

1.1 moves to amend H.F. No. 3642 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[256B.0761] REENTRY DEMONSTRATION WAIVER.**

1.4 **Subdivision 1. Establishment.** The commissioner must submit a waiver application to
1.5 the Centers for Medicare and Medicaid Services to implement a medical assistance
1.6 demonstration project to provide health care and coordination services that bridge to
1.7 community-based services for individuals confined in state, local, or Tribal correctional
1.8 facilities, prior to community reentry. The demonstration must be designed to:

1.9 (1) increase continuity of coverage;

1.10 (2) improve access to health care services including mental health services, physical
1.11 health services, and substance use disorder treatment services;

1.12 (3) enhance coordination between Medicaid systems, health and human services systems,
1.13 correctional systems, and community-based providers;

1.14 (4) reduce overdoses and deaths following release;

1.15 (5) decrease disparities in overdoses and deaths following release; and

1.16 (6) maximize health and overall community reentry outcomes.

1.17 **Subd. 2. Eligible individuals.** Notwithstanding section 256B.055, subdivision 14,
1.18 individuals are eligible to receive services under this demonstration if they are eligible under
1.19 section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the
1.20 commissioner in collaboration with correctional facilities, local governments, and Tribal
1.21 governments.

1.22 **Subd. 3. Eligible correctional facilities.** (a) The commissioner's waiver application is
1.23 limited to:

2.1 (1) three state correctional facilities to be determined by the commissioner of corrections,
2.2 one of which must be the Minnesota Correctional Facility-Shakopee;

2.3 (2) two facilities for delinquent children and youth licensed under section 241.021,
2.4 subdivision 2, identified in coordination with the Minnesota Juvenile Detention Association
2.5 and the Minnesota Sheriffs' Association;

2.6 (3) four correctional facilities for adults licensed under section 241.021, subdivision 1,
2.7 identified in coordination with the Minnesota Sheriffs' Association and the Association of
2.8 Minnesota Counties; and

2.9 (4) one correctional facility owned and managed by a Tribal government.

2.10 (b) Additional facilities may be added contingent on legislative authorization and
2.11 appropriations.

2.12 Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an
2.13 individual's release date or, if an individual's confinement is less than 90 days, during the
2.14 time period between medical assistance eligibility determination and release to the
2.15 community.

2.16 (b) Facilities must offer the following services using either community-based or
2.17 corrections-based providers:

2.18 (1) case management activities to address physical and behavioral health needs including
2.19 a comprehensive assessment of individual needs, development of a person-centered care
2.20 plan, referrals and other activities to address assessed needs, and monitoring and follow-up
2.21 activities;

2.22 (2) drug coverage in accordance with section 256B.0625, subdivision 13, including up
2.23 to a 30-day supply of drugs upon release;

2.24 (3) substance use disorder comprehensive assessments according section 254B.05,
2.25 subdivision 5, paragraph (b), clause (2);

2.26 (4) treatment coordination services according to section 254B.05, subdivision 5, paragraph
2.27 (b), clause (3);

2.28 (5) peer recovery support services according to sections 245I.04, subdivisions 18 and
2.29 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

2.30 (6) substance use disorder individual and group counseling provided according to sections
2.31 245G.07, subdivision 1, paragraph (a), clause (1), 245G.11, subdivision 5, and 254B.05;

2.32 (7) mental health diagnostic assessment as required under section 245I.10;

3.1 (8) group and individual psychotherapy as required under section 256B.0671;

3.2 (9) peer specialist services, as required under sections 245I.04 and 256B.0615;

3.3 (10) family planning and obstetrics and gynecology services; and

3.4 (11) physical health well-being and screenings and care for adults and youth.

3.5 (c) Services outlined in this subdivision may only be authorized when an individual
3.6 demonstrates medical necessity or other eligibility as required under this chapter or applicable
3.7 state and federal laws.

3.8 Subd. 5. **Provider requirements and standards.** (a) Service providers must adhere to
3.9 applicable licensing and provider requirements under chapters 245A, 245G, 245I, 254B,
3.10 256B, and 256I.

3.11 (b) Service providers must be enrolled to provide services under Minnesota health care
3.12 programs.

3.13 (c) Services may be provided by eligible providers employed by the correctional facility
3.14 or by eligible community providers under contract with the correctional facility.

