, including death, total and permanent
12.33 disability, or temporary disability lasting more than two years.
12.34 (e) "Medical resident" means an individual participating in a medical residency in
12.35 family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

13.1 (f) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse
13.2 anesthetist, advanced clinical nurse specialist, or physician assistant.
13.3 (g) "Nurse" means an individual who has completed training and received all
13.4 licensing or certification necessary to perform duties as a licensed practical nurse or
13.5 registered nurse.
13.6 (h) "Nurse-midwife" means a registered nurse who has graduated from a program of
13.7 study designed to prepare registered nurses for advanced practice as nurse-midwives.
13.8 (i) "Nurse practitioner" means a registered nurse who has graduated from a program
13.9 of study designed to prepare registered nurses for advanced practice as nurse practitioners.
13.10 (j) "Pharmacist" means an individual with a valid license issued under chapter 151.
13.11 (k) "Physician" means an individual who is licensed to practice medicine in the areas
13.12 of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.
13.13 (l) "Physician assistant" means a person licensed under chapter 147A.
13.14 (m) "Qualified educational loan" means a government, commercial, or foundation
13.15 loan for actual costs paid for tuition, reasonable education expenses, and reasonable living
13.16 expenses related to the graduate or undergraduate education of a health care professional.
13.17 (n) "Underserved urban community" means a Minnesota urban area or population
13.18 included in the list of designated primary medical care health professional shortage areas
13.19 (HPSAs), medically underserved areas (MUAs), or medically underserved populations
13.20 (MUPs) maintained and updated by the United States Department of Health and Human
13.21 Services.

13.22 Sec. 8. Minnesota Statutes 2010, section 144.1501, subdivision 4, is amended to read:
13.23 Subd. 4. **Loan forgiveness.** The commissioner of health may select applicants
13.24 each year for participation in the loan forgiveness program, within the limits of available
13.25 funding. The commissioner shall distribute available funds for loan forgiveness
13.26 proportionally among the eligible professions according to the vacancy rate for each
13.27 profession in the required geographic area, facility type, teaching area, patient group,
13.28 or specialty type specified in subdivision 2. The commissioner shall allocate funds for
13.29 physician loan forgiveness so that 75 percent of the funds available are used for rural
13.30 physician loan forgiveness and 25 percent of the funds available are used for underserved
13.31 urban communities and pediatric psychiatry loan forgiveness. If the commissioner does
13.32 not receive enough qualified applicants each year to use the entire allocation of funds for
13.33 any eligible profession, the remaining funds may be allocated proportionally among the
13.34 other eligible professions according to the vacancy rate for each profession in the required
13.35 geographic area, patient group, or facility type specified in subdivision 2. Applicants are

14.1 responsible for securing their own qualified educational loans. The commissioner shall
14.2 select participants based on their suitability for practice serving the required geographic
14.3 area or facility type specified in subdivision 2, as indicated by experience or training.
14.4 The commissioner shall give preference to applicants from racial, ethnic or cultural
14.5 populations experiencing health disparities who are closest to completing their training
14.6 and who agree to serve in settings in Minnesota that provide health care services to at least
14.7 50 percent American Indian or other populations of color, such as a federally recognized
14.8 Native American reservation. For each year that a participant meets the service obligation
14.9 required under subdivision 3, up to a maximum of four years, the commissioner shall make
14.10 annual disbursements directly to the participant equivalent to 15 percent of the average
14.11 educational debt for indebted graduates in their profession in the year closest to the
14.12 applicant's selection for which information is available, not to exceed the balance of the
14.13 participant's qualifying educational loans. Before receiving loan repayment disbursements
14.14 and as requested, the participant must complete and return to the commissioner an affidavit
14.15 of practice form provided by the commissioner verifying that the participant is practicing
14.16 as required under subdivisions 2 and 3. The participant must provide the commissioner
14.17 with verification that the full amount of loan repayment disbursement received by the
14.18 participant has been applied toward the designated loans. After each disbursement,
14.19 verification must be received by the commissioner and approved before the next loan
14.20 repayment disbursement is made. Participants who move their practice remain eligible for
14.21 loan repayment as long as they practice as required under subdivision 2.

