..... moves to amend H.F. No. 3467 as follows:

Delete everything after the enacting clause and insert:

"**ARTICLE 1**

CONTINUING CARE

Section 1. **[62V.055] ADDITIONAL NOTICE TO APPLICANTS.**

The board, in consultation with the commissioner of human services, shall include in the combined application for medical assistance, MinnesotaCare, and qualified health plan coverage available through the MNsure portal, information and notice on the following:

(1) that when an applicant submits the combined application, eligibility for subsidized coverage will be determined in the following order:

(i) medical assistance;

(ii) MinnesotaCare;

(iii) advanced premium tax credits and cost-sharing subsidies; and

(iv) qualified health plan coverage without a subsidy;

(2) persons eligible for medical assistance are not eligible for MinnesotaCare, and persons eligible for medical assistance or MinnesotaCare are not eligible for advanced premium tax credits and cost-sharing subsidies; and

(3) if a person enrolls in medical assistance, the state may claim repayment for the cost of medical care or premiums paid for that care from the person's estate.

Sec. 2. Minnesota Statutes 2014, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;

(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003. The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073;

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias;

(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. The property payment rate for the first three years of operation shall be $35 per day. For subsequent years, the property payment rate of $35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434;

(5) to initiate a pilot program to license and certify up to 80 beds transferred from an existing county-owned nursing facility in Steele County relocated to the site of a new acute care facility as part of the county's Communities for a Lifetime comprehensive plan to create innovative responses to the aging of its population. Upon relocation to the new

site, the nursing facility shall delicense 28 beds. The ~~property~~ payment rate for ~~the first three years of operation of~~ external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (v):

(i) compute the estimated decrease in medical assistance residents served by the nursing facility by multiplying the decrease in licensed beds by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined in item (i), by the existing facility's weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the nursing facility, determined in item (i), by the average monthly elderly waiver service costs for individuals in Steele County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days~~.~~; and

~~For subsequent years, the adjusted property payment rate shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434; and~~

(6) to consolidate and relocate nursing facility beds to a new site in Goodhue County and to integrate these services with other community-based programs and services under a communities for a lifetime pilot program and comprehensive plan to create innovative responses to the aging of its population. ~~Eighty beds in the city of Red Wing shall be transferred from the downsizing and relocation of an existing 84-bed, hospital-owned nursing facility and the entire closure or downsizing of beds from a 65-bed nonprofit nursing facility in the community resulting in the delicensure of 69 beds in the two existing facilities~~ Two nursing facilities, one for 84 beds and one for 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding the carryforward of the approval authority in section 144A.073, subdivision 11, the funding approved in April 2009 by the commissioner of health for a project in Goodhue County shall not carry forward. The closure of the ~~69~~ 85 beds shall not be eligible for a planned closure rate adjustment under section 256B.437. The construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision

4f. The ~~property~~ payment rate for ~~the first three years of operation of~~ external fixed costs for the new facility shall be increased by an amount as calculated according to items (i) to (vi):

(i) compute the estimated decrease in medical assistance residents served by both nursing facilities by multiplying the difference between the occupied beds of the two nursing facilities for the reporting year ending September 30, 2009, and the projected occupancy of the facility at 95 percent occupancy by the historical percentage of medical assistance resident days;

(ii) compute the annual savings to the medical assistance program from the delicensure by multiplying the anticipated decrease in the medical assistance residents, determined in item (i), by the hospital-owned nursing facility weighted average payment rate multiplied by 365;

(iii) compute the anticipated annual costs for community-based services by multiplying the anticipated decrease in medical assistance residents served by the facilities, determined in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue County multiplied by 12;

(iv) subtract the amount in item (iii) from the amount in item (ii);

(v) multiply the amount in item (iv) by ~~48.5~~ 57.2 percent; and

(vi) divide the difference of the amount in item (iv) and the amount in item (v) by an amount equal to the relocated nursing facility's occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance resident days.

~~For subsequent years, the adjusted property payment rate shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434.~~

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a.

EFFECTIVE DATE. This section is effective for rate years beginning on or after January 1, 2017, except that the amendment to paragraph (a), clause (6), transferring the rate adjustment in items (i) to (vi) from the property payment rate to the payment rate for external fixed costs, is effective for rate years beginning on or after January 1, 2017, or upon completion of the closure and new construction authorized in paragraph (a), clause (6), whichever is later.

Sec. 3. Minnesota Statutes 2014, section 144A.071, subdivision 4d, is amended to read:

Subd. 4d. **Consolidation of nursing facilities.** (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for

consolidation of nursing facilities which includes the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and section 256B.437, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate ~~a property~~ an external fixed costs rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section 256B.437, subdivision 6;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the ~~property~~ payment rate for external fixed costs for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph. The rate adjustment is effective on the later of the first day of the month following completion of the construction upgrades in the consolidation plan or the first day of the month following the complete closure of a facility designated for closure in the consolidation plan. If more than one facility is receiving upgrades in the consolidation plan, each facility's date of construction completion must be evaluated separately.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under group residential housing;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section 256B.437; and

(7) the savings from not paying ~~property~~ external fixed costs payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.

(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the ~~property~~ external fixed costs payment rate adjustment under this ~~provision~~ subdivision, the closing facilities shall:

(1) submit an application for closure according to section 256B.437, subdivision 3; and

(2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under section 144A.071, subdivision 3, for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

EFFECTIVE DATE. This section is effective for rate years beginning on or after January 1, 2017.

Sec. 4. Minnesota Statutes 2014, section 144A.073, subdivision 13, is amended to read:

Subd. 13. **Moratorium exception funding.** In fiscal year 2013, the commissioner of health may approve moratorium exception projects under this section for which the full annualized state share of medical assistance costs does not exceed $1,000,000 plus any carryover of previous appropriations for this purpose.

Sec. 5. Minnesota Statutes 2014, section 144A.073, subdivision 14, is amended to read:

Subd. 14. **Moratorium exception funding.** In fiscal year 2015, the commissioner of health may approve moratorium exception projects under this section for which the full annualized state share of medical assistance costs does not exceed $1,000,000 plus any carryover of previous appropriations for this purpose.

Sec. 6. Minnesota Statutes 2014, section 144A.073, is amended by adding a subdivision to read:

Subd. 15. **Moratorium exception funding.** In fiscal year 2017, the commissioner may approve moratorium exception projects under this section for which the full annualized state share of medical assistance costs does not exceed $1,000,000 plus any carryover of previous appropriations for this purpose.

Sec. 7. Minnesota Statutes 2014, section 256B.042, is amended by adding a subdivision to read:

Subd. 1a. **Additional notice to applicants.** An application for medical assistance must include a statement, prominently displayed, that if any person on the application enrolls in medical assistance, the state may claim repayment for the cost of medical care or premiums paid for care from that person's estate.

Sec. 8. Minnesota Statutes 2015 Supplement, 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. 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~~.~~; or

(iv) the assets in excess of the amount under paragraph (a) are assets owned by the community spouse, and the denial of eligibility would cause an undue hardship to the family due to the loss of retirement funds for the community spouse or funds protected for the post-secondary education of a child under age 25. For purposes of this clause, only retirement assets held by the community spouse in a tax-deferred retirement account, including a defined benefit plan, defined contribution plan, employer-sponsored individual retirement arrangement, or an individually-purchased individual retirement arrangement, are protected, and are only protected until the community spouse is eligible to withdraw retirement funds from any or all accounts without penalty. For purposes of this clause, only funds in a plan designated under section 529 of the Internal Revenue Code on behalf of a child of either or both spouses who is under the age of 25 are protected. There shall not be an assignment of spousal support to the commissioner or a cause of action against the individual's spouse under section 256B.14, subdivision 3, for the funds in the protected retirement and college savings accounts.

(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.

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

Sec. 9. Minnesota Statutes 2014, section 256B.15, subdivision 1a, is amended to read:

Subd. 1a. **Estates subject to claims.** (a) If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, or as otherwise provided for in this section, the total amount paid for medical assistance rendered for the person and spouse shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate or to issue a decree of descent according to sections 525.31 to 525.313.

(b) For the purposes of this section, the person's estate must consist of:

(1) the person's probate estate;

(2) all of the person's interests or proceeds of those interests in real property the person owned as a life tenant or as a joint tenant with a right of survivorship at the time of the person's death;

(3) all of the person's interests or proceeds of those interests in securities the person owned in beneficiary form as provided under sections 524.6-301 to 524.6-311 at the time of the person's death, to the extent the interests or proceeds of those interests become part of the probate estate under section 524.6-307;

(4) all of the person's interests in joint accounts, multiple-party accounts, and pay-on-death accounts, brokerage accounts, investment accounts, or the proceeds of those accounts, as provided under sections 524.6-201 to 524.6-214 at the time of the person's death to the extent the interests become part of the probate estate under section 524.6-207; and

(5) assets conveyed to a survivor, heir, or assign of the person through survivorship, living trust, or other arrangements.

(c) For the purpose of this section and recovery in a surviving spouse's estate for medical assistance paid for a predeceased spouse, the estate must consist of all of the legal title and interests the deceased individual's predeceased spouse had in jointly owned or marital property at the time of the spouse's death, as defined in subdivision 2b, and the

proceeds of those interests, that passed to the deceased individual or another individual, a survivor, an heir, or an assign of the predeceased spouse through a joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement. A deceased recipient who, at death, owned the property jointly with the surviving spouse shall have an interest in the entire property.

(d) For the purpose of recovery in a single person's estate or the estate of a survivor of a married couple, "other arrangement" includes any other means by which title to all or any part of the jointly owned or marital property or interest passed from the predeceased spouse to another including, but not limited to, transfers between spouses which are permitted, prohibited, or penalized for purposes of medical assistance.

(e) A claim shall be filed if medical assistance was rendered for either or both persons under one of the following circumstances:

(1) the person was over 55 years of age, and received services under this chapter prior to January 1, 2014;

(2) the person resided in a medical institution for six months or longer, received services under this chapter, and, at the time of institutionalization or application for medical assistance, whichever is later, the person could not have reasonably been expected to be discharged and returned home, as certified in writing by the person's treating physician. For purposes of this section only, a "medical institution" means a skilled nursing facility, intermediate care facility, intermediate care facility for persons with developmental disabilities, nursing facility, or inpatient hospital; ~~or~~

(3) the person received general assistance medical care services under chapter 256D~~.~~; or

(4) the person was 55 years of age or older and received medical assistance services on or after January 1, 2014, that consisted of nursing facility services, home and community-based services, or related hospital and prescription drug benefits.

(f) The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Notwithstanding any law or rule to the contrary, a state or county agency with a claim under this section must be a creditor under section 524.6-307. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Notice of the claim shall be given to all heirs and devisees of the decedent, and to other persons with an ownership interest in the real property owned by the decedent at the time of the decedent's death, whose identity can be ascertained with reasonable diligence. The notice must include procedures and instructions for making an application for a hardship

waiver under subdivision 5; time frames for submitting an application and determination; and information regarding appeal rights and procedures. Counties are entitled to one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort. Counties are entitled to ten percent of the collections for alternative care directly attributable to county effort.

EFFECTIVE DATE. This section is effective upon federal approval and applies to services rendered on or after January 1, 2014.

Sec. 10. Minnesota Statutes 2014, section 256B.15, subdivision 2, is amended to read:

Subd. 2. **Limitations on claims.** (a) For services rendered prior to January 1, 2014, the claim shall include only the total amount of medical assistance rendered after age 55 or during a period of institutionalization described in subdivision 1a, paragraph (e), and the total amount of general assistance medical care rendered, and shall not include interest.

(b) For services rendered on or after January 1, 2014, the claim shall include only:

(1) the amount of medical assistance rendered to recipients 55 years of age or older and that consisted of nursing facility services, home and community-based services, and related hospital and prescription drug services; and

(2) the total amount of medical assistance rendered during a period of institutionalization described in subdivision 1a, paragraph (e).

The claim shall not include interest. For the purposes of this section, "home and community-based services" has the same meaning it has when used in United States Code, title 42, section 1396p, subsection (b), paragraph (1), subparagraph (B), clause (i).

(c) Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, shall be payable from the full value of all of the predeceased spouse's assets and interests which are part of the surviving spouse's estate under subdivisions 1a and 2b. Recovery of medical assistance expenses in the nonrecipient surviving spouse's estate is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage. The claim is not payable from the value of assets or proceeds of assets in the estate attributable to a predeceased spouse whom the individual married after the death of the predeceased recipient spouse for whom the claim is filed or from assets and the proceeds of assets in the estate which the nonrecipient decedent spouse acquired with assets which were not marital property or jointly owned property after the death of the predeceased recipient spouse. Claims for alternative care shall be net of all premiums paid under section 256B.0913, subdivision 12, on or after July 1, 2003, and shall be

limited to services provided on or after July 1, 2003. Claims against marital property shall be limited to claims against recipients who died on or after July 1, 2009.

