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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
*First Division Engrossment*

NINETY-SECOND SESSION

**H. F. No. 3418**

02/14/2022 Authored by Vang, Becker-Finn, Fischer, Moller, Lippert and others  
The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

**Division Action**

02/15/2022 *Referred by Chair to the Behavioral Health Policy Division*  
03/02/2022 *Returned to the Committee on Human Services Finance and Policy as Amended*

1.1 A bill for an act

1.2 relating to mental health; making additional mental health professionals eligible

1.3 for loan forgiveness under the health professional education loan forgiveness

1.4 program; establishing a mental health provider supervision grant program and a

1.5 mental health professional scholarship grant program; modifying qualifications

1.6 for case managers; appropriating money; amending Minnesota Statutes 2020,

1.7 sections 144.1501, subdivision 4; 245.462, subdivision 4; Minnesota Statutes 2021

1.8 Supplement, section 144.1501, subdivision 2; proposing coding for new law in

1.9 Minnesota Statutes, chapter 144.

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

1.11 Section 1. Minnesota Statutes 2021 Supplement, section 144.1501, subdivision 2, is

1.12 amended to read:

1.13 Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness

1.14 program account is established. The commissioner of health shall use money from the

1.15 account to establish a loan forgiveness program:

1.16 (1) for medical residents, mental health professionals, and alcohol and drug counselors

1.17 agreeing to practice in designated rural areas or underserved urban communities or

1.18 specializing in the area of pediatric psychiatry;

1.19 (2) for midlevel practitioners agreeing to practice in designated rural areas or to teach

1.20 at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program

1.21 at the undergraduate level or the equivalent at the graduate level;

1.22 (3) for nurses who agree to practice in a Minnesota nursing home; an intermediate care

1.23 facility for persons with developmental disability; a hospital if the hospital owns and operates

1.24 a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse

1.25 is in the nursing home; a housing with services establishment as defined in section 144D.01,

2.1 subdivision 4; or for a home care provider as defined in section 144A.43, subdivision 4; or  
2.2 agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a  
2.3 postsecondary program at the undergraduate level or the equivalent at the graduate level;

2.4 (4) for other health care technicians agreeing to teach at least 12 credit hours, or 720  
2.5 hours per year in their designated field in a postsecondary program at the undergraduate  
2.6 level or the equivalent at the graduate level. The commissioner, in consultation with the  
2.7 Healthcare Education-Industry Partnership, shall determine the health care fields where the  
2.8 need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory  
2.9 technology, radiologic technology, and surgical technology;

2.10 (5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses  
2.11 who agree to practice in designated rural areas; ~~and~~

2.12 (6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient  
2.13 encounters to state public program enrollees or patients receiving sliding fee schedule  
2.14 discounts through a formal sliding fee schedule meeting the standards established by the  
2.15 United States Department of Health and Human Services under Code of Federal Regulations,  
2.16 title 42, section 51, ~~chapter 303.~~ 51c.303; and

2.17 (7) for mental health professionals agreeing to provide up to 768 hours per year of clinical  
2.18 supervision in their designated field.

2.19 (b) Appropriations made to the account do not cancel and are available until expended,  
2.20 except that at the end of each biennium, any remaining balance in the account that is not  
2.21 committed by contract and not needed to fulfill existing commitments shall cancel to the  
2.22 fund.

2.23 Sec. 2. Minnesota Statutes 2020, section 144.1501, subdivision 4, is amended to read:

2.24 Subd. 4. **Loan forgiveness.** The commissioner of health may select applicants each year  
2.25 for participation in the loan forgiveness program, within the limits of available funding. In  
2.26 considering applications from applicants who are mental health professionals, the  
2.27 commissioner shall give preference to applicants who demonstrate competence in providing  
2.28 culturally responsive services or are providing services to underserved communities,  
2.29 including communities in rural areas. In considering applications from all other applicants,  
2.30 the commissioner shall give preference to applicants who document diverse cultural  
2.31 competencies. The commissioner shall distribute available funds for loan forgiveness  
2.32 proportionally among the eligible professions according to the vacancy rate for each  
2.33 profession in the required geographic area, facility type, teaching area, patient group, or