14.22 Sec. 9. **[144.1503] HEALTH PROFESSIONS OPPORTUNITIES SCHOLARSHIP**
14.23 **PROGRAM.**

14.24 Subdivision 1. **Definitions.** For purposes of this section the following definitions
14.25 apply:

14.26 (1) "certified clinical nurse specialist" means an individual licensed in Minnesota as
14.27 a registered nurse and certified by a national nurse certification organization acceptable to
14.28 the Minnesota Board of Nursing to practice as a clinical nurse specialist;

14.29 (2) "certified nurse midwife" means an individual licensed in Minnesota as a
14.30 registered nurse and certified by a national nurse certification organization acceptable to
14.31 the Minnesota Board of Nursing to practice as a nurse midwife;

14.32 (3) "certified nurse practitioner" means an individual licensed in Minnesota as a
14.33 registered nurse and certified by a national nurse certification organization acceptable to
14.34 the Minnesota Board of Nursing to practice as a nurse practitioner;

15.1 (4) "chiropractor" means an individual licensed and regulated under sections 148.02
15.2 to 148.108;
15.3 (5) "dental therapist" means an individual licensed in the state and includes advanced
15.4 dental therapists certified under section 150A.106;
15.5 (6) "dentist" means an individual licensed in Minnesota as a dentist under chapter
15.6 150A;
15.7 (7) "eligible scholarship placement site" means a nonprofit, private, and public
15.8 entities located in Minnesota that provide at least 50 percent of their health care services
15.9 to American Indian or other populations of color, such as federally recognized American
15.10 Indian reservations;
15.11 (8) "emergency circumstances" means those conditions that make it impossible for
15.12 the participant to fulfill the contractual requirements, including death, total and permanent
15.13 disability, or temporary disability lasting more than two years;
15.14 (9) "participant" means an individual receiving a scholarship under this program;
15.15 (10) "physician assistant" means a person licensed in Minnesota under chapter 147A;
15.16 (11) "primary care physician" means an individual licensed in Minnesota as
15.17 a physician and board certified in family practice, internal medicine, obstetrics and
15.18 gynecology, pediatrics, geriatrics, emergency medicine, hospital medicine, or psychiatry;
15.19 and
15.20 (12) "registered nurse" means an individual licensed by the Minnesota Board of
15.21 Nursing to practice professional nursing.
15.22 Subd. 2. **Establishment and purpose.** The commissioner shall establish a health
15.23 professions opportunities scholarship program. The purpose of the program is to increase
15.24 the number of students from racial, ethnic or cultural populations experiencing health
15.25 disparities who enter health professions.
15.26 Subd. 3. **Eligible students.** To be eligible to apply to the commissioner for the
15.27 scholarship program, an applicant must be:
15.28 (1) accepted for full-time study in a program of study that will result in licensure as
15.29 a primary care physician, certified nurse practitioner, certified nurse midwife, certified
15.30 clinical nurse specialist, chiropractor, physician assistant, registered nurse, dentist, or
15.31 dental therapist;
15.32 (2) a Minnesota resident; and
15.33 (3) an individual from a racial, ethnic, or cultural population experiencing health
15.34 disparities in the state.
15.35 Subd. 4. **Scholarship.** The commissioner may award a scholarship for the cost of
15.36 full tuition, fees, and living expenses up to $40,000, per year to eligible students. The

16.1 commissioner will subtract the amount of other scholarship, grant, and gift awards to the
16.2 participant from the award made by this program. Scholarship awards will be limited to
16.3 the number of years for full-time enrollment in the applicant's program of study but will
16.4 not include any years completed prior to applying. The commissioner shall determine the
16.5 number of new scholarship awards made per fiscal year based on availability of state
16.6 funding. Scholarship awards will be paid by the commissioner directly to the participant's
16.7 educational institution after full-time enrollment is verified. Appropriations made to the
16.8 scholarship program do not cancel and are available until expended.