EFFECTIVE DATE. This section is effective upon federal approval and applies to services rendered on or after January 1, 2014.

Sec. 11. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 13, is amended to read:

Subd. 13. **External fixed costs.** "External fixed costs" means costs related to the nursing home surcharge under section 256.9657, subdivision 1; licensure fees under section 144.122; family advisory council fee under section 144A.33; scholarships under section 256B.431, subdivision 36; planned closure rate adjustments under section 256B.437; consolidation rate adjustments under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d; single bed room incentives under section 256B.431, subdivision 42; property taxes, assessments, and payments in lieu of taxes; employer health insurance costs; quality improvement incentive payment rate adjustments under subdivision 46c; performance-based incentive payments under subdivision 46d; special dietary needs under subdivision 51b; and PERA.

Sec. 12. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 53, is amended to read:

Subd. 53. **Calculation of payment rate for external fixed costs.** The commissioner shall calculate a payment rate for external fixed costs.

(a) For a facility licensed as a nursing home, the portion related to section 256.9657 shall be equal to $8.86. For a facility licensed as both a nursing home and a boarding care home, the portion related to section 256.9657 shall be equal to $8.86 multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(b) The portion related to the licensure fee under section 144.122, paragraph (d), shall be the amount of the fee divided by actual resident days.

(c) The portion related to development and education of resident and family advisory councils under section 144A.33 shall be $5 divided by 365.

(d) The portion related to scholarships shall be determined under section 256B.431, subdivision 36.

(e) The portion related to planned closure rate adjustments shall be as determined under section 256B.437, subdivision 6, and Minnesota Statutes 2010, section 256B.436.

(f) The portion related to consolidation rate adjustments shall be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

~~(f)~~ (g) The single bed room incentives shall be as determined under section 256B.431, subdivision 42.

~~(g)~~ (h) The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility shall be the actual amounts divided by actual resident days.

~~(h)~~ (i) The portion related to employer health insurance costs shall be the allowable costs divided by resident days.

~~(i)~~ (j) The portion related to the Public Employees Retirement Association shall be actual costs divided by resident days.

~~(j)~~ (k) The portion related to quality improvement incentive payment rate adjustments shall be as determined under subdivision 46c.

~~(k)~~ (l) The portion related to performance-based incentive payments shall be as determined under subdivision 46d.

~~(l)~~ (m) The portion related to special dietary needs shall be the per diem amount determined under subdivision 51b.

~~(m)~~ (n) The payment rate for external fixed costs shall be the sum of the amounts in paragraphs (a) to ~~(l)~~ (m).

Sec. 13. Minnesota Statutes 2015 Supplement, section 256B.441, subdivision 66, is amended to read:

Subd. 66. **Nursing facilities in border cities.** (a) Rate increases under this section for a facility located in Breckenridge are effective for the rate year beginning January 1, 2016, and annually thereafter~~.~~. Rate increases under this section for a facility located in Moorhead are effective for the rate year beginning January 1, 2020, and annually thereafter.

(b) Operating payment rates of a nonprofit nursing facility that exists on January 1, 2015, is located anywhere within the boundaries of the ~~city~~ cities of Breckenridge or Moorhead, and is reimbursed under this section, section 256B.431, or section 256B.434, shall be adjusted to be equal to the median RUG's rates, including comparable rate components as determined by the commissioner, for the equivalent RUG's weight of the nonprofit nursing facility or facilities located in an adjacent city in another state and in cities contiguous to the adjacent city. The commissioner must make the comparison required under this subdivision on October 1 of each year. The adjustment under this subdivision applies to the rates effective on the following January 1.

(c) The Minnesota facility's operating payment rate with a weight of 1.0 shall be computed by dividing the adjacent city's nursing facilities median operating payment rate with a weight of 1.02 by 1.02. ~~If the adjustments under this subdivision result in a rate that~~

~~exceeds the limits in subdivisions 50 and 51 in a given rate year, the facility's rate shall not be subject to those limits for that rate year.~~ If a facility's rate is increased under this subdivision, the facility is not subject to the total care-related limit in subdivision 50 and is not limited to the other operating price established in subdivision 51. This subdivision shall apply only if it results in a higher operating payment rate than would otherwise be determined under this section, section 256B.431, or section 256B.434.

Sec. 14. **AMENDING NOTICES OR LIENS ARISING OUT OF NOTICE.**

(a) State agencies must amend notices of potential claims and liens arising from the notices, if the notice was filed after January 1, 2014, for medical assistance services rendered on or after January 1, 2014, to a recipient who at the time services were rendered was 55 years of age or older and who was not institutionalized as described in Minnesota Statutes, section 256B.15, subdivision 1a, paragraph (e).

(b) The notices identified in paragraph (a) must be amended by removing the amount of medical assistance rendered that did not consist of nursing facility services, home and community-based services, as defined in Minnesota Statutes, section 256B.15, subdivision 1a, and related hospital and prescription drug services.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 2

HEALTH CARE

Section 1. Minnesota Statutes 2014, section 256B.0625, is amended by adding a subdivision to read:

Subd. 60a. **Community emergency medical technician services.** (a) Medical assistance covers services provided by a community emergency medical technician (CEMT) who is certified under section 144E.275, subdivision 7, when the services are provided in accordance with this subdivision.

(b) A CEMT may provide a posthospital discharge visit when ordered by a treating physician. The posthospital discharge visit includes:

(1) verbal or visual reminders of discharge orders;

(2) recording and reporting of vital signs to the patient's primary care provider;

(3) medication access confirmation;

(4) food access confirmation; and

(5) identification of home hazards.

(c) Individuals who have repeat ambulance calls due to falls, have been discharged from a nursing home, or identified by their primary care provider as at risk for nursing

home placement, may receive a safety evaluation visit from a CEMT when ordered by a primary care provider in accordance with the individual's care plan. A safety evaluation visit includes:

(1) medication access confirmation;

(2) food access confirmation; and

(3) identification of home hazards.

(d) A CEMT shall be paid at $9.75 per 15 minute increment. A safety evaluation visit may not be billed for the same day as a posthospital discharge visit for the same recipient.

EFFECTIVE DATE. This section is effective January 1, 2017, or upon federal approval, whichever is later.

Sec. 2. Minnesota Statutes 2015 Supplement, 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) 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) 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.

(k) Effective for services rendered on or after July 1, 2015, through December 31, 2016, the commissioner shall increase payment rates for services furnished by dental providers located outside of the seven-county metropolitan area by the maximum percentage possible above the rates in effect on June 30, 2015, while remaining within the limits of funding appropriated for this purpose. 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, 2016, through December 31, 2016, payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph. The commissioner shall require managed care and county-based purchasing plans to pass on the full amount of the increase, in the form of higher payment rates to dental providers located outside of the seven-county metropolitan area.

(l) Effective for services provided on or after January 1, 2017, the commissioner shall increase payment rates by 9.65 percent above the rates in effect on June 30, 2015, for dental services provided outside of the seven-county metropolitan area. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health services. Effective January 1, 2017,

payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.

Sec. 3. Minnesota Statutes 2015 Supplement, section 256B.766, is amended to read:

256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.

(a) Effective for services provided on or after July 1, 2009, total payments for basic care services, shall be reduced by three percent, except that for the period July 1, 2009, through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical assistance and general assistance medical care programs, prior to third-party liability and spenddown calculation. Effective July 1, 2010, the commissioner shall classify physical therapy services, occupational therapy services, and speech-language pathology and related services as basic care services. The reduction in this paragraph shall apply to physical therapy services, occupational therapy services, and speech-language pathology and related services provided on or after July 1, 2010.

(b) Payments made to managed care plans and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect the reduction effective July 1, 2009, and payments made to the plans shall be reduced effective October 1, 2010, to reflect the reduction effective July 1, 2010.

(c) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for outpatient hospital facility fees shall be reduced by five percent from the rates in effect on August 31, 2011.

(d) Effective for services provided on or after September 1, 2011, through June 30, 2013, total payments for ambulatory surgery centers facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, renal dialysis services, laboratory services, public health nursing services, physical therapy services, occupational therapy services, speech therapy services, eyeglasses not subject to a volume purchase contract, hearing aids not subject to a volume purchase contract, and anesthesia services shall be reduced by three percent from the rates in effect on August 31, 2011.

(e) Effective for services provided on or after September 1, 2014, payments for ambulatory surgery centers facility fees, hospice services, renal dialysis services, laboratory services, public health nursing services, eyeglasses not subject to a volume purchase contract, and hearing aids not subject to a volume purchase contract shall be increased by three percent and payments for outpatient hospital facility fees shall be increased by three percent. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(f) Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2014, through June 30, 2015, shall be decreased by .33 percent. Payments for medical supplies and durable medical equipment not subject to a volume purchase contract, and prosthetics and orthotics, provided on or after July 1, 2015, shall be increased by three percent from the rates as determined under paragraph (i).

(g) Effective for services provided on or after July 1, 2015, payments for outpatient hospital facility fees, medical supplies and durable medical equipment not subject to a volume purchase contract, prosthetics and orthotics, and laboratory services to a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) This section does not apply to physician and professional services, inpatient hospital services, family planning services, mental health services, dental services, prescription drugs, medical transportation, federally qualified health centers, rural health centers, Indian health services, and Medicare cost-sharing.

(i) Effective July 1, 2015, the ~~medical assistance payment rate for durable medical equipment, prosthetics, orthotics, or supplies shall be restored to the January 1, 2008, medical assistance fee schedule, updated to include subsequent rate increases in the Medicare and medical assistance fee schedules, and including~~ following categories of durable medical equipment shall be individually priced items ~~for the following categories~~: enteral nutrition and supplies, customized and other specialized tracheostomy tubes and supplies, electric patient lifts, and durable medical equipment repair and service. This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, and items provided to dually eligible recipients when Medicare is the primary payer for the item. The commissioner shall not apply any medical assistance rate reductions to durable medical equipment as a result of Medicare competitive bidding.

(j) Effective July 1, 2015, medical assistance payment rates for durable medical equipment, prosthetics, orthotics, or supplies shall be increased as follows:

(1) payment rates for durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare 2008 competitive bid shall be increased by 9.5 percent; and

(2) payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the medical assistance fee schedule, whether or not subject to the Medicare 2008

competitive bid, shall be increased by 2.94 percent, with this increase being applied after calculation of any increased payment rate under clause (1).

This paragraph does not apply to medical supplies and durable medical equipment subject to a volume purchase contract, products subject to the preferred diabetic testing supply program, items provided to dually eligible recipients when Medicare is the primary payer for the item, and individually priced items identified in paragraph (i). Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect the rate increases in this paragraph.

EFFECTIVE DATE. This section is effective retroactively to July 1, 2015.

ARTICLE 3

MNSURE

Section 1. **[45.0131] LEGISLATIVE ENACTMENT REQUIRED.**

Subdivision 1. **Agency agreements.** The commissioner of commerce shall not enter into or renew any interagency agreement or service level agreement with a value of more than $100,000 a year, or related agreements with a cumulative value of more than $100,000 a year, with a state department, state agency, or the Office of MN.IT Services, unless the specific agreement is authorized by enactment of a new law. If an agreement, including an agreement in effect as of the effective date of this section, does not have a specific expiration date, the agreement shall expire two years from the effective date of this section or the effective date of the agreement, whichever is later, unless the specific agreement is authorized by enactment of a new law.

Subd. 2. **Transfers.** Notwithstanding section 16A.285, the commissioner shall not transfer appropriations and funds in amounts over $100,000 across agency accounts or programs, unless the specific transfer is authorized by enactment of a new law.

Subd. 3. **Definitions.** For purposes of this section, "state department" has the meaning provided in section 15.01, and "state agency" has the meaning provided in section 15.012.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2015 Supplement, section 62V.03, subdivision 2, is amended to read:

Subd. 2. **Application of other law.** (a) MNsure must be reviewed 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 and of the Minnesota Eligibility System Executive Steering Committee established under section 62V.055 shall comply with the open meeting law in chapter 13D.

(d) The board and the Web site are 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.

(e) Section 3.3005 applies to any federal funds received by MNsure.

(f) 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.

Sec. 3. Minnesota Statutes 2014, section 62V.04, subdivision 2, is amended to read:

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~~ one member representing the interests of the general public, appointed by the governor with the advice and consent of both the senate and the house of representatives acting in accordance with paragraph (d). A member appointed under this clause shall serve a four-year term.

(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.

Sec. 4. Minnesota Statutes 2014, section 62V.04, subdivision 3, is amended to read:

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.

Sec. 5. Minnesota Statutes 2014, section 62V.04, subdivision 4, is amended to read:

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.