3.1 specialty type specified in subdivision 2. The commissioner shall allocate funds for physician  
3.2 loan forgiveness so that 75 percent of the funds available are used for rural physician loan  
3.3 forgiveness and 25 percent of the funds available are used for underserved urban communities  
3.4 and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough  
3.5 qualified applicants each year to use the entire allocation of funds for any eligible profession,  
3.6 the remaining funds may be allocated proportionally among the other eligible professions  
3.7 according to the vacancy rate for each profession in the required geographic area, patient  
3.8 group, or facility type specified in subdivision 2. Applicants are responsible for securing  
3.9 their own qualified educational loans. The commissioner shall select participants based on  
3.10 their suitability for practice serving the required geographic area or facility type specified  
3.11 in subdivision 2, as indicated by experience or training. The commissioner shall give  
3.12 preference to applicants closest to completing their training. For each year that a participant  
3.13 meets the service obligation required under subdivision 3, up to a maximum of four years,  
3.14 the commissioner shall make annual disbursements directly to the participant equivalent to  
3.15 15 percent of the average educational debt for indebted graduates in their profession in the  
3.16 year closest to the applicant's selection for which information is available, not to exceed the  
3.17 balance of the participant's qualifying educational loans. Before receiving loan repayment  
3.18 disbursements and as requested, the participant must complete and return to the commissioner  
3.19 a confirmation of practice form provided by the commissioner verifying that the participant  
3.20 is practicing as required under subdivisions 2 and 3. The participant must provide the  
3.21 commissioner with verification that the full amount of loan repayment disbursement received  
3.22 by the participant has been applied toward the designated loans. After each disbursement,  
3.23 verification must be received by the commissioner and approved before the next loan  
3.24 repayment disbursement is made. Participants who move their practice remain eligible for  
3.25 loan repayment as long as they practice as required under subdivision 2.

3.26 Sec. 3. **[144.1508] MENTAL HEALTH PROVIDER SUPERVISION GRANT**  
3.27 **PROGRAM.**

3.28 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
3.29 the meanings given.

3.30 (b) "Mental health professional" means an individual with a qualification specified in  
3.31 section 245I.04, subdivision 2.

3.32 (c) "Underrepresented community" has the meaning given in section 148E.010,  
3.33 subdivision 20.

4.1 Subd. 2. **Grant program established.** The commissioner of health shall award grants  
4.2 to licensed or certified mental health providers who meet the criteria in subdivision 3 to  
4.3 fund supervision of interns and clinical trainees who are working toward becoming a licensed  
4.4 mental health professional and to subsidize the costs of mental health professional licensing  
4.5 applications and examination fees for clinical trainees.

4.6 Subd. 3. **Eligible providers.** In order to be eligible for a grant under this section, a mental  
4.7 health provider must:

4.8 (1) provide at least 25 percent of the provider's yearly patient encounters to state public  
4.9 program enrollees or patients receiving sliding fee schedule discounts through a formal  
4.10 sliding fee schedule meeting the standards established by the United States Department of  
4.11 Health and Human Services under Code of Federal Regulations, title 42, section 51c.303;  
4.12 or

4.13 (2) primarily serve persons from communities of color or underrepresented communities.

4.14 Subd. 4. **Application; grant award.** A mental health provider seeking a grant under  
4.15 this section must apply to the commissioner at a time and in a manner specified by the  
4.16 commissioner. The commissioner shall review each application to determine if the application  
4.17 is complete, the mental health provider is eligible for a grant, and the proposed project is  
4.18 an allowable use of grant funds. The commissioner must determine the grant amount awarded  
4.19 to applicants that the commissioner determines will receive a grant.

4.20 Subd. 5. **Allowable uses of grant funds.** A mental health provider must use grant funds  
4.21 received under this section for one or more of the following:

4.22 (1) to pay for direct supervision hours for interns and clinical trainees, in an amount up  
4.23 to \$7,500 per intern or clinical trainee;

4.24 (2) to establish a program to provide supervision to multiple interns or clinical trainees;  
4.25 or

4.26 (3) to pay mental health professional licensing application and examination fees for  
4.27 clinical trainees.

4.28 Subd. 6. **Program oversight.** During the grant period, the commissioner may require  
4.29 grant recipients to provide the commissioner with information necessary to evaluate the  
4.30 program.