16.9 Subd. 5. **Obligated service.** A participant shall agree in contract to fulfill a
16.10 three-year service obligation at an eligible scholar placement site upon completion of
16.11 training, including residency, and obtaining Minnesota licensure. Participants must
16.12 provide at least 32 hours of direct patient care per week for at least 45 weeks per year.
16.13 Obligated service must start by March 31 of the year following completion of required
16.14 training.

16.15 Subd. 6. **Affidavit of service required.** Before starting a service obligation and
16.16 annually thereafter, participants shall submit to the commissioner an affidavit of practice
16.17 signed by a representative of their eligible scholar placement site verifying employment
16.18 status and the number of weekly hours of direct patient care provided by the participant.
16.19 Participants must also provide written notice to the commissioner within 30 days of: a
16.20 change in name or address; a decision not to fulfill a service obligation; or cessation of
16.21 obligated practice.

16.22 Subd. 7. **Penalty for nonfulfillment.** If a participant does not complete the
16.23 educational program, successfully obtain licensure, or fulfill the required minimum
16.24 commitment of service according to subdivision 6, the commissioner of health shall collect
16.25 from the participant the total amount awarded to the participant under the scholarship
16.26 program plus interest at a rate established according to section 270C.40. Funds collected
16.27 for nonfulfillment shall be credited to the health professions opportunities scholarship
16.28 program. The commissioner shall allow waivers of all or part of the money owed the
16.29 commissioner as a result of a nonfulfillment penalty due to emergency circumstances.

16.30 Sec. 10. Minnesota Statutes 2010, section 144A.04, is amended by adding a
16.31 subdivision to read:

16.32 Subd. 13. **Exemptions.** (a) Boarding care homes certified to participate in the
16.33 Medicaid program under title XIX of the Social Security Act are exempt from state
16.34 licensure requirements promulgated by the commissioner under Minnesota Rules, chapters
16.35 4667, 4668, and 4669.

17.1 (b) Nursing homes certified to participate in the Medicare program under title
17.2 XVII of the Social Security Act or the Medicaid program under title XIX of the Social
17.3 Security Act are exempt from licensure rules promulgated by the commissioner under
17.4 Minnesota Rules, chapter 4658.

17.5 Sec. 11. Minnesota Statutes 2010, section 144A.05, is amended to read:

17.6 **144A.05 LICENSE RENEWAL.**

17.7 Unless the license expires in accordance with section 144A.06 or is suspended
17.8 or revoked in accordance with section 144A.11, a nursing home license shall remain
17.9 effective for a period of one year from the date of its issuance. The commissioner of
17.10 health by rule shall establish forms and procedures for the processing of license renewals.
17.11 The commissioner of health shall approve a license renewal application if the facility
17.12 continues to satisfy the requirements, standards and conditions prescribed by sections
17.13 144A.01 to 144A.155 and the rules promulgated thereunder. The commissioner shall not
17.14 approve the renewal of a license for a nursing home bed in a resident room with more
17.15 than four beds. Except as provided in section 144A.08, a facility shall not be required to
17.16 submit with each application for a license renewal additional copies of the architectural
17.17 and engineering plans and specifications of the facility. Before approving a license
17.18 renewal, the commissioner of health shall determine that the facility's most recent balance
17.19 sheet and its most recent statement of revenues and expenses, as audited by the state
17.20 auditor, by a certified public accountant licensed in accordance with chapter 326A or by a
17.21 public accountant as defined in section 412.222, have been received by the Department
17.22 of Human Services. The commissioner of health shall renew the license of a boarding
17.23 care home, licensed under sections 144.50 to 144.58, or a nursing home, licensed under
17.24 l144A.01 to 144A.10, provided that it maintains certification by the Centers for Medicare
17.25 and Medicaid Services for participation in at least one of the federal programs.

17.26 Sec. 12. Minnesota Statutes 2010, section 144A.61, is amended by adding a
17.27 subdivision to read:

17.28 Subd. 9. **Electronic transmission.** The commissioner of health must accept
17.29 electronic transmission of applications and supporting documentation for interstate
17.30 endorsement for the nursing assistant registry.