Sec. 6. Minnesota Statutes 2014, section 62V.05, is amended by adding a subdivision to read:

Subd. 12. **Legislative enactment required.** (a) The MNsure board shall not enter into or renew any interagency agreement or service level agreement with a value of more than $100,000 a year, or related agreements with a cumulative value of more than $100,000 a year, with a state department, state agency, or the Office of MN.IT Services, unless the specific agreement is authorized by enactment of a new law. If an agreement, including an agreement in effect as of the effective date of this subdivision, does not have an expiration date, the agreement shall expire two years from the effective date of this subdivision or the effective date of the agreement, whichever is later, unless the specific agreement is authorized by enactment of a new law.

(b) Notwithstanding section 16A.285, the board shall not transfer appropriations and funds in amounts over $100,000 across agency accounts or programs unless the specific transfer is authorized by enactment of a new law.

(c) For purposes of this subdivision, "state department" has the meaning provided in section 15.01, and "state agency" has the meaning provided in section 15.012.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. **[62V.055] MINNESOTA ELIGIBILITY SYSTEM EXECUTIVE STEERING COMMITTEE.**

Subdivision 1. **Definition; Minnesota eligibility system.** For purposes of this section, "Minnesota 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. **Establishment; committee membership.** A Minnesota Eligibility System Executive Steering Committee is established to govern and administer the Minnesota eligibility system. The steering committee shall be composed of one member appointed by the commissioner of human services, one member appointed by the board, one member appointed jointly by the Association of Minnesota Counties and the Minnesota Inter-County Association, and one nonvoting member appointed by the commissioner of MN.IT services who shall serve as the committee chairperson. Steering committee costs must be paid from the budgets of the Department of Human Services, the Office of MN.IT Services, and MNsure.

Subd. 3. **Duties.** (a) The Minnesota Eligibility System Executive Steering Committee shall establish an overall governance structure for the Minnesota eligibility system and shall be responsible for the overall governance of the system, including setting system goals and priorities, allocating the system's resources, making major system decisions, and tracking total funding and expenditures for the system from all sources. The steering committee shall also report to the Legislative Oversight Committee on a quarterly basis on Minnesota eligibility system funding and expenditures, including amounts received in the most recent quarter by funding source and expenditures made in the most recent quarter by funding source.

(b) The steering committee shall adopt bylaws, policies, and interagency agreements necessary to administer the Minnesota eligibility system.

(c) In making decisions, the steering committee shall give particular attention to the parts of the system with the largest enrollments and the greatest risks.

Subd. 4. **Meetings.** (a) All meetings of the steering committee must:

(1) be held in the State Office Building; and

(2) whenever possible, be available on the legislature's Web site for live streaming and downloading over the Internet.

(b) The steering committee must:

(1) as part of every steering committee meeting, provide the opportunity for oral and written public testimony and comments on steering committee governance of the Minnesota eligibility system; and

(2) provide documents under discussion or review by the steering committee to be electronically posted on the legislature's Web site. Documents must be provided and posted prior to the meeting at which the documents are scheduled for review or discussion.

(c) All votes of the steering committee must be recorded, with each member's vote identified.

Subd. 5. **Administrative structure.** The Office of MN.IT Services shall be responsible for the design, build, maintenance, operation, and upgrade of the information technology for the Minnesota eligibility system. The office shall carry out its responsibilities under the governance of the steering committee, this section, and chapter 16E.

Sec. 8. Minnesota Statutes 2014, section 62V.11, is amended by adding a subdivision to read:

Subd. 5. **Review of Minnesota eligibility system funding and expenditures.** The committee shall review quarterly reports submitted by the Minnesota Eligibility System Executive Steering Committee under section 62V.055, subdivision 3, regarding Minnesota eligibility system funding and expenditures.

Sec. 9. Minnesota Statutes 2014, section 144.05, is amended by adding a subdivision to read:

Subd. 6. **Legislative enactment required.** (a) The commissioner of health shall not enter into or renew any interagency agreement or service level agreement with a value of more than $100,000 a year, or related agreements with a cumulative value of more than $100,000 a year, with a state department, state agency, or the Office of MN.IT Services, unless the specific agreement is authorized by enactment of a new law. If an agreement, including an agreement in effect as of the effective date of this subdivision, does not have an expiration date, the agreement shall expire two years from the effective date of this subdivision or the effective date of the agreement, whichever is later, unless the specific agreement is authorized by enactment of a new law.

(b) Notwithstanding section 16A.285, the commissioner shall not transfer appropriations and funds in amounts over $100,000 across agency accounts or programs unless the specific transfer is authorized by enactment of a new law.

(c) For purposes of this subdivision, "state department" has the meaning provided in section 15.01, and "state agency" has the meaning provided in section 15.012.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 10. Minnesota Statutes 2014, section 256.01, is amended by adding a subdivision to read:

Subd. 41. **Legislative enactment required.** (a) The commissioner of human services shall not enter into or renew any interagency agreement or service level agreement with a value of more than $100,000 a year, or related agreements with a cumulative value of more than $100,000 a year, with a state department, state agency, or the Office of MN.IT Services, unless the specific agreement is authorized by enactment of a new law. If an agreement, including an agreement in effect as of the effective date of this subdivision, does not have an expiration date, the agreement shall expire two years from the effective date of this subdivision or the effective date of the agreement, whichever is later, unless the specific agreement is authorized by enactment of a new law.

(b) Notwithstanding section 16A.285, the commissioner shall not transfer appropriations and funds in amounts over $100,000 across agency accounts or programs unless the specific transfer is authorized by enactment of a new law.

(c) For purposes of this subdivision, "state department" has the meaning provided in section 15.01, and "state agency" has the meaning provided in section 15.012.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2014, section 256L.02, is amended by adding a subdivision to read:

Subd. 7. **Federal waiver.** (a) The commissioner shall apply for an innovation waiver under section 1332 of the Affordable Care Act, or any other applicable federal waiver, to convert MinnesotaCare from a basic health program into an alternative coverage program to allow persons eligible for MinnesotaCare the option of declining MinnesotaCare coverage and instead accessing advanced premium tax credits and cost-sharing reductions through the purchase of qualified health plans through MNsure or outside of MNsure directly from health plan companies. The commissioner shall coordinate this waiver request with the waiver request required by Laws 2015, chapter 71, article 12, section 8. The commissioner shall submit a draft waiver proposal to the MNsure board and the MNsure Legislative Oversight Committee at least 30 days before submitting a final waiver proposal to the federal government and shall notify the board and Legislative Oversight Committee of any federal decision or action related to the proposal.

(b) 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 by March 1, 2017, on the progress of receiving a federal waiver and the results from actuarial and economic analyses that are necessary for the waiver proposal. The

commissioner shall also make recommendations on any legislative changes necessary to implement the program described in this subdivision. Any implementation of this waiver that requires a state financial contribution shall be contingent on further legislative action approving the state's contribution.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. **FEDERAL-STATE ELIGIBILITY DETERMINATION AND ENROLLMENT SYSTEM FOR INSURANCE AFFORDABILITY PROGRAMS.**

Subdivision 1. **Waiver request.** (a) The commissioner of human services, in consultation with the MNsure board, commissioner of commerce, and commissioner of health, shall apply for an innovation waiver under section 1332 of the Affordable Care Act, or any other applicable federal waiver, to establish and operate a federal-state eligibility determination and enrollment system for state insurance affordability programs, for coverage beginning January 1, 2018. The federal-state eligibility determination and enrollment system shall take the place of MNsure established under Minnesota Statutes, chapter 62V. Under the federal-state eligibility determination and enrollment system:

(1) eligibility determinations and enrollment for persons applying for or renewing coverage under medical assistance and MinnesotaCare shall be conducted by the commissioner of human services; and

(2) enrollment in qualified health plans and eligibility determinations for any applicable advanced premium tax credits and cost-sharing reductions shall be conducted by the federally facilitated marketplace.

(b) For purposes of this section, "state insurance affordability programs" means medical assistance, MinnesotaCare, and qualified health plan coverage with any applicable advanced premium tax credits and cost-sharing reductions.

(c) The federal-state eligibility determination and enrollment system must incorporate an asset test for adults without children who qualify for medical assistance under Minnesota Statutes, section 256B.055, subdivision 15, or MinnesotaCare under Minnesota Statutes, chapter 256L, under which a household of two or more persons must not own more than $20,000 in total net assets and a household of one person must not own more than $10,000 in total net assets.

Subd. 2. **Requirements of waiver application.** In designing the federal-state eligibility determination and enrollment system and developing the waiver application, the commissioner shall:

(1) seek to incorporate, where appropriate and cost-effective, elements of the MNsure eligibility determination system and eligibility determination systems administered by the commissioner of human services;

(2) coordinate the waiver request with the waiver requests required by Minnesota Statutes, section 256L.02, subdivision 7, if enacted, and with the waiver request required by Laws 2015, chapter 71, article 12, section 8;

(3) regularly consult with stakeholder groups, including but not limited to representatives of state and county agencies, health care providers, health plan companies, brokers, and consumer; and

(4) seek all available federal grants and funds for state planning and development costs.

Subd. 3. **Vendor contract; use of existing resources.** The commissioner of human services, in consultation with the chief information officer of MN.IT, may contract with a vendor to provide technical assistance in developing the waiver request. The commissioner shall develop the waiver request and enter into any contract for technical assistance using existing resources.

Subd. 4. **Reports to legislative committees.** The commissioner of human services shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance and commerce, by January 1, 2017, on progress in seeking the waiver required by this section, and shall notify these chairs and ranking minority members of any federal decision related to the waiver request.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 13. **REPEALER.**

(a) Minnesota Statutes 2014, sections 62V.01; 62V.02; 62V.03, subdivisions 1 and 3; 62V.04; 62V.05, subdivisions 1, 2, 3, 4, 5, 9, and 10; 62V.06; 62V.07; 62V.08; 62V.09; 62V.10; and 62V.11, subdivisions 1, 2, and 4, are repealed.

(b) Minnesota Statutes 2015 Supplement, sections 62V.03, subdivision 2; 62V.05, subdivisions 6, 7, 8, and 11; and 62V.051, are repealed.

(c) Minnesota Rules, parts 7700.0010; 7700.0020; 7700.0030; 7700.0040; 7700.0050; 7700.0060; 7700.0070; 7700.0080; 7700.0090; 7700.0100; 7700.0101; and 7700.0105, are repealed.

EFFECTIVE DATE. This section is effective upon approval of the waiver request to establish and operate a federal-state eligibility determination and enrollment system, or

January 1, 2018, whichever is later. The commissioner of human services shall notify the revisor of statutes when the waiver request is approved.

ARTICLE 4

HEALTH DEPARTMENT

Section 1. Minnesota Statutes 2014, section 13.3805, is amended by adding a subdivision to read:

Subd. 5. **Radon testing and mitigation data.** Data maintained by the Department of Health that identify the address of a radon testing or mitigation site, and the name, address, e-mail address, and telephone number of residents and residential property owners of a radon testing or mitigation site, are private data on individuals or nonpublic data.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 3, is amended to read:

Subd. 3. **Rulemaking.** The commissioner of health shall adopt rules ~~for~~ establishing licensure requirements and ~~enforcement of applicable laws and rules~~ work standards 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.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 4, is amended to read:

Subd. 4. **System tag.** All radon mitigation systems installed in Minnesota on or after ~~October 1, 2017~~ January 1, 2018, 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.

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 4. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 5, is amended to read:

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.~~

EFFECTIVE DATE. This section is effective January 1, 2018.

Sec. 5. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** This section does not apply to:

(1) radon control 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.~~;

(2) employees of a firm or corporation that installs radon control systems in newly constructed Minnesota homes specified in clause (1);

(3) a person authorized as a building official under Minnesota Rules, part 1300.0110, or that person's designee; or

(4) any person, firm, corporation, or entity that distributes radon testing devices or information for general educational purposes.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2015 Supplement, section 144.4961, subdivision 8, is amended to read:

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~~ $150 per year. "Measurement professional" means any person who performs a test to determine the presence and concentration of radon in a building ~~they do~~ the person does 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~~ $250 per year. "Mitigation professional" means an individual who ~~performs~~ installs or designs a radon mitigation system in a building ~~they do~~ the individual does 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~~. "On-site supervision" means a review at the property of mitigation work upon completion of the work and attachment of a system tag. Employees or subcontractors who are supervised by a licensed mitigation professional are not required to be licensed under this clause. This license also permits the licensee to perform the activities of a measurement professional described in clause (1).

(3) Each mitigation company license, ~~$500~~ $100 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 mitigation company ~~is a sole proprietorship~~ employs only one licensed mitigation professional.

(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.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2015 Supplement, section 144.4961, is amended by adding a subdivision to read:

Subd. 10. **Local inspections or permits.** This section does not preclude local units of government from requiring additional permits or inspections for radon control systems, and does not supersede any local inspection or permit requirements.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 8. **[144.7011] PRESCRIPTION DRUG PRICE REPORTING.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Available discount" means any reduction in the usual and customary price offered for a 30-day supply of a prescription drug to individuals in Minnesota regardless of their health insurance coverage.