5.1 Sec. 4. **[144.1509] MENTAL HEALTH PROFESSIONAL SCHOLARSHIP GRANT**  
5.2 **PROGRAM.**

5.3 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
5.4 the meanings given.

5.5 (b) "Mental health professional" means an individual with a qualification specified in  
5.6 section 245I.04, subdivision 2.

5.7 (c) "Underrepresented community" has the meaning given in section 148E.010,  
5.8 subdivision 20.

5.9 Subd. 2. **Grant program established.** A mental health professional scholarship program  
5.10 is established to assist mental health providers in funding employee scholarships for master's  
5.11 level education programs in order to create a pathway to becoming a mental health  
5.12 professional.

5.13 Subd. 3. **Provision of grants.** The commissioner of health shall award grants to licensed  
5.14 or certified mental health providers who meet the criteria in subdivision 4 to provide tuition  
5.15 reimbursement for master's level programs and certain related costs for individuals who  
5.16 have worked for the mental health provider for at least the past two years in one or more of  
5.17 the following roles:

5.18 (1) a mental health behavioral aide who meets a qualification in section 245I.04,  
5.19 subdivision 16;

5.20 (2) a mental health certified family peer specialist who meets the qualifications in section  
5.21 245I.04, subdivision 12;

5.22 (3) a mental health certified peer specialist who meets the qualifications in section  
5.23 245I.04, subdivision 10;

5.24 (4) a mental health practitioner who meets a qualification in section 245I.04, subdivision  
5.25 4;

5.26 (5) a mental health rehabilitation worker who meets the qualifications in section 245I.04,  
5.27 subdivision 14;

5.28 (6) an individual employed in a role in which the individual provides face-to-face client  
5.29 services at a mental health center or certified community behavioral health center; or

5.30 (7) a staff person who provides care or services to residents of a residential treatment  
5.31 facility.

6.1 Subd. 4. **Eligibility.** In order to be eligible for a grant under this section, a mental health  
6.2 provider must:

6.3 (1) primarily provide at least 25 percent of the provider's yearly patient encounters to  
6.4 state public program enrollees or patients receiving sliding fee schedule discounts through  
6.5 a formal sliding fee schedule meeting the standards established by the United States  
6.6 Department of Health and Human Services under Code of Federal Regulations, title 42,  
6.7 section 51c.303; or

6.8 (2) primarily serve people from communities of color or underrepresented communities.

6.9 Subd. 5. **Request for proposals.** The commissioner must publish a request for proposals  
6.10 in the State Register specifying provider eligibility requirements, criteria for a qualifying  
6.11 employee scholarship program, provider selection criteria, documentation required for  
6.12 program participation, the maximum award amount, and methods of evaluation. The  
6.13 commissioner must publish additional requests for proposals each year in which funding is  
6.14 available for this purpose.

6.15 Subd. 6. **Application requirements.** An eligible provider seeking a grant under this  
6.16 section must submit an application to the commissioner. An application must contain a  
6.17 complete description of the employee scholarship program being proposed by the applicant,  
6.18 including the need for the mental health provider to enhance the education of its workforce,  
6.19 the process the mental health provider will use to determine which employees will be eligible  
6.20 for scholarships, any other funding sources for scholarships, the amount of funding sought  
6.21 for the scholarship program, a proposed budget detailing how funds will be spent, and plans  
6.22 to retain eligible employees after completion of the education program.

6.23 Subd. 7. **Selection process.** The commissioner shall determine a maximum award amount  
6.24 for grants and shall select grant recipients based on the information provided in the grant  
6.25 application, including the demonstrated need for the applicant provider to enhance the  
6.26 education of its workforce, the proposed process to select employees for scholarships, the  
6.27 applicant's proposed budget, and other criteria as determined by the commissioner.

6.28 Subd. 8. **Grant agreements.** Notwithstanding any law or rule to the contrary, funds  
6.29 awarded to a grant recipient in a grant agreement do not lapse until the grant agreement  
6.30 expires.

6.31 Subd. 9. **Allowable uses of grant funds.** A mental health provider receiving a grant  
6.32 under this section must use the grant funds for one or more of the following:

7.1 (1) to provide employees with tuition reimbursement for a master's level program in a  
7.2 discipline that will allow the employee to qualify as a mental health professional; or

7.3 (2) for resources and supports, such as child care and transportation, that allow an  
7.4 employee to attend a master's level program specified in clause (1).