17.31 Sec. 13. **[145.9271] WHITE EARTH BAND URBAN CLINIC.**

18.1 Subdivision 1. **Condition.** If the White Earth Band of Ojibwe Indians accepts the
18.2 amount transferred under section 62J.692, subdivision 4, paragraph (b), clause (1), then it
18.3 must use the funds for purposes of this section.

18.4 Subd. 2. **Establish urban clinic.** The White Earth Band of Ojibwe Indians shall
18.5 establish and operate one or more a health care clinics in Minneapolis to serve members of
18.6 the White Earth Tribe and may use funds received under section 62J.692, subdivision 4,
18.7 paragraph (b), clause (1), for application to qualify as a federally qualified health center.

18.8 Subd. 3. **Grant agreements.** Before receiving the funds to be transferred under
18.9 section 62J.692, subdivision 4, paragraph (b), clause (1), the White Earth Band of Ojibwe
18.10 Indians is requested to submit to the commissioner of health a workplan and budget that
18.11 describes its annual plan for the funds. The commissioner will incorporate the workplan
18.12 and budget into a grant agreement between the commissioner and the White Earth Band of
18.13 Ojibwe Indians. Before each successive disbursement, the White Earth Band of Ojibwe
18.14 Indians is requested to submit a narrative progress report and an expenditure report to
18.15 the commissioner.

18.16 Sec. 14. **[145.9272] COMMUNITY MENTAL HEALTH CENTER GRANTS.**

18.17 Subdivision 1. **Definitions.** For purposes of this section, "community mental
18.18 health center" means an entity that is eligible for payment under section 256B.0625,
18.19 subdivision 5.

18.20 Subd. 2. **Allocation of subsidies.** The commissioner of health shall distribute, from
18.21 money appropriated for this purpose, grants to community mental health centers operating
18.22 in the state on July 1 of the year 2011 and each subsequent year for community mental
18.23 health center services to low-income consumers and patients with mental illness. The
18.24 amount of each grant shall be in proportion to each community mental health center's
18.25 revenues received from state health care programs in the most recent calendar year for
18.26 which data is available.

18.27 Sec. 15. **[145.929] PROFESSIONALS FROM POPULATIONS WITH HEALTH**
18.28 **DISPARITIES.**

18.29 The commissioner of health shall survey the diversity of the work force for
18.30 health-related professions and compare proportions in the allied health professions
18.31 among populations experiencing health disparities, including cultural, racial, ethnic,
18.32 and geographic factors, compared to the population of the state. Based on this survey,
18.33 the commissioner shall determine on an annual basis the ratio of training and residency
18.34 positions needed versus those available based on funding capacity.

19.1 Sec. 16. **[145.987] COMMUNITY HEALTH CENTERS DEVELOPMENT**
19.2 **GRANTS FOR UNDERSERVED COMMUNITIES.**

19.3 (a) The commissioner of health shall award grants from money appropriated for this
19.4 purpose to expand community health centers, as defined in section 145.9269, subdivision
19.5 1, in the state through the establishment of new community health centers or sites in
19.6 areas defined as small rural areas or isolated rural areas according to the four category
19.7 classification of the Rural Urban Commuting Area system developed for the U.S. Health
19.8 Resources and Services Administration or serving underserved patient populations who
19.9 experience the greatest disparities in health outcomes.

19.10 (b) Grant funds may be used to pay for:

19.11 (1) costs for an organization to develop and submit a proposal to the federal
19.12 government for the designation of a new community health center or site;

19.13 (2) costs of engaging underserved communities, health care providers, local
19.14 government agencies, or businesses in a process of developing a plan for a new center or
19.15 site to serve people in that community; and

19.16 (3) costs of planning, designing, remodeling, constructing, or purchasing equipment
19.17 for a new center or site.

19.18 Funds may not be used for operating costs.

19.19 (d) A proposal must demonstrate that racial and ethnic communities to be served by
19.20 the community health center were consulted with and participated in the development of
19.21 the proposal.