(c) "Retail pharmacy" means any pharmacy licensed under section 151.19, and in the community/outpatient category under Minnesota Rules, part 6800.0350, that has a physical presence in Minnesota.

(d) "Retail price" means the price maintained by pharmacies as usual and customary prices offered for a 30-day supply to individuals in Minnesota regardless of their health insurance coverage.

Subd. 2. **Prescription drug price information reporting.** By July 1, 2017, the commissioner of health shall establish an online, interactive Web site that allows retail pharmacies, on a voluntary basis, to list retail prices and available discounts for one or more of the 150 most commonly dispensed prescription drugs in Minnesota. The Web site must report the retail prices for prescription drugs by participating pharmacy and any time period restriction on an available discount. The Web site must allow consumers to search for prescription drug retail prices by drug name and class, by available discount level, and by city, county, and zip code. The commissioner shall consult annually with the commissioner of human services to determine the list of 150 most commonly filled prescription drugs, based on prescription drug utilization in the medical assistance and MinnesotaCare programs.

Subd. 3. **Pharmacy duties.** Beginning on June 1, 2017, and on a monthly basis thereafter, all participating retail pharmacies shall submit retail prices and available discounts to the commissioner using a form developed by the commissioner. A retail pharmacy may opt out of the reporting system at any time, but shall notify the commissioner at least 60 days prior to opting out.

Subd. 4. **External vendors.** In carrying out the duties of this section, the commissioner may contract with an outside vendor for collection of data from pharmacies, and may also contract with an outside vendor for development and hosting of the interactive application, if this contract complies with the requirements of section 16E.016, paragraph (c).

Subd. 5. **Grounds for disciplinary action.** If the commissioner determines that a pharmacy has reported false or inaccurate information under this section, the commissioner may report this action to the Minnesota Board of Pharmacy as a potential grounds for disciplinary action under section 151.071, subdivision 2, clause (9).

Sec. 9. Minnesota Statutes 2014, section 144A.471, subdivision 9, is amended to read:

Subd. 9. **Exclusions from home care licensure.** The following are excluded from home care licensure and are not required to provide the home care bill of rights:

(1) an individual or business entity providing only coordination of home care that includes one or more of the following:

(i) determination of whether a client needs home care services, or assisting a client in determining what services are needed;

(ii) referral of clients to a home care provider;

(iii) administration of payments for home care services; or

(iv) administration of a health care home established under section 256B.0751;

(2) an individual who is not an employee of a licensed home care provider if the individual:

(i) only provides services as an independent contractor to one or more licensed home care providers;

(ii) provides no services under direct agreements or contracts with clients; and

(iii) is contractually bound to perform services in compliance with the contracting home care provider's policies and service plans;

(3) a business that provides staff to home care providers, such as a temporary employment agency, if the business:

(i) only provides staff under contract to licensed or exempt providers;

(ii) provides no services under direct agreements with clients; and

(iii) is contractually bound to perform services under the contracting home care provider's direction and supervision;

(4) any home care services conducted by and for the adherents of any recognized church or religious denomination for its members through spiritual means, or by prayer for healing;

(5) an individual who only provides home care services to a relative;

(6) an individual not connected with a home care provider that provides assistance with basic home care needs if the assistance is provided primarily as a contribution and not as a business;

(7) an individual not connected with a home care provider that shares housing with and provides primarily housekeeping or homemaking services to an elderly or disabled person in return for free or reduced-cost housing;

(8) an individual or provider providing home-delivered meal services;

(9) an individual providing senior companion services and other older American volunteer programs (OAVP) established under the Domestic Volunteer Service Act of 1973, United States Code, title 42, chapter 66;

(10) an employee of a nursing home or home care provider licensed under this chapter or an employee of a boarding care home licensed under sections 144.50 to 144.56 who responds to occasional emergency calls from individuals residing in a residential setting that is attached to or located on property contiguous to the nursing home ~~or~~, boarding care home, or location where home care services are also provided;

(11) an employee of a nursing home or home care provider licensed under this chapter or an employee of a boarding care home licensed under sections 144.50 to 144.56 who provides occasional minor services free of charge to individuals residing in a residential setting that is attached to or located on property contiguous to the nursing home, boarding care home, or location where home care services are also provided, for the occasional minor services provided free of charge;

~~(11)~~ (12) a member of a professional corporation organized under chapter 319B that does not regularly offer or provide home care services as defined in section 144A.43, subdivision 3;

~~(12)~~ (13) the following organizations established to provide medical or surgical services that do not regularly offer or provide home care services as defined in section 144A.43, subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit corporation organized under chapter 317A, a partnership organized under chapter 323, or any other entity determined by the commissioner;

~~(13)~~ (14) an individual or agency that provides medical supplies or durable medical equipment, except when the provision of supplies or equipment is accompanied by a home care service;

~~(14)~~ (15) a physician licensed under chapter 147;

~~(15)~~ (16) an individual who provides home care services to a person with a developmental disability who lives in a place of residence with a family, foster family, or primary caregiver;

~~(16)~~ (17) a business that only provides services that are primarily instructional and not medical services or health-related support services;

~~(17)~~ (18) an individual who performs basic home care services for no more than 14 hours each calendar week to no more than one client;

~~(18)~~ (19) an individual or business licensed as hospice as defined in sections 144A.75 to 144A.755 who is not providing home care services independent of hospice service;

~~(19)~~ (20) activities conducted by the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, including communicable disease investigations or testing; or

~~(20)~~ (21) administering or monitoring a prescribed therapy necessary to control or prevent a communicable disease, or the monitoring of an individual's compliance with a health directive as defined in section 144.4172, subdivision 6.

Sec. 10. Minnesota Statutes 2014, section 144A.75, subdivision 5, is amended to read:

Subd. 5. **Hospice provider.** "Hospice provider" means an individual, organization, association, corporation, unit of government, or other entity that is regularly engaged in the delivery, directly or by contractual arrangement, of hospice services for a fee to ~~terminally ill~~ hospice patients. A hospice must provide all core services.

Sec. 11. Minnesota Statutes 2014, section 144A.75, subdivision 6, is amended to read:

Subd. 6. **Hospice patient.** "Hospice patient" means an individual ~~who has been diagnosed as terminally ill, with a probable life expectancy of under one year, as~~ whose illness has been documented by the individual's attending physician and hospice medical director, who alone or, when unable, through the individual's family has voluntarily consented to and received admission to a hospice provider, and who:

(1) has been diagnosed as terminally ill, with a probable life expectancy of under one year; or

(2) is 21 years of age or younger; has been diagnosed with a chronic, complex, and life-threatening illness contributing to a shortened life expectancy; and is not expected to survive to adulthood.

Sec. 12. Minnesota Statutes 2014, section 144A.75, subdivision 8, is amended to read:

Subd. 8. **Hospice services; hospice care.** "Hospice services" or "hospice care" means palliative and supportive care and other services provided by an interdisciplinary team under the direction of an identifiable hospice administration to ~~terminally ill~~ hospice patients and their families to meet the physical, nutritional, emotional, social, spiritual, and special needs experienced during the final stages of illness, dying, and bereavement, or during a chronic, complex, and life-threatening illness contributing to a shortened life expectancy. These services are provided through a centrally coordinated program that ensures continuity and consistency of home and inpatient care that is provided directly or through an agreement.

Sec. 13. Minnesota Statutes 2015 Supplement, section 144A.75, subdivision 13, is amended to read:

Subd. 13. **Residential hospice facility.** (a) "Residential hospice facility" means a facility that resembles a single-family home modified to address life safety, accessibility, and care needs, located in a residential area that directly provides 24-hour residential and support services in a home-like setting for hospice patients as an integral part of the continuum of home care provided by a hospice and that houses:

(1) no more than eight hospice patients; or

(2) at least nine and no more than 12 hospice patients with the approval of the local governing authority, notwithstanding section 462.357, subdivision 8.

(b) Residential hospice facility also means a facility that directly provides 24-hour residential and support services for hospice patients and that:

(1) houses no more than 21 hospice patients;

(2) meets hospice certification regulations adopted pursuant to title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, et seq.; and

(3) is located on St. Anthony Avenue in St. Paul, Minnesota, and was licensed as a 40-bed non-Medicare certified nursing home as of January 1, 2015.

Sec. 14. Minnesota Statutes 2014, section 144A.75, is amended by adding a subdivision to read:

Subd. 13a. **Respite care.** "Respite care" means short-term care in an inpatient facility such as a residential hospice facility, when necessary to relieve the hospice patient's family or other persons caring for the patient. Respite care may be provided on an occasional basis.

Sec. 15. Minnesota Statutes 2015 Supplement, section 145.4131, subdivision 1, is amended to read:

Subdivision 1. **Forms.** (a) Within 90 days of July 1, 1998, the commissioner shall prepare a reporting form for use by physicians or facilities performing abortions. A copy of this section shall be attached to the form. A physician or facility performing an abortion shall obtain a form from the commissioner.

(b) The form shall require the following information:

(1) the number of abortions performed by the physician in the previous calendar year, reported by month;

(2) the method used for each abortion;

(3) the approximate gestational age expressed in one of the following increments:

(i) less than nine weeks;

(ii) nine to ten weeks;

(iii) 11 to 12 weeks;

(iv) 13 to 15 weeks;

(v) 16 to 20 weeks;

(vi) 21 to 24 weeks;

(vii) 25 to 30 weeks;

(viii) 31 to 36 weeks; or

(ix) 37 weeks to term;

(4) the age of the woman at the time the abortion was performed;

(5) the specific reason for the abortion, including, but not limited to, the following:

(i) the pregnancy was a result of rape;

(ii) the pregnancy was a result of incest;

(iii) economic reasons;

(iv) the woman does not want children at this time;

(v) the woman's emotional health is at stake;

(vi) the woman's physical health is at stake;

(vii) the woman will suffer substantial and irreversible impairment of a major bodily function if the pregnancy continues;

(viii) the pregnancy resulted in fetal anomalies; or

(ix) unknown or the woman refused to answer;

(6) the number of prior induced abortions;

(7) the number of prior spontaneous abortions;

(8) whether the abortion was paid for by:

(i) private coverage;

(ii) public assistance health coverage; or

(iii) self-pay;

(9) whether coverage was under:

(i) a fee-for-service plan;

(ii) a capitated private plan; or

(iii) other;

(10) complications, if any, for each abortion and for the aftermath of each abortion. Space for a description of any complications shall be available on the form;

(11) the medical specialty of the physician performing the abortion; ~~and~~

(12) if the abortion was performed via telemedicine, the facility code for the patient and the facility code for the physician; and

~~(12)~~ (13) whether the abortion resulted in a born alive infant, as defined in section 145.423, subdivision 4, and:

(i) any medical actions taken to preserve the life of the born alive infant;

(ii) whether the born alive infant survived; and

(iii) the status of the born alive infant, should the infant survive, if known.

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 16. Minnesota Statutes 2014, section 145.4716, subdivision 2, is amended to read:

Subd. 2. **Duties of director.** The director of child sex trafficking prevention is responsible for the following:

(1) developing and providing comprehensive training on sexual exploitation of youth for social service professionals, medical professionals, public health workers, and criminal justice professionals;

(2) collecting, organizing, maintaining, and disseminating information on sexual exploitation and services across the state, including maintaining a list of resources on the Department of Health Web site;

(3) monitoring and applying for federal funding for antitrafficking efforts that may benefit victims in the state;

(4) managing grant programs established under sections 145.4716 to 145.4718, and 609.3241, paragraph (c), clause (3);

(5) managing the request for proposals for grants for comprehensive services, including trauma-informed, culturally specific services;

(6) identifying best practices in serving sexually exploited youth, as defined in section 260C.007, subdivision 31;

(7) providing oversight of and technical support to regional navigators pursuant to section 145.4717;

(8) conducting a comprehensive evaluation of the statewide program for safe harbor of sexually exploited youth; and

(9) developing a policy consistent with the requirements of chapter 13 for sharing data related to sexually exploited youth, as defined in section 260C.007, subdivision 31, among regional navigators and community-based advocates.

Sec. 17. Minnesota Statutes 2014, section 145.4716, is amended by adding a subdivision to read:

Subd. 3. **Youth eligible for services.** Youth 24 years of age or younger shall be eligible for all services, support, and programs provided under this section and section

145.4717, and all shelter, housing beds, and services provided by the commissioner of human services to sexually exploited youth and youth at risk of sexual exploitation.

Sec. 18. **[145.908] GRANT PROGRAM; SCREENING AND TREATMENT FOR PRE- AND POSTPARTUM MOOD AND ANXIETY DISORDERS.**

Subdivision 1. **Grant program established.** Within the limits of federal funds available specifically for this purpose, the commissioner of health shall establish a grant program to provide culturally competent programs to screen and treat pregnant women and women who have given birth in the preceding 12 months for pre- and postpartum mood and anxiety disorders. Organizations may use grant funds to establish new screening or treatment programs, or expand or maintain existing screening or treatment programs. In establishing the grant program, the commissioner shall prioritize expanding or enhancing screening for pre- and postpartum mood and anxiety disorders in primary care settings. The commissioner shall determine the types of organizations eligible for grants.