7.5 Subd. 10. **Reporting requirements.** A mental health provider receiving a grant under  
7.6 this section shall submit to the commissioner an invoice for reimbursement and a report,  
7.7 on a schedule determined by the commissioner and using a form supplied by the  
7.8 commissioner. The report must include the amount spent on scholarships; the number of  
7.9 employees who received scholarships; and, for each scholarship recipient, the recipient's  
7.10 name, current position, amount awarded, educational institution attended, name of the  
7.11 educational program, and expected or actual program completion date.

7.12 Sec. 5. Minnesota Statutes 2020, section 245.462, subdivision 4, is amended to read:

7.13 Subd. 4. **Case management service provider.** (a) "Case management service provider"  
7.14 means a case manager or case manager associate employed by the county or other entity  
7.15 authorized by the county board to provide case management services specified in section  
7.16 245.4711.

7.17 (b) A case manager must:

7.18 (1) be skilled in the process of identifying and assessing a wide range of client needs;

7.19 (2) be knowledgeable about local community resources and how to use those resources  
7.20 for the benefit of the client;

7.21 (3) be a mental health practitioner as defined in section 245I.04, subdivision 4, or have  
7.22 a bachelor's degree in one of the behavioral sciences or related fields including, but not  
7.23 limited to, social work, psychology, or nursing from an accredited college or university ~~or~~  
7.24 A case manager who is not a mental health practitioner and who does not have a bachelor's  
7.25 degree in one of the behavioral sciences or related fields must meet the requirements of  
7.26 paragraph (c); and

7.27 (4) meet the supervision and continuing education requirements described in paragraphs  
7.28 (d), (e), and (f), as applicable.

7.29 (c) Case managers without a bachelor's degree must meet one of the requirements in  
7.30 clauses (1) to (3):

7.31 (1) have three or four years of experience as a case manager associate as defined in this  
7.32 section;

8.1 (2) be a registered nurse without a bachelor's degree and have a combination of  
8.2 specialized training in psychiatry and work experience consisting of community interaction  
8.3 and involvement or community discharge planning in a mental health setting totaling three  
8.4 years; or

8.5 (3) be a person who qualified as a case manager under the 1998 Department of Human  
8.6 Service waiver provision and meet the continuing education and mentoring requirements  
8.7 in this section.

8.8 (d) A case manager with at least 2,000 hours of supervised experience in the delivery  
8.9 of services to adults with mental illness must receive regular ongoing supervision and clinical  
8.10 supervision totaling 38 hours per year of which at least one hour per month must be clinical  
8.11 supervision regarding individual service delivery with a case management supervisor. The  
8.12 remaining 26 hours of supervision may be provided by a case manager with two years of  
8.13 experience. Group supervision may not constitute more than one-half of the required  
8.14 supervision hours. Clinical supervision must be documented in the client record.

8.15 (e) A case manager without 2,000 hours of supervised experience in the delivery of  
8.16 services to adults with mental illness must:

8.17 (1) receive clinical supervision regarding individual service delivery from a mental  
8.18 health professional at least one hour per week until the requirement of 2,000 hours of  
8.19 experience is met; and

8.20 (2) complete 40 hours of training approved by the commissioner in case management  
8.21 skills and the characteristics and needs of adults with serious and persistent mental illness.

8.22 (f) A case manager who is not licensed, registered, or certified by a health-related  
8.23 licensing board must receive 30 hours of continuing education and training in mental illness  
8.24 and mental health services every two years.

8.25 (g) A case manager associate (CMA) must:

8.26 (1) work under the direction of a case manager or case management supervisor;

8.27 (2) be at least 21 years of age;

8.28 (3) have at least a high school diploma or its equivalent; and

8.29 (4) meet one of the following criteria:

8.30 (i) have an associate of arts degree in one of the behavioral sciences or human services;

8.31 (ii) be a certified peer specialist under section 256B.0615;



9.1 (iii) be a registered nurse without a bachelor's degree;

9.2 (iv) within the previous ten years, have three years of life experience with serious and  
9.3 persistent mental illness as defined in subdivision 20; or as a child had severe emotional  
9.4 disturbance as defined in section 245.4871, subdivision 6; or have three years life experience  
9.5 as a primary caregiver to an adult with serious and persistent mental illness within the  
9.6 previous ten years;

9.7 (v) have 6,000 hours work experience as a nondegreed state hospital technician; or

9.8 (vi) have at least 6,000 hours of supervised experience in the delivery of services to  
9.9 persons with mental illness.