19.22 (e) The commissioner shall award grants on a competitive basis based on the
19.23 following criteria:

19.24 (1) the unmet need in the underserved community;

19.25 (2) the degree of disparities in health outcomes in the underserved community; and

19.26 (3) the extent to which people from the underserved community participated in
19.27 the development of the proposal.

19.28 Sec. 17. Minnesota Statutes 2010, section 157.15, is amended by adding a subdivision
19.29 to read:

19.30 Subd. 21. **Limited food establishment.** "Limited food establishment" means a food
19.31 establishment that is low risk, as defined by section 157.20, subdivision 2a, paragraph
19.32 (c), and where the operation consists primarily of combining dry mixes and water or ice
19.33 for immediate service to the consumer. Limited food establishments are exempt from the
19.34 NSF International food service equipment standards and the room finish requirements of
19.35 Minnesota Rules, chapter 4626.

20.1 Sec. 18. Minnesota Statutes 2010, section 157.20, is amended by adding a subdivision
20.2 to read:

20.3 Subd. 5. **Waivers during inspection.** Notwithstanding any provision of this chapter
20.4 or Minnesota Rules, chapter 4626, any plumbing or other facility requirement may be
20.5 waived by the inspector if the inspector deems a waiver appropriate and reasonable and
20.6 determines that no significant adverse effect on public health, safety, or the environment
20.7 would result from such waiver.

20.8 Sec. 19. Minnesota Statutes 2010, section 297F.10, subdivision 1, is amended to read:

20.9 Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette
20.10 taxes, as well as related penalties, interest, license fees, and miscellaneous sources of
20.11 revenue shall be deposited by the commissioner in the state treasury and credited as
20.12 follows:

20.13 (1) $22,220,000 for fiscal year 2006 and $22,250,000 for fiscal year 2007 and each
20.14 year thereafter must be credited to the Academic Health Center special revenue fund
20.15 hereby created and is annually appropriated to the Board of Regents at the University of
20.16 Minnesota for Academic Health Center funding at the University of Minnesota; and

20.17 (2) $8,553,000 for fiscal year 2006 and $8,550,000 for fiscal year 2007 and each year
20.18 thereafter must be credited to the medical education and research costs account hereby
20.19 created in the special revenue fund and is annually appropriated to the commissioner
20.20 of health for distribution under section 62J.692, subdivision 4, or section 62J.692,
20.21 subdivision 11, as appropriate; and

20.22 (3) the balance of the revenues derived from taxes, penalties, and interest (under
20.23 this chapter) and from license fees and miscellaneous sources of revenue shall be credited
20.24 to the general fund

20.25 .

20.26 Sec. 20. **TRANSFER OF THE HEALTH ECONOMICS PROGRAM.**

20.27 Subdivision 1. **Transfer.** The duties and activities of the commissioner of
20.28 health conducted pursuant to Minnesota Statutes, chapter 62U, are transferred to the
20.29 commissioner of human services.

20.30 Subd. 2. **Effect of transfer.** Minnesota Statutes, section 15.039 applies to the
20.31 transfer required in subdivision 1.

20.32 Subd. 3. **Effective date.** The transfer required in subdivision 1 is effective July 1,
20.33 2011.

21.1 Subd. 4. **Commissioner of human services.** During the 2012 legislative session,
21.2 the commissioner of human services, in consultation with the revisor of statutes, shall
21.3 submit to the legislature a bill making all statutory changes required by the reorganization
21.4 required under subdivision 1.

21.5 Sec. 21. **TRANSFER OF HEALTH-FACILITY LICENSING DUTIES.**

21.6 Subdivision 1. **Transfer.** The duties of the commissioner of health related to
21.7 licensing and regulation of health facilities under the following statutory sections are
21.8 transferred to the commissioner of human services: Minnesota Statutes, sections 144.50
21.9 to 144.60; 144.615; and chapters 144A; 144D; and 144G.

21.10 Subd. 2. **Effect of transfer.** Minnesota Statutes, section 15.039 applies to the
21.11 transfers required in subdivision 1.