Subd. 2. **Allowable uses of funds.** Grant funds awarded by the commissioner under this section:

(1) must be used to provide health care providers with appropriate training and relevant resources on screening, treatment, follow-up support, and links to community-based resources for pre- and postpartum mood and anxiety disorders; and

(2) may be used to:

(i) enable health care providers to provide or receive psychiatric consultations to treat eligible women for pre- and postpartum mood and anxiety disorders;

(ii) conduct a public awareness campaign;

(iii) fund startup costs for phone lines, Web sites, and other resources to collect and disseminate information about screening and treatment for pre- and postpartum mood and anxiety disorders; or

(iv) establish connections between community-based resources.

Subd. 3. **Federal funds.** The commissioner shall apply for any available grant funds from the federal Department of Health and Human Services for this program.

Sec. 19. Minnesota Statutes 2014, section 149A.50, subdivision 2, is amended to read:

Subd. 2. **Requirements for funeral establishment.** A funeral establishment licensed under this section must:

(1) ~~contain a~~ comply with preparation and embalming room requirements as described in section 149A.92;

(2) contain office space for making arrangements; and

(3) comply with applicable local and state building codes, zoning laws, and ordinances.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 20. Minnesota Statutes 2015 Supplement, section 149A.92, subdivision 1, is amended to read:

Subdivision 1. **Establishment update.** ~~(a) Notwithstanding subdivision 11, a funeral establishment with other establishment locations that uses one preparation and embalming room for all establishment locations has until July 1, 2017, to bring the other establishment locations that are not used for preparation or embalming into compliance with this section so long as the preparation and embalming room that is used complies with the minimum standards in this section.~~

~~(b) 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.~~

(a) Any room used by a funeral establishment for preparation and embalming must comply with the minimum standards of this section. A funeral establishment where no preparation and embalming is performed, but which conducts viewings, visitations, and services, or which holds human remains while awaiting final disposition, need not comply with the minimum standards of this section.

(b) Each funeral establishment must have a preparation and embalming room that complies with the minimum standards of this section, except that a funeral establishment that operates branch locations need only have one compliant preparation and embalming room for all locations.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 21. Minnesota Statutes 2014, section 609.3241, is amended to read:

609.3241 PENALTY ASSESSMENT AUTHORIZED.

(a) When a court sentences an adult convicted of violating section 609.322 or 609.324, while acting other than as a prostitute, the court shall impose an assessment of not less than $500 and not more than $750 for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose an assessment of not less than $750 and not more than $1,000. The assessment

shall be distributed as provided in paragraph (c) and is in addition to the surcharge required by section 357.021, subdivision 6.

(b) The court may not waive payment of the minimum assessment required by this section. If the defendant qualifies for the services of a public defender or the court finds on the record that the convicted person is indigent or that immediate payment of the assessment would create undue hardship for the convicted person or that person's immediate family, the court may reduce the amount of the minimum assessment to not less than $100. The court also may authorize payment of the assessment in installments.

(c) The assessment collected under paragraph (a) must be distributed as follows:

(1) 40 percent of the assessment shall be forwarded to the political subdivision that employs the arresting officer for use in enforcement, training, and education activities related to combating sexual exploitation of youth, or if the arresting officer is an employee of the state, this portion shall be forwarded to the commissioner of public safety for those purposes identified in clause (3);

(2) 20 percent of the assessment shall be forwarded to the prosecuting agency that handled the case for use in training and education activities relating to combating sexual exploitation activities of youth; and

(3) 40 percent of the assessment must be forwarded to the commissioner of ~~public safety~~ health to be deposited in the safe harbor for youth account in the special revenue fund and are appropriated to the commissioner for distribution to crime victims services organizations that provide services to sexually exploited youth, as defined in section 260C.007, subdivision 31.

(d) A safe harbor for youth account is established as a special account in the state treasury.

Sec. 22. Laws 2015, chapter 71, article 8, section 24, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2015, except subdivisions 4 and 5, which are effective ~~October 1, 2017~~ January 1, 2018.

Sec. 23. **REPEALER.**

Minnesota Statutes 2014, section 149A.92, subdivision 11, is repealed the day following final enactment.

ARTICLE 5

CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 3, is amended to read:

Subd. 3. **~~Reform projects~~ Certified community behavioral health clinics.** (a) The commissioner shall establish ~~standards for~~ a state certification ~~of clinics as~~ process for certified community behavioral health clinics~~, in accordance~~ (CCBHCs) to be eligible for the prospective payment system in paragraph (f). Entities that choose to be CCBHCs must:

(1) comply with the CCBHC 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)~~ (2) employ or contract for clinic staff who have backgrounds in diverse disciplines, ~~include~~ including licensed mental health professionals, and staff who are culturally and linguistically trained to serve the needs of the clinic's patient population;

~~(2)~~ (3) ensure that clinic services are available and accessible to patients of all ages and genders and that crisis management services are available 24 hours per day;

~~(3)~~ (4) establish fees for clinic services ~~are established~~ for non-medical assistance patients using a sliding fee scale ~~and~~ that ensures that 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) comply with quality assurance reporting requirements and other reporting requirements, including any required reporting of encounter data, clinical outcomes data, and quality data;

~~(5) services provided by clinics include~~ (6) provide crisis mental health services, withdrawal management 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.~~ (7) 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:

(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and detoxification facilities, community-based mental health providers; and

(ii) 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;

(8) be certified as mental health clinics under section 245.69, subdivision 2;

(9) comply with standards relating to integrated treatment for co-occurring mental illness and substance use disorders in adults or children under Minnesota Rules, chapter 9533;

(10) comply with standards relating to mental health services in Minnesota Rules, parts 9505.0370 to 9505.0372;

(11) be licensed to provide chemical dependency treatment under Minnesota Rules, parts 9530.6405 to 9530.6505;

(12) be certified to provide children's therapeutic services and supports under section 256B.0943;

(13) be certified to provide adult rehabilitative mental health services under section 256B.0623;

(14) be enrolled to provide mental health crisis response services under section 256B.0624;

(15) be enrolled to provide mental health targeted case management under section 256B.0625, subdivision 20;

(16) comply with standards relating to mental health case management in Minnesota Rules, parts 9520.0900 to 9520.0926; and

(17) provide services that comply with the evidence-based practices described in paragraph (e).

(b) If an entity is unable to provide one or more of the services listed in paragraph (a), clauses (6) to (17), the commissioner may certify the entity as a CCBHC if it has a current contract with another entity that has the required authority to provide that service and that meets federal CCBHC criteria as a designated collaborating organization; or, to the extent allowed by the federal CCBHC criteria, the commissioner may approve a referral arrangement. The CCBHC must meet federal requirements regarding the type and scope of services to be provided directly by the CCBHC.

(c) Notwithstanding other law that requires a county contract or other form of county approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive the prospective payment under paragraph (f) for those services without a county contract or county approval. There is no county share when medical assistance pays the CCBHC prospective payment. As part of the certification process in paragraph (a), the commissioner shall require a letter of support from the CCBHC's host county confirming that the CCBHC and the counties it serves have an ongoing relationship to facilitate access and continuity of care, especially for individuals who are uninsured or who may go on and off medical assistance.

(d) In situations where the standards listed in paragraph (a) or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements as long as the variances do not conflict with federal requirements. In situations where standards overlap, the commissioner may decide to substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders, as described in subdivision 4, before granting variances under this provision.

(e) The commissioner shall issue a list of required and recommended evidence-based practices to be delivered by certified community behavioral health clinics. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice, the quality of workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list and any revisions, the commissioner shall provide stakeholders with an opportunity to comment.

~~(b)~~ (f) 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~~ an enhanced federal medical assistance percentage. The commissioner may include quality bonus payments in the prospective payment system based on federal criteria and on a clinic's provision of the evidence-based practices in paragraph (e). The prospective payments system does not apply to MinnesotaCare. Implementation of the prospective payment system is effective July 1, 2017, or upon federal approval, whichever is later.

(g) The commissioner shall seek federal approval to continue federal financial participation in payment for CCBHC services after the federal demonstration period ends for clinics that were certified as CCBHCs during the demonstration period and that continue to meet the CCBHC certification standards in paragraph (a). Payment for CCBHC services shall cease effective July 1, 2019, if continued federal financial participation for the payment of CCBHC services cannot be obtained.

(h) To the extent allowed by federal law, the commissioner may limit the number of certified clinics so that the projected claims for certified clinics will not exceed the funds budgeted for this purpose. The commissioner shall give preference to clinics that:

(1) are located in both rural and urban areas, with at least one in each, as defined by federal criteria;

(2) provide a comprehensive range of services and evidence-based practices for all age groups, with services being fully coordinated and integrated; and

(3) enhance the state's ability to meet the federal priorities to be selected as a CCBHC demonstration state.

(i) The commissioner shall recertify CCBHCs at least every three years. The commissioner shall establish a process for decertification and shall require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application and certification process.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2015 Supplement, section 245.735, subdivision 4, is amended to read:

Subd. 4. **Public participation.** In developing ~~the projects~~ and implementing certified community behavioral health clinics under subdivision 3, the commissioner shall consult, collaborate, and partner with stakeholders, including but not limited to mental health providers, substance use disorder treatment providers, advocacy organizations,

licensed mental health professionals, counties, tribes, hospitals, other health care providers, and Minnesota public health care program enrollees who receive mental health services and their families.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2014, section 254B.03, subdivision 4, is amended to read:

Subd. 4. **Division of costs.** Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03, subdivision 4, paragraph (b), the county shall, out of local money, pay the state for ~~22.95~~ 15 percent of the cost of chemical dependency services, including those services provided to persons eligible for medical assistance under chapter 256B and general assistance medical care under chapter 256D. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. ~~22.95~~ Fifteen percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

EFFECTIVE DATE. This section is effective July 1, 2016, and expires June 30, 2017.

Sec. 4. Minnesota Statutes 2014, section 254B.04, subdivision 2a, is amended to read:

Subd. 2a. **Eligibility for treatment in residential settings.** Notwithstanding provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's discretion in making placements to residential treatment settings, a person eligible for services under this section must score at level 4 on assessment dimensions related to relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

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

Sec. 5. Minnesota Statutes 2014, section 254B.06, subdivision 2, is amended to read:

Subd. 2. **Allocation of collections.** The commissioner shall allocate all federal financial participation collections to a special revenue account. The commissioner shall allocate ~~77.05~~ 85 percent of patient payments and third-party payments to the special revenue account and ~~22.95~~ 15 percent to the county financially responsible for the patient.

EFFECTIVE DATE. This section is effective July 1, 2016, and expires June 30, 2017.

Sec. 6. Minnesota Statutes 2014, section 254B.06, is amended by adding a subdivision to read:

Subd. 4. **Reimbursement for institutions for mental diseases.** The commissioner shall not deny reimbursement to a program designated as an institution for mental diseases under United States Code, title 42, section 1396d, due to a reduction in federal financial participation and the addition of new residential beds.

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

Sec. 7. **[254B.15] PILOT PROJECTS; TREATMENT FOR PREGNANT AND POSTPARTUM WOMEN WITH SUBSTANCE USE DISORDER.**

Subdivision 1. **Pilot projects established.** (a) Within the limits of federal funds available specifically for this purpose, the commissioner of human services shall establish pilot projects to provide substance use disorder treatment and services to pregnant and postpartum women with a primary diagnosis of substance use disorder, including opioid use disorder. Pilot projects funded under this section must:

(1) promote flexible uses of funds to provide treatment and services to pregnant and postpartum women with substance use disorders;

(2) fund family-based treatment and services for pregnant and postpartum women with substance use disorders;

(3) identify gaps in services along the continuum of care that are provided to pregnant and postpartum women with substance use disorders; and

(4) encourage new approaches to service delivery and service delivery models.

(b) A pilot project funded under this section must provide at least a portion of its treatment and services to women who receive services on an outpatient basis.

Subd. 2. **Federal funds.** The commissioner shall apply for any available grant funds from the federal Center for Substance Abuse Treatment for these pilot projects.

ARTICLE 6

CHILDREN AND FAMILIES

Section 1. Minnesota Statutes 2014, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning February 3, 2014, the maximum rate paid for child care assistance in any county or county price cluster under the child care fund shall be the greater of the 25th percentile of the 2011 child care provider rate

survey or the maximum rate effective November 28, 2011. For a child care provider located within the boundaries of a city located in two or more counties, the maximum rate paid for child care assistance shall be equal to the maximum rate paid in the county with the highest maximum reimbursement rates or the provider's charge, whichever is less. The commissioner may: (1) assign a county with no reported provider prices to a similar price cluster; and (2) consider county level access when determining final price clusters.

(b) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(c) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care. The maximum payment to a provider for one day of care must not exceed the daily rate. The maximum payment to a provider for one week of care must not exceed the weekly rate.