3.15 (d) The commissioner must determine whether each facility is ready to participate in
3.16 this demonstration based on a facility-submitted assessment of the facility's readiness to
3.17 implement:

3.18 (1) prerelease medical assistance application and enrollment processes for inmates not
3.19 enrolled in medical assistance coverage;

3.20 (2) the provision or facilitation of all required prerelease services for a period of up to
3.21 90 days prior to release;

3.22 (3) coordination among county and Tribal human services agencies and all other entities
3.23 with a role in furnishing health care and supports to address health related social needs;

3.24 (4) appropriate reentry planning, prerelease care management, and assistance with care
3.25 transitions to the community;

3.26 (5) operational approaches to implementing certain Medicaid and CHIP requirements
3.27 including applications, suspensions, notices, fair hearings, and reasonable promptness for
3.28 coverage of services;

3.29 (6) a data exchange process to support care coordination and transition activities; and

4.1 (7) reporting of all requested data to the commissioner of human services to support
4.2 program monitoring, evaluation, oversight, and all financial data to meet reinvestment
4.3 requirements.

4.4 (e) Participating facilities must detail reinvestment plans for all new federal Medicaid
4.5 funds expended for reentry services that were previously the responsibility of each facility
4.6 and provide detailed financial reports to the commissioner.

4.7 Subd. 6. **Payment rates.** (a) Payment rates for services under this section that are
4.8 approved under Minnesota's state plan agreement with the Centers for Medicare and Medicaid
4.9 Services are equal to current and applicable state law and federal requirements.

4.10 (b) Case management payment rates are equal to rates authorized by the commissioner
4.11 for relocation targeted case management under section 256B.0621, subdivision 10.

4.12 (c) Claims for covered drugs purchased through discount purchasing programs, such as
4.13 the Federal Supply Schedule (FSS) of the United States General Services Administration
4.14 or the MMCAP Infuse program, shall be at no more than the actual acquisition cost plus
4.15 the professional dispensing fee in section 256B.0625, subdivision 13e. Drugs administered
4.16 to members must be billed on a professional claim in accordance with section 256B.0625,
4.17 subdivision 13e, paragraph (e), and submitted with the actual acquisition cost for the drug
4.18 on the claim line. Pharmacy claims must be submitted with the actual acquisition cost as
4.19 the ingredient cost field and the dispensing fee in section 256B.0625, subdivision 13e, in
4.20 the dispensing fee field on the claim with the basis of cost indicator of '08'. Providers may
4.21 establish written protocols for establishing or calculating the facility's actual acquisition
4.22 drug cost based on a monthly, quarterly, or other average of the facility's actual acquisition
4.23 drug cost through the discount purchasing program. A written protocol may not include an
4.24 inflation, mark-up, spread, or margin to be added to the provider's actual purchase price
4.25 after subtracting all discounts.

4.26 Subd. 7. **Reentry services working group.** (a) The commissioner of human services,
4.27 in collaboration with the commissioner of corrections, must convene a reentry services
4.28 working group to consider ways to improve the demonstration under this section and related
4.29 policies for justice-involved individuals.

4.30 (b) The working group must be comprised of balanced representation, including:

4.31 (1) people with lived experience; and

4.32 (2) representatives from:

4.33 (i) community health care providers;

- 5.1 (ii) the Minnesota Sheriffs' Association;
- 5.2 (iii) the Minnesota Association for County Social Service Administrators;
- 5.3 (iv) the Association of Minnesota Counties;
- 5.4 (v) the Minnesota Juvenile Detention Association;
- 5.5 (vi) the Office of Addiction and Recovery;
- 5.6 (vii) NAMI Minnesota;
- 5.7 (viii) Tribal Nations; and
- 5.8 (ix) the Minnesota Alliance of Recovery Community Organizations.
- 5.9 (c) The working group must:
- 5.10 (1) advise on the waiver application, implementation, monitoring, evaluation, and
- 5.11 reinvestment plans;
- 5.12 (2) recommend strategies to improve processes that ensure notifications of the individual's
- 5.13 release date, current location, postrelease location, and other relevant information are
- 5.14 provided to state, county, and Tribal eligibility systems and managed care organizations;
- 5.15 (3) consider the value of expanding, replicating, or adapting the components of the
- 5.16 demonstration authorized under this section to additional populations; and
- 5.17 (4) recommend ideas to fund expanded reentry services.
- 5.18 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
- 5.19 whichever is later. The commissioner of human services must inform the revisor of statutes
- 5.20 when federal approval is obtained.

5.21 Sec. 2. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

5.22 Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine

5.23 when limitation of choice may be implemented in the experimental counties. The criteria

5.24 shall ensure that all eligible individuals in the county have continuing access to the full

5.25 range of medical assistance services as specified in subdivision 6.