21.12 Subd. 3. **Effective date.** The transfers required in subdivision 1 are effective
21.13 July 1, 2011.

21.14 Subd. 4. **Commissioner of human services.** During the 2012 legislative session,
21.15 the commissioner of human services, in consultation with the revisor of statutes, shall
21.16 submit to the legislature a bill making all statutory changes required by the reorganization
21.17 required under subdivision 1.

21.18 Sec. 22. **TRANSFER OF HMO REGULATION.**

21.19 Subdivision 1. **Transfer.** The duties of the commissioner of health related to
21.20 regulation of health maintenance organizations under Minnesota Statutes, chapter 62D are
21.21 transferred to the commissioner of commerce.

21.22 Subd. 2. **Effect of transfer.** Minnesota Statutes, section 15.039 applies to the
21.23 transfer required in subdivision 1.

21.24 Subd. 3. **Effective date.** The transfer required in subdivision 1 is effective July 1,
21.25 2011.

21.26 Subd. 4. **Commissioner of commerce.** During the 2012 legislative session, the
21.27 commissioner of commerce, in consultation with the revisor of statutes, shall submit to
21.28 the legislature a bill making all statutory changes required by the reorganization required
21.29 under subdivision 1.

21.30 Sec. 23. **TRANSFER OF THE HEALTH ECONOMICS PROGRAM.**

21.31 Subdivision 1. **Transfer.** The duties and activities of the Health Economics Program
21.32 at the Minnesota Department of Health, including all activities conducted pursuant to
21.33 Minnesota Statutes, chapter 62J, are transferred to the commissioner of commerce.

22.1 Subd. 2. **Effect of transfer.** Minnesota Statutes, section 15.039 applies to the
22.2 transfer required in subdivision 1.
22.3 Subd. 3. **Effective date.** The transfer required in subdivision 1 is effective July 1,
22.4 2011.
22.5 Subd. 4. **Commissioner of commerce.** During the 2012 legislative session, the
22.6 commissioner of commerce, in consultation with the revisor of statutes, shall submit to
22.7 the legislature a bill making all statutory changes required by the reorganization required
22.8 under subdivision 1.

22.9 Sec. 24. **STUDY OF FOR-PROFIT HEALTH MAINTENANCE**
22.10 **ORGANIZATIONS.**
22.11 The commissioner of health shall contract with an entity with expertise in health
22.12 economics and health care delivery and quality to study the efficiency, costs, service
22.13 quality, and enrollee satisfaction of for-profit health maintenance organizations, relative to
22.14 not-for-profit health maintenance organizations operating in Minnesota and other states.
22.15 The study findings must address whether the state of Minnesota could: (1) reduce medical
22.16 assistance and MinnesotaCare costs, and costs of providing coverage to state employees;
22.17 and (2) maintain or improve the quality of care provided to state health care program
22.18 enrollees and state employees, if for-profit health maintenance organizations were allowed
22.19 to operate in the state. The commissioner shall require the entity under contract to report
22.20 study findings to the commissioner and the legislature by January 15, 2012.

22.21 Sec. 25. **APPROPRIATION.**
22.22 (a) $447,000 each year is appropriated to the commissioner of health from the health
22.23 care access fund for the health careers opportunities grant program under Minnesota
22.24 Statutes, section 144.1499.
22.25 (b) $63,000 each year is appropriated to the commissioner of health from the
22.26 health care access fund for the health professions opportunities scholarship program
22.27 under Minnesota Statutes, section 144.1503.
22.28 (c) $138,000 in fiscal year 2012 and $276,000 each year thereafter is appropriated to
22.29 the commissioner of health from the general fund for the health professions opportunities
22.30 scholarship program under Minnesota Statutes, section 144.1503.

22.31 Sec. 26. **REPEALER.**
22.32 (a) Minnesota Statutes 2010, sections 144.1464; and 150A.22, are repealed.

23.1 (b) Minnesota Statutes 2010, section 145A.14, subdivisions 1 and 2, are repealed
23.2 effective January 1, 2012.