(d) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

(e) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

(f) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

(g) Notwithstanding Minnesota Rules, part 3400.0130, subpart 7, maximum registration fees in effect on January 1, 2013, shall remain in effect.

EFFECTIVE DATE. This section is effective September 11, 2017.

Sec. 2. **[245A.043] ELECTRONIC APPLICATION; INFORMATION.**

(a) The commissioner, in consultation with child care providers, shall conduct a feasibility study regarding the development of a single, easily accessible Web site that complies with the requirements contained in the federal reauthorization of the federal Child Care Development Fund. In conducting the study, the commissioner shall review current child care licensing processes and regulations in order to determine methods by which the commissioner can streamline processes for current and prospective child care providers including, but not limited to, applications for licensure, license renewals, and provider record-keeping. As part of this review, the commissioner must evaluate the

feasibility of developing an online system that would allow child care providers and prospective child care providers to:

(1) access a guide on how to start a child care business;

(2) access all applicable statutes, administrative rules, and agency policies and procedures, including training requirements;

(3) access up-to-date contact information for state and county agency licensing staff;

(4) access information on the availability of grant programs and other resources for providers;

(5) use an online reimbursement tool for payment under the child care assistance programs; and

(6) submit a single electronic application and license renewal, including all supporting documentation required by the commissioner, information related to child care assistance program registration and application for rating in the quality rating and improvement system.

(b) The commissioner shall submit the feasibility study to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over child care by September 30, 2016.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 3. **[245A.055] NOTIFICATION TO PROVIDER.**

(a) When the county employee responsible for family child care and group family child care licensing conducts a licensing inspection or conducts a home visit, the employee must provide, prior to departure from the residence or facility, a written notification to the licensee of any potential licensing violations noted. The notification must include the condition that constitutes the violation, the action that must be taken to correct the condition, and the time allowed to correct the violation.

(b) Providing this notification to the licensee does not relieve the county employee from notifying the commissioner of the violation as required by statute and administrative rule.

Sec. 4. **[245A.55] TRAINING FOR COUNTY LICENSING STAFF ON FAMILY CHILD CARE AND GROUP FAMILY CHILD CARE REQUIREMENTS; SUPERVISION.**

(a) Within the first two months of employment, county staff who license and inspect family child care and group family child care programs must complete at least eight hours of training on state statutes, administrative rules, and department policies related to the

licensing and regulation of family child care and group family child care programs. The department must develop the training curriculum to ensure that all county staff who perform licensing and inspection functions receive uniform training. This training must include:

(1) explicit instructions that county staff who license and perform inspections must apply only state statutes, administrative rules, and Department of Human Services policies in the performance of their duties. Training must reinforce that county staff are prohibited from imposing standards or requirements that are not imposed by statute, rule, or approved state policy;

(2) the rights of license holders, including their grievance and appeal rights. This training must include information on the responsibility of the county staff to inform license holders of their rights, including grievance and appeal rights; and

(3) the procedure for county staff to seek clarification from the Department of Human Services prior to issuing a correction order or other notice of violation to a license holder if there is a dispute between the license holder and the county licensor regarding the applicability of a statute or rule to the alleged violation.

(b) To ensure consistency among all licensing staff, the commissioner must develop a procedure by which the department will implement increased training and oversight of county staff who perform licensing functions related to family child care licensing. This procedure must ensure that the commissioner conducts at least biennial reviews of county licensing performance.

(c) Each calendar year, county agency staff who license and regulate family child care providers and group family child care providers and their supervisors must receive notice from the commissioner on new laws enacted or adopted in the previous 12-month period relating to family child care providers and group family child care providers. The commissioner shall provide the notices each year to include information on new laws and disseminate the notices to county agencies.

Sec. 5. Minnesota Statutes 2014, section 256D.051, subdivision 6b, is amended to read:

Subd. 6b. **Federal reimbursement.** (a) Federal financial participation from the United States Department of Agriculture for food stamp employment and training expenditures that are eligible for reimbursement through the food stamp employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for the operation of the food stamp employment and training program.

(b) The appropriation must be used for skill attainment through employment, training, and support services for food stamp participants. By February 15, 2017, the commissioner shall report to the chairs and ranking minority members of the legislative

committees having jurisdiction over the food stamp program on the progress of securing additional federal reimbursement dollars under this program.

(c) Federal financial participation for the nonstate portion of food stamp employment and training costs must be paid to the county agency or service provider that incurred the costs.

Sec. 6. Minnesota Statutes 2014, section 518.175, subdivision 5, is amended to read:

Subd. 5. **Modification of parenting plan or order for parenting time.** (a) If a parenting plan or an order granting parenting time cannot be used to determine the number of overnights or overnight equivalents the child has with each parent, the court shall modify the parenting plan or order granting parenting time so that the number of overnights or overnight equivalents the child has with each parent can be determined. For purposes of this section, "overnight equivalents" has the meaning provided in section 518A.36, subdivision 1.

(b) If modification would serve the best interests of the child, the court shall modify the decision-making provisions of a parenting plan or an order granting or denying parenting time, if the modification would not change the child's primary residence. Consideration of a child's best interest includes a child's changing developmental needs.

~~(b)~~ (c) Except as provided in section 631.52, the court may not restrict parenting time unless it finds that:

(1) parenting time is likely to endanger the child's physical or emotional health or impair the child's emotional development; or

(2) the parent has chronically and unreasonably failed to comply with court-ordered parenting time.

A modification of parenting time which increases a parent's percentage of parenting time to an amount that is between 45.1 to 54.9 percent parenting time is not a restriction of the other parent's parenting time.

~~(c)~~ (d) If a parent makes specific allegations that parenting time by the other parent places the parent or child in danger of harm, the court shall hold a hearing at the earliest possible time to determine the need to modify the order granting parenting time. Consistent with subdivision 1a, the court may require a third party, including the local social services agency, to supervise the parenting time or may restrict a parent's parenting time if necessary to protect the other parent or child from harm. If there is an existing order for protection governing the parties, the court shall consider the use of an independent, neutral exchange location for parenting time.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 7. Minnesota Statutes 2015 Supplement, section 518A.26, subdivision 14, is amended to read:

Subd. 14. **Obligor.** "Obligor" means a person obligated to pay maintenance or support. 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. If a parent has more than 55 percent court-ordered parenting time, it is a rebuttable presumption that the parent shall have a zero dollar basic support obligation. A party or public authority seeking to overcome this presumption must show, and the court must consider, the following:

(1) a significant income disparity, which may include potential income determined under section 518A.32;

(2) the benefit and detriment to the child and the ability of each parent to meet the needs of the child; and

(3) whether the application of the presumption would have an unjust or inappropriate result.

The presumption of a zero dollar basic support obligation does not eliminate that parent's obligation to pay child support arrears pursuant to section 518A.60.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 8. Minnesota Statutes 2014, section 518A.34, is amended to read:

518A.34 COMPUTATION OF CHILD SUPPORT OBLIGATIONS.

(a) To determine the presumptive child support obligation of a parent, the court shall follow the procedure set forth in this section.

(b) To determine the obligor's basic support obligation, the court shall:

(1) determine the gross income of each parent under section 518A.29;

(2) calculate the parental income for determining child support (PICS) of each parent, by subtracting from the gross income the credit, if any, for each parent's nonjoint children under section 518A.33;

(3) determine the percentage contribution of each parent to the combined PICS by dividing the combined PICS into each parent's PICS;

(4) determine the combined basic support obligation by application of the guidelines in section 518A.35;

(5) determine ~~the obligor's~~ each parent's share of the combined basic support obligation by multiplying the percentage figure from clause (3) by the combined basic support obligation in clause (4); and

(6) ~~determine the parenting expense adjustment, if any, as~~ apply the parenting expense adjustment formula provided in section 518A.36~~, and adjust the obligor's basic support obligation accordingly~~ to determine the obligor's basic support obligation. ~~If the parenting time of the parties is presumed equal, section 518A.36, subdivision 3, applies to the calculation of the basic support obligation and a determination of which parent is the obligor.~~

(c) If the parents have split custody of the joint children, child support shall be calculated for each joint child as follows:

(1) the court shall determine each parent's basic support obligation pursuant to paragraph (b) and shall include the amount of each parent's obligation in the court order. If the basic support calculation results in each parent owing support to the other, the court shall offset the higher basic support obligation with the lower basic support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. For the purpose of the cost-of-living adjustment required under section 518A.75, the adjustment must be based on each parent's basic support obligation prior to offset. For the purposes of this paragraph, "split custody" means that there are two or more joint children and each parent has at least one joint child more than 50 percent of the time;

(2) if each parent pays all child care expenses for at least one joint child, the court shall calculate child care support for each joint child as provided in section 518A.40. The court shall determine each parent's child care support obligation and include the amount of each parent's obligation in the court order. If the child care support calculation results in each parent owing support to the other, the court shall offset the higher child care support obligation with the lower child care support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation; and

(3) if each parent pays all medical or dental insurance expenses for at least one joint child, medical support shall be calculated for each joint child as provided in section 518A.41. The court shall determine each parent's medical support obligation and include the amount of each parent's obligation in the court order. If the medical support calculation results in each parent owing support to the other, the court shall offset the higher medical support obligation with the lower medical support obligation to determine the amount to be paid by the parent with the higher obligation to the parent with the lower obligation. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as provided in section 518A.41.

(d) The court shall determine the child care support obligation for the obligor as provided in section 518A.40.

~~(d)~~ (e) The court shall determine the medical support obligation for each parent as provided in section 518A.41. Unreimbursed and uninsured medical expenses are not included in the presumptive amount of support owed by a parent and are calculated and collected as described in section 518A.41.

~~(e)~~ (f) The court shall determine each parent's total child support obligation by adding together each parent's basic support, child care support, and health care coverage obligations as provided in this section.

~~(f)~~ (g) If Social Security benefits or veterans' benefits are received by one parent as a representative payee for a joint child based on the other parent's eligibility, the court shall subtract the amount of benefits from the other parent's net child support obligation, if any.

~~(g)~~ (h) The final child support order shall separately designate the amount owed for basic support, child care support, and medical support. If applicable, the court shall use the self-support adjustment and minimum support adjustment under section 518A.42 to determine the obligor's child support obligation.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 9. Minnesota Statutes 2014, section 518A.36, is amended to read:

518A.36 PARENTING EXPENSE ADJUSTMENT.

Subdivision 1. **General.** (a) The parenting expense adjustment under this section reflects the presumption that while exercising parenting time, a parent is responsible for and incurs costs of caring for the child, including, but not limited to, food, clothing, transportation, recreation, and household expenses. Every child support order shall specify the percentage of parenting time granted to or presumed for each parent. For purposes of this section, the percentage of parenting time means the percentage of time a child is scheduled to spend with the parent during a calendar year according to a court order averaged over a two-year period. Parenting time includes time with the child whether it is designated as visitation, physical custody, or parenting time. The percentage of parenting time may be determined by calculating the number of overnights or overnight equivalents that a ~~child~~ parent spends with a ~~parent, or~~ child pursuant to a court order. For purposes of this section, overnight equivalents are calculated by using a method other than overnights if the parent has significant time periods on separate days where the child is in the parent's physical custody and under the direct care of the parent but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time.

(b) If there is not a court order awarding parenting time, the court shall determine the child support award without consideration of the parenting expense adjustment. If a parenting time order is subsequently issued or is issued in the same proceeding, then the child support order shall include application of the parenting expense adjustment.

Subd. 2. **Calculation of parenting expense adjustment.** ~~The obligor is entitled to a parenting expense adjustment calculated as provided in this subdivision. The court shall:~~

~~(1) find the adjustment percentage corresponding to the percentage of parenting time allowed to the obligor below:~~

	~~Percentage Range of Parenting Time~~	~~Adjustment Percentage~~
~~(i)~~	~~less than 10 percent~~	~~no adjustment~~
~~(ii)~~	~~10 percent to 45 percent~~	~~12 percent~~
~~(iii)~~	~~45.1 percent to 50 percent~~	~~presume parenting time is equal~~

~~(2) multiply the adjustment percentage by the obligor's basic child support obligation to arrive at the parenting expense adjustment; and~~

~~(3) subtract the parenting expense adjustment from the obligor's basic child support obligation. The result is the obligor's basic support obligation after parenting expense adjustment.~~

(a) For the purposes of this section, the following terms have the meanings given:

(1) "parent A" means the parent with whom the child or children will spend the least number of overnights under the court order; and

(2) "parent B" means the parent with whom the child or children will spend the greatest number of overnights under the court order.

(b) The court shall apply the following formula to determine which parent is the obligor and calculate the basic support obligation:

(1) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent A;

(2) raise to the power of three the approximate number of annual overnights the child or children will likely spend with parent B;

(3) multiply the result of clause (1) times parent B's share of the combined basic support obligation as determined in section 518A.34, paragraph (b), clause (5);

(4) multiply the result of clause (2) times parent A's share of the combined basic support obligation as determined in section 518A.34, paragraph (b), clause (5);

(5) subtract the result of clause (4) from the result of clause (3); and

(6) divide the result of clause (5) by the sum of clauses (1) and (2).