5.26 (b) The commissioner shall exempt the following persons from participation in the

5.27 project, in addition to those who do not meet the criteria for limitation of choice:

5.28 (1) persons eligible for medical assistance according to section 256B.055, subdivision

5.29 1;

6.1 (2) persons eligible for medical assistance due to blindness or disability as determined
6.2 by the Social Security Administration or the state medical review team, unless:

6.3 (i) they are 65 years of age or older; or

6.4 (ii) they reside in Itasca County or they reside in a county in which the commissioner
6.5 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social
6.6 Security Act;

6.7 (3) recipients who currently have private coverage through a health maintenance
6.8 organization;

6.9 (4) recipients who are eligible for medical assistance by spending down excess income
6.10 for medical expenses other than the nursing facility per diem expense;

6.11 (5) recipients who receive benefits under the Refugee Assistance Program, established
6.12 under United States Code, title 8, section 1522(e);

6.13 (6) children who are both determined to be severely emotionally disturbed and receiving
6.14 case management services according to section 256B.0625, subdivision 20, except children
6.15 who are eligible for and who decline enrollment in an approved preferred integrated network
6.16 under section 245.4682;

6.17 (7) adults who are both determined to be seriously and persistently mentally ill and
6.18 received case management services according to section 256B.0625, subdivision 20;

6.19 (8) persons eligible for medical assistance according to section 256B.057, subdivision
6.20 10;

6.21 (9) persons with access to cost-effective employer-sponsored private health insurance
6.22 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective
6.23 according to section 256B.0625, subdivision 15; ~~and~~

6.24 (10) persons who are absent from the state for more than 30 consecutive days but still
6.25 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision
6.26 1, paragraph (b); and

6.27 (11) persons who are enrolled in the reentry demonstration waiver under section
6.28 256B.0761.

6.29 Children under age 21 who are in foster placement may enroll in the project on an elective
6.30 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective
6.31 basis. The commissioner may enroll recipients in the prepaid medical assistance program

7.1 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending
7.2 down excess income.

7.3 (c) The commissioner may allow persons with a one-month spenddown who are otherwise
7.4 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly
7.5 spenddown to the state.

7.6 (d) The commissioner may require those individuals to enroll in the prepaid medical
7.7 assistance program who otherwise would have been excluded under paragraph (b), clauses
7.8 (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

7.9 (e) Before limitation of choice is implemented, eligible individuals shall be notified and
7.10 after notification, shall be allowed to choose only among demonstration providers. The
7.11 commissioner may assign an individual with private coverage through a health maintenance
7.12 organization, to the same health maintenance organization for medical assistance coverage,
7.13 if the health maintenance organization is under contract for medical assistance in the
7.14 individual's county of residence. After initially choosing a provider, the recipient is allowed
7.15 to change that choice only at specified times as allowed by the commissioner. If a
7.16 demonstration provider ends participation in the project for any reason, a recipient enrolled
7.17 with that provider must select a new provider but may change providers without cause once
7.18 more within the first 60 days after enrollment with the second provider.

7.19 (f) An infant born to a woman who is eligible for and receiving medical assistance and
7.20 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to
7.21 the month of birth in the same managed care plan as the mother once the child is enrolled
7.22 in medical assistance unless the child is determined to be excluded from enrollment in a
7.23 prepaid plan under this section.

7.24 **Sec. 3. CAPACITY BUILDING AND IMPLEMENTATION GRANTS FOR THE**
7.25 **MEDICAL ASSISTANCE REENTRY DEMONSTRATION.**

7.26 The commissioner of human services must establish capacity-building grants for eligible
7.27 local correctional facilities as they prepare to implement reentry demonstration services
7.28 under Minnesota Statutes, section 256B.0761. Allowable expenditures under this grant may
7.29 include:

7.30 (1) developing, in coordination with incarcerated individuals and community members
7.31 with lived experience, processes and protocols listed under Minnesota Statutes, section
7.32 256B.0761, subdivision 5, paragraph (d);

- 8.1 (2) establishing or modifying information technology systems to support implementation
- 8.2 of the reentry demonstration waiver;
- 8.3 (3) personnel costs; and
- 8.4 (4) other expenses as determined by the commissioner.

8.5 **Sec. 4. 1115 WAIVER FOR MEDICAL ASSISTANCE REENTRY**

8.6 **DEMONSTRATION.**

8.7 The commissioner of human services must submit an application to the United States

8.8 Secretary of Health and Human Services to implement a medical assistance reentry

8.9 demonstration that covers services for incarcerated individuals, as described under Minnesota

8.10 Statutes, section 256B.0761. Coverage of prerelease services is contingent on federal approval

8.11 of the demonstration and the required implementation and reinvestment plans."

8.12 Amend the title accordingly