(c) If the result is a negative number, parent A is the obligor, the negative number becomes its positive equivalent, and the result is the basic support obligation. If the result is a positive number, parent B is the obligor and the result is the basic support obligation.

Subd. 3. **Calculation of basic support when parenting time ~~presumed~~ is equal.** ~~(a)~~ If the parenting time is equal and the parental incomes for determining child support of the parents also are equal, no basic support shall be paid unless the court determines that the expenses for the child are not equally shared.

~~(b) If the parenting time is equal but the parents' parental incomes for determining child support are not equal, the parent having the greater parental income for determining child support shall be obligated for basic child support, calculated as follows:~~

~~(1) multiply the combined basic support calculated under section 518A.34 by 0.75;~~

~~(2) prorate the amount under clause (1) between the parents based on each parent's proportionate share of the combined PICS; and~~

~~(3) subtract the lower amount from the higher amount.~~

~~The resulting figure is the obligation after parenting expense adjustment for the parent with the greater parental income for determining child support.~~

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 10. Minnesota Statutes 2015 Supplement, section 518A.39, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not provided for under section 518A.41; (6) a change in the availability of appropriate health care coverage or a substantial increase or decrease in health care coverage costs; (7) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518A.35, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least $75 per month higher or lower than the current support order or, if the current support order is less than $75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518A.41 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518A.41 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount;

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party; or

(6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause (4), and the child no longer resides in a foreign country or the factor is otherwise no longer applicable.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518A.33 shall be considered if other grounds are alleged which allow a modification of support.

(d) If child support was established by applying a parenting expense adjustment or presumed equal parenting time calculation under previously existing child support guidelines and there is no parenting plan or order from which overnights or overnight equivalents can be determined, there is a rebuttable presumption that the established adjustment or calculation shall continue after modification so long as the modification is not based on a change in parenting time. In determining an obligation under previously existing child support guidelines, it is presumed that the court shall:

(1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's share of the combined basic support obligation calculated under section 518A.34, paragraph (b), clause (5), by .88; or

(2) if the parenting time was presumed equal but the parents' parental incomes for determining child support were not equal:

(i) multiply the combined basic support obligation under section 518A.34, paragraph (b), clause (5), by .075;

(ii) prorate the amount under item (i) between the parents based on each parent's proportionate share of the combined PICS; and

(iii) subtract the lower amount from the higher amount.

(e) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518A.35, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

~~(e)~~ (f) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, 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, unless the court adopts an alternative effective date under paragraph (l). The court's adoption of an alternative effective date under paragraph (l) shall not be considered a retroactive modification of maintenance or support.

~~(f)~~ (g) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including

motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518A.71.

~~(g)~~ (h) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

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

~~(i)~~ (j) Except as expressly provided, an enactment, amendment, or repeal of law does not constitute a substantial change in the circumstances for purposes of modifying a child support order.

~~(j) MS 2006 [Expired]~~

(k) On the first modification ~~under the income shares method of calculation~~ following implementation of amended child support guidelines, the modification of basic support may be limited if the amount of the full variance would create hardship for either the obligor or the obligee.

(l) The court may select an alternative effective date for a maintenance or support order if the parties enter into a binding agreement for an alternative effective date.

EFFECTIVE DATE. This section is effective August 1, 2018.

Sec. 11. **[518A.79] PERMANENT CHILD SUPPORT TASK FORCE.**

Subdivision 1. **Establishment; purpose.** There is hereby established the Permanent Child Support Task Force for the Department of Human Services. The purpose of the task force is to advise the commissioner of human services on matters relevant to maintaining effective and efficient child support guidelines that will best serve the children of Minnesota and take into account the changing dynamics of families.

Subd. 2. **Members.** (a) The task force must consist of:

(1) two members of the house of representatives, one appointed by the speaker and one appointed by the minority leader;

(2) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority;

(3) one representative from the Minnesota County Attorneys Association;

(4) one staff member from the Department of Human Services Child Support Division;

(5) one representative from a tribe with an approved IV-D program;

(6) one representative from the Minnesota Family Support Recovery Council;

(7) one child support magistrate, family court referee, or one district court judge or retired judge with experience in child support matters, appointed by the chief justice of the Supreme Court;

(8) four parents, at least two of whom represent diverse cultural and social communities, appointed by the commissioner with equal representation between custodial and noncustodial parents;

(9) one representative from the Minnesota Legal Services Coalition; and

(10) one representative from the Family Law Section of the Minnesota Bar Association.

(b) Section 15.059 governs the Permanent Child Support Task Force. Notwithstanding section 15.059, the task force does not expire.

(c) Members of the task force shall be compensated as provided in section 15.059, subdivision 3.

Subd. 3. **Organization.** (a) The commissioner or the commissioner's designee shall convene the first meeting of the task force.

(b) The members of the task force shall annually elect a chair and other officers as the members deem necessary.

(c) The task force shall meet at least three times per year, with one meeting devoted to collecting input from the public.

Subd. 4. **Staff.** The commissioner shall provide support staff, office space, and administrative services for the task force.

Subd. 5. **Duties of the task force.** (a) General duties of the task force include, but are not limited to:

(1) serving in an advisory capacity to the commissioner of human services;

(2) reviewing the effects of the implementation of the parenting expense adjustment enacted by the 2016 legislature;

(3) at least every four years, preparing for and advising the commissioner on the development of the quadrennial review report;

(4) collecting and studying information and data relating to child support awards; and

(5) conducting a comprehensive review of child support guidelines, economic conditions, and other matters relevant to maintaining effective and efficient child support guidelines.

(b) The task force must review, address, and make recommendations on the following priority issues:

(1) the self-support reserve for custodial and noncustodial parents;

(2) simultaneous child support orders;

(3) obligors who are subject to child support orders in multiple counties;

(4) parents with multiple families;

(5) non-nuclear families, such as grandparents, relatives, and foster parents who are caretakers of children;

(6) standards to apply for modifications; and

(7) updating section 518A.35, subdivision 2, the guideline for basic support.

Subd. 6. **Consultation.** The chair of the task force must consult with the Cultural and Ethnic Communities Leadership Council at least annually on the issues under consideration by the task force.

Subd. 7. **Report and recommendations.** Beginning February 15, 2019, and biennially thereafter, the commissioner shall prepare and submit to the chairs and ranking minority members of the committees of the house of representatives and the senate with jurisdiction over child support matters a report that summarizes the activities of the task force, issues identified by the task force, methods taken to address the issues, and recommendations for legislative action, if needed.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 12. **CHILD CARE PROVIDER LIAISON AND ADVOCATE.**

The commissioner of human services must designate a full-time employee of the department to serve as a child care provider liaison and advocate. The child care provider liaison and advocate must be responsive to requests from providers by providing information or assistance in obtaining or renewing licenses, meeting state regulatory requirements, or resolving disputes with state agencies or other political subdivisions.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 13. **LEGISLATIVE TASK FORCE ON CHILD CARE.**

Subdivision 1. **Creation.** A legislative task force on child care is created to review the loss of child care providers in the state, assess affordability issues for providers and parents, and identify areas that need to be addressed by the legislature.

Subd. 2. **Membership.** Task force members shall include:

(1) four members from the house of representatives appointed by the speaker, two from the majority party and two from the minority party; and

(2) four members from the senate appointed by the majority leader, two from the majority party and two from the minority party.

Subd. 3. **Duties.** (a) The task force may:

(1) evaluate factors that contribute to child care costs for providers and families;

(2) assess the child care provider shortage in greater Minnesota;

(3) review the current preservice and in-service training requirements for family child care providers and child care center staff. This review shall include training required for licensure, including staff credentialing for child care center staff positions and the ways in which this training aligns with Minnesota's Career Lattice and Minnesota's Knowledge and Competency Framework for Early Childhood and School-Aged Care Practitioners;

(4) review the availability of training that is in place to meet the training needs of providers, including the content of this training, cost, and delivery methods;

(5) consider creation of a board of child care to be responsible for all matters related to licensing of child care providers, both in-home and center-based programs, and to employ an advocate for child care providers;

(6) review the process of issuing and resolving correction orders issued to child care providers;

(7) consider uniform training requirements for county employees and their supervisors who perform duties related to licensing;

(8) review progress being made by the commissioner of human services to streamline paperwork and reduce redundancies for child care providers;

(9) review the time it takes for the department to provide Child Care Assistance program reimbursement to providers; and

(10) consider options for conducting exit interviews with providers who leave the child care field or choose not to be relicensed.

(b) Task force members may receive input from the commissioners of human services and economic development, providers, and stakeholders to review all action items.

Subd. 4. **Recommendations and report.** The task force, in cooperation with the commissioner of human services, shall issue a report to the legislature and governor by December 31, 2016. The report must contain summary information obtained during the task force meetings and recommendations for additional legislative changes and procedures affecting child care.

EFFECTIVE DATE. This section is effective the day following final enactment and sunsets on December 31, 2016.

ARTICLE 7

HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **HUMAN SERVICES APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2015, chapter 71, article 13, from the general fund or any fund named to the Department of Human Services for the purposes specified in this article, to be available for the fiscal year 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 years 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**	**$ (615,912,000)**	**$ (518,891,000)**
Appropriations by Fund		
General Fund	(307,806,000)	(246,029,000)
Health Care Access Fund	(289,770,000)	(277,101,000)
Federal TANF	(18,336,000)	4,239,000
Subd. 2. **Forecasted Programs**		
(a) **MFIP/DWP**		
Appropriations by Fund		
General Fund	9,833,000	(8,799,000)
Federal TANF	(20,225,000)	4,212,000
(b) **MFIP Child Care Assistance**	(23,094,000)	(7,760,000)
(c) **General Assistance**	(2,120,000)	(1,078,000)
(d) **Minnesota Supplemental Aid**	(1,613,000)	(1,650,000)
(e) **Group Residential Housing**	(8,101,000)	(7,954,000)
(f) **Northstar Care for Children**	2,231,000	4,496,000
(g) **MinnesotaCare**	(227,821,000)	(230,027,000)

These appropriations are from the health care access fund.

(h) **Medical Assistance**

Appropriations by Fund		
General Fund	(294,773,000)	(243,700,000)
Health Care Access Fund	(61,949,000)	(47,074,000)

(i) **Alternative Care Program**	-0-	-0-
(j) **CCDTF Entitlements**	9,831,000	20,416,000
Subd. 3. **Technical Activities**	1,889,000	27,000

These appropriations are from the federal TANF fund.

EFFECTIVE DATE. This section is effective the day following final enactment.

ARTICLE 8

HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2015, chapter 71, article 14, to the agencies and for the purposes specified in this act. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figures "2016" and "2017" used in this act mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2016, are effective the day following final enactment unless a different effective date is explicit.

	APPROPRIATIONS Available for the Year Ending June 30	
	2016	**2017**
Sec. 2. **COMMISSIONER OF HUMAN SERVICES**		
Subdivision 1. **Total Appropriation**	**-0-**	**(2,663,000)**

	Appropriations by Fund	
	2016	2017
General	-0-	(1,778,000)
State Government Special Revenue	-0-	-0-
Health Care Access	-0-	(885,000)
Federal TANF	-0-	-0-

Subd. 2. **Central Office Operations**

(a) **Operations**

	Appropriations by Fund	
General	-0-	(9,457,000)
State Government Special Revenue	-0-	-0-
Health Care Access	-0-	-0-

Base Adjustment. The general fund base is reduced by $7,503,000 in fiscal year 2018 and $5,890,000 in fiscal year 2019.

(b) **Children and Families** -0- -0-

(c) **Health Care**

	Appropriations by Fund	
General	-0-	162,000
Health Care Access	-0-	(889,000)

Waiver to Allow MinnesotaCare-Eligible Persons to Purchase Coverage Through Qualified Health Plans. $213,000 in fiscal year 2017 from the health care access fund is for the commissioner to request a waiver to allow persons eligible for MinnesotaCare to instead purchase coverage from a qualified health plan and access advanced premium tax credits and cost-sharing reductions. This is a onetime appropriation.

Base Adjustment. The general fund base is increased by $142,000 in fiscal years 2018 and 2019. The health care access fund base

is reduced by $1,010,000 in fiscal year 2018 and $1,011,000 in fiscal year 2019.

(d) **Continuing Care** -0- 200,000

Long-Term Care Simulation Model.

(a) $200,000 in fiscal year 2017 is for the commissioner of human resources to develop a Minnesota-specific long-term care financing microsimulation model. This is a onetime appropriation. The commissioner shall ensure that the model:

(1) predicts the needs and future utilization of long-term care services and supports for Minnesotans based on demographic and economic factors; and

(2) estimates the costs of care under various funding scenarios, including voluntary programs, to determine the impact of various financing options on state funds, out-of-pocket expenses, Medicare, and other insurance and financing products.

(b) The commissioner shall use the appropriation to create and implement the model to:

(1) predict the cost of long-term care under various public and private financing options, including voluntary programs; and

(2) determine the most appropriate options for the state.

(c) The commissioner shall report by January 15, 2018, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance on the

development of the long-term care simulation model.

(d) Notwithstanding any contrary provision in this article, paragraphs (a) to (c) expire January 15, 2018.

(e) **Community Supports** -0- 74,000

Base Adjustment. The general fund base is increased by $543,000 in fiscal year 2018 and $503,000 in fiscal year 2019.

Subd. 3. **Forecasted Programs**

(a) **MFIP/DWP**

Appropriations by Fund		
General	-0-	
Federal TANF	-0-	

(b) **MFIP Child Care Assistance** -0- -0-

(c) **General Assistance** -0- -0-

(d) **MN Supplemental Assistance** -0- -0-

(e) **Group Residential Housing** -0- -0-

(f) **Northstar Care for Children** -0- -0-

(g) **MinnesotaCare** -0- 4,000

These appropriations are from the health care access fund.

(h) **Medical Assistance**

Appropriations by Fund		
General	-0-	11,000
Health Care Access	-0-	-0-

(i) **Alternative Care** -0- -0-

(j) **CD Treatment Fund** -0- 5,792,000

Subd. 4. **Grant Programs**

(a) **Support Services Grants** -0- -0-

(b) **BSF Child Care Assistance Grants**	-0-	-0-

Base Adjustment. The general fund base is increased by $174,000 in fiscal year 2018 and $232,000 in fiscal year 2019.

(c) **Child Care Development Grants**	-0-	-0-
(d) **Child Support Enforcement Grants**	-0-	-0-
(e) **Children's Services Grants**	-0-	-0-
(f) **Children and Community Service Grants**	-0-	1,400,000

White Earth Band of Ojibwe Human Services Initiative Project. $1,400,000 in fiscal year 2017 is for a grant to the White Earth Band of Ojibwe for the direct implementation and administrative costs of the White Earth Human Service Initiative Project authorized under Laws 2011, First Special Session chapter 9, article 9, section 18. This is a onetime appropriation.

(g) **Children and Economic Support Grants**	-0-	-0-
(h) **Health Care Grants**	-0-	-0-
(i) **Other Long-Term Care Grants**	-0-	-0-
(j) **Aging and Adult Services Grants**	-0-	40,000

Advanced In-Home Activity-Monitoring Systems. $40,000 in fiscal year 2017 from the general fund is for a grant to a local research organization with expertise in identifying current and potential support systems and examining the capacity of those systems to meet the needs of the growing population of elderly persons to conduct a comprehensive assessment of current literature, past research, and an environmental scan of the field related to advanced in-home

activity-monitoring systems for elderly persons. The commissioner must report the results of the assessment by January 15, 2017, to the legislative committees and divisions with jurisdiction over health and human services policy and finance.

Base Adjustment. The general fund base is increased by $40,000 in fiscal years 2018 and 2019.

(k) **Deaf and Hard-of-Hearing Grants**	-0-	-0-
(l) **Disabilities Grants**	-0-	-0-
(m) **Adult Mental Health Grants**	-0-	-0-
(n) **Child Mental Health Grants**	-0-	-0-
(o) **Chemical Dependency Treatment Support Grants**	-0-	-0-
Subd. 5. **DCT State-Operated Services**		
(a) **DCT State-Operated Services Mental Health**	-0-	-0-
(b) **DCT State-Operated Services Enterprise Services**	-0-	-0-
(c) **DCT State-Operated Services Minnesota Security Hospital**	-0-	-0-
Subd. 6. **DCT Minnesota Sex Offender Program**	-0-	-0-
Subd. 7. **Technical Activities**	-0-	-0-

Sec. 3. **COMMISSIONER OF HEALTH**

Subdivision 1. **Total Appropriation** **$** **-0-** **$** **1,462,000**

Appropriations by Fund

	2016	2017
General	-0-	321,000
Health Care Access	-0-	1,000,000
State Government Special Revenue	-0-	141,000

The appropriation modifications for each purpose are shown in the following subdivisions.

Subd. 2. **Health Improvement**

	Appropriations by Fund	
	2016	2017
General	-0-	321,000
Health Care Access	-0-	1,000,000
State Government Special Revenue	-0-	141,000

Reporting on Health Care Costs and Volume. $..... in fiscal year 2017 from the general fund is for the commissioner of health to expand public reporting on average cost and volume information for procedures, tests, and services from clinics, medical groups, and hospitals, for those procedures, tests, and services which the commissioner determines most impact the quality of care and patient outcomes under Minnesota Statutes, section 62U.02. The commissioner may contract with an external vendor in conducting this work. This appropriation is added to the base budget of the Department of Health.

Base-Level Adjustments. The health care access fund base is increased by $1,000,000 in fiscal years 2018 and 2019.

Subd. 3. **Health Protection** -0- -0-

Sec. 4. Laws 2015, chapter 71, article 14, section 2, subdivision 5, as amended by Laws 2015, First Special Session chapter 6, section 1, is amended to read:

Subd. 5. **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	13,133,000	8,715,000	
Federal TANF	96,311,000	96,311,000	

(b) **Basic Sliding Fee Child Care Assistance Grants** 48,439,000 51,559,000

Basic Sliding Fee Waiting List Allocation. Notwithstanding Minnesota Statutes, section 119B.03, $5,413,000 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 $810,000 in fiscal year 2018 and increased by $821,000 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	39,015,000	38,665,000
Federal TANF	140,000	140,000

Safe Place for Newborns. $350,000 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. $23,350,000 in fiscal year 2016 and $23,350,000 in fiscal year 2017 are to address child protection staffing and services under Minnesota Statutes, section 256M.41. $1,650,000 in fiscal year 2016 and $1,650,000 in fiscal year 2017 are for child protection grants to address child welfare disparities under Minnesota Statutes, section 256E.28. Of the fiscal year 2017 appropriation to address child protection staffing and services, $1,600,000 is for a grant to the White Earth Band of Ojibwe for purposes of delivering child welfare services. This is a onetime appropriation.

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 is 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.

(f) **Children and Community Service Grants**	56,301,000	56,301,000
(g) **Children and Economic Support Grants**	26,778,000	26,966,000

Mobile Food Shelf Grants. (a) $1,000,000 in fiscal year 2016 and $1,000,000 in fiscal year 2017 are for a grant to Hunger Solutions. This is a onetime appropriation and is available until June 30, 2017.

(b) Hunger Solutions shall award grants of up to $75,000 on a competitive basis. Grant applications must include:

(1) the location of the project;

(2) a description of the mobile program, including size and scope;

(3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;

(4) evidence of community support for the project;

(5) the total cost of the project;

(6) the amount of the grant request and how funds will be used;

(7) sources of funding or in-kind contributions for the project that will supplement any grant award;

(8) a commitment to mobile programs by the applicant and an ongoing commitment to maintain the mobile program; and

(9) any additional information requested by Hunger Solutions.

(c) Priority may be given to applicants who:

(1) serve underserved areas;

(2) create a new or expand an existing mobile program;

(3) serve areas where a high amount of need is identified;

(4) provide evidence of strong support for the project from citizens and other institutions in the community;

(5) leverage funding for the project from other private and public sources; and

(6) commit to maintaining the program on a multilayer basis.

Homeless Youth Act. At least $500,000 of the appropriation for the Homeless Youth Act 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 Veterans Housing. $85,000 in fiscal year 2016 and $85,000 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.

Safe Harbor. $800,000 in fiscal year 2016 and $800,000 in fiscal year 2017 are from the general fund for emergency shelter and transitional and long-term housing beds for sexually exploited youth and youth at risk of sexual exploitation. Of this appropriation, $150,000 in fiscal year 2016 and $150,000 in fiscal year 2017 are from the general fund for statewide youth outreach workers connecting sexually exploited youth and youth at risk of sexual exploitation with shelter and services.

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 decreased by $816,000 in fiscal year 2018 and is decreased by $606,000 in fiscal year 2019.

(h) **Health Care Grants**

	Appropriations by Fund	
General	536,000	2,482,000
Health Care Access	3,341,000	3,465,000

Grants for Periodic Data Matching for Medical Assistance and MinnesotaCare. Of the general fund appropriation, $26,000

in fiscal year 2016 and $1,276,000 in fiscal year 2017 are for grants to counties for costs related to periodic data matching for medical assistance and MinnesotaCare recipients under Minnesota Statutes, section 256B.0561. The commissioner must distribute these grants to counties in proportion to each county's number of cases in the prior year in the affected programs.

Base Level Adjustment. The general fund base is increased by $1,637,000 in fiscal year 2018 and increased by $1,229,000 in fiscal year 2019.

(i) **Other Long-Term Care Grants** 1,551,000 3,069,000

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 increased by $156,000 in fiscal year 2018 and by $581,000 in fiscal year 2019.

(j) **Aging and Adult Services Grants** 28,463,000 28,162,000

Dementia Grants. $750,000 in fiscal year 2016 and $750,000 in fiscal year 2017 are for the Minnesota Board on Aging for regional and local dementia grants authorized in Minnesota Statutes, section 256.975, subdivision 11.

(k) **Deaf and Hard-of-Hearing Grants** 2,225,000 2,375,000

Deaf, Deafblind, and Hard-of-Hearing Grants. $350,000 in fiscal year 2016 and

$500,000 in fiscal year 2017 are for deaf and hard-of-hearing grants. The funds must be used to increase the number of deafblind Minnesotans receiving services under Minnesota Statutes, section 256C.261, and to provide linguistically and culturally appropriate mental health services to children who are deaf, deafblind, and hard-of-hearing. This is a onetime appropriation.

Base Level Adjustment. The general fund base is decreased by $500,000 in fiscal year 2018 and by $500,000 in fiscal year 2019.

(l) **Disabilities Grants** 20,820,000 20,858,000

State Quality Council. $573,000 in fiscal year 2016 and $600,000 in fiscal year 2017 are for the State Quality Council to provide technical assistance and monitoring of person-centered outcomes related to inclusive community living and employment. The funding must be used by the State Quality Council to assure a statewide plan for systems change in person-centered planning that will achieve desired outcomes including increased integrated employment and community living.

(m) **Adult Mental Health Grants**

Appropriations by Fund		
General	69,992,000	71,244,000
Health Care Access	1,575,000	2,473,000
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 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.

Beltrami County Mental Health Services Grant. $1,000,000 in fiscal year 2016 and $1,000,000 in fiscal year 2017 are from the general fund for a grant to Beltrami County to fund the planning and development of a comprehensive mental health services program under article 2, section 41, Comprehensive Mental Health Program in Beltrami County. This is a onetime appropriation.

Base Level Adjustment. The general fund base is increased by $723,000 in fiscal year 2018 and by $723,000 in fiscal year 2019. The health care access fund base is decreased by $1,723,000 in fiscal year 2018 and by $1,723,000 in fiscal year 2019.

(n) **Child Mental Health Grants** 23,386,000 24,313,000

Services and Supports for First Episode Psychosis. $177,000 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 $236,000 in fiscal year 2018 and $301,000 in fiscal year 2019.

Adverse Childhood Experiences. The base 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 is $363,000 in fiscal year 2018 and $363,000 in fiscal year 2019.

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 $422,000 in fiscal year

2018 and is increased by $487,000 in fiscal year 2019.

(o) **Chemical Dependency Treatment Support Grants** 1,561,000 1,561,000

Chemical Dependency Prevention. $150,000 in fiscal year 2016 and $150,000 in fiscal year 2017 are for grants to nonprofit organizations to provide chemical dependency prevention programs in secondary schools. When making grants, the commissioner must consider the expertise, prior experience, and outcomes achieved by applicants that have provided prevention programming in secondary education environments. An applicant for the grant funds must provide verification to the commissioner that the applicant has available and will contribute sufficient funds to match the grant given by the commissioner. This is a onetime appropriation.

Fetal Alcohol Syndrome Grants. $250,000 in fiscal year 2016 and $250,000 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.

Base Level Adjustment. The general fund base is decreased by $150,000 in fiscal year 2018 and by $150,000 in fiscal year 2019.

Sec. 5. Laws 2015, chapter 71, article 14, section 9, is amended to read:

		~~**210,000**~~		~~**213,000**~~
Sec. 9. **COMMISSIONER OF COMMERCE**	**$**	**-0-**	**$**	**-0-**

The commissioner of commerce shall develop a proposal to allow individuals to purchase qualified health plans outside of MNsure directly from health plan companies and to allow eligible individuals to receive advanced premium tax credits and cost-sharing reductions when purchasing qualified health plans outside of MNsure.

Sec. 6. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2017, unless a different expiration date is explicit.

Sec. 7. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Amend the title accordingly