9.10 Individuals meeting one of the criteria in items (i) to (v) may qualify as a case manager  
9.11 after four years of supervised work experience as a case manager associate. Individuals  
9.12 meeting the criteria in item (vi) may qualify as a case manager after three years of supervised  
9.13 experience as a case manager associate.

9.14 (h) A case management associate must meet the following supervision, mentoring, and  
9.15 continuing education requirements:

9.16 (1) have 40 hours of preservice training described under paragraph (e), clause (2);

9.17 (2) receive at least 40 hours of continuing education in mental illness and mental health  
9.18 services annually; and

9.19 (3) receive at least five hours of mentoring per week from a case management mentor.

9.20 A "case management mentor" means a qualified, practicing case manager or case management  
9.21 supervisor who teaches or advises and provides intensive training and clinical supervision  
9.22 to one or more case manager associates. Mentoring may occur while providing direct services  
9.23 to consumers in the office or in the field and may be provided to individuals or groups of  
9.24 case manager associates. At least two mentoring hours per week must be individual and  
9.25 face-to-face.

9.26 (i) A case management supervisor must meet the criteria for mental health professionals,  
9.27 as specified in subdivision 18.

9.28 (j) An immigrant who does not have the qualifications specified in this subdivision may  
9.29 provide case management services to adult immigrants with serious and persistent mental  
9.30 illness who are members of the same ethnic group as the case manager if the person:

10.1 (1) is currently enrolled in and is actively pursuing credits toward the completion of a  
10.2 bachelor's degree in one of the behavioral sciences or a related field including, but not  
10.3 limited to, social work, psychology, or nursing from an accredited college or university;

10.4 (2) completes 40 hours of training as specified in this subdivision; and

10.5 (3) receives clinical supervision at least once a week until the requirements of this  
10.6 subdivision are met.

10.7 Sec. 6. APPROPRIATIONS.

10.8 (a) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
10.9 of health for loan forgiveness for additional mental health professionals through the health  
10.10 professional education loan forgiveness program under Minnesota Statutes, section 144.1501.

10.11 (b) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
10.12 of health for the mental health provider supervision grant program under Minnesota Statutes,  
10.13 section 144.1508.

10.14 (c) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
10.15 of health for the mental health professional scholarship grant program under Minnesota  
10.16 Statutes, section 144.1509.

10.17 (d) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
10.18 of human services to increase the number of training sessions offered to certify individuals  
10.19 as mental health certified peer specialists or mental health certified family peer specialists.

10.20 (e) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
10.21 of human services for the cultural and ethnic minority infrastructure grant program to fund:

10.22 (1) workforce development activities focused on recruiting, supporting, training, and  
10.23 supervision activities for mental health and substance use disorder practitioners and  
10.24 professionals;

10.25 (2) provision of support to members of culturally diverse and ethnic minority communities  
10.26 to qualify as behavioral health professionals, practitioners, clinical supervisors, recovery  
10.27 peer specialists, mental health certified peer specialists, and mental health certified family  
10.28 peer specialists;

10.29 (3) culturally specific outreach, early intervention, trauma-informed services, and recovery  
10.30 support in mental health and substance use disorder services;

11.1 (4) provision of trauma-informed, culturally responsive mental health and substance use  
11.2 disorder supports and services for children and families, youth, or adults who are from  
11.3 cultural and ethnic minority backgrounds and are uninsured or underinsured;

11.4 (5) expansion and infrastructure improvement activities, especially in greater Minnesota;  
11.5 and

11.6 (6) activities to increase the availability of culturally responsive mental health and  
11.7 substance use disorder services for children and families, youth, or adults or to increase the  
11.8 availability of substance use disorder services for individuals from cultural and ethnic  
11.9 minorities in the state.

11.10 (f) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
11.11 of health to establish and maintain a website that will serve as an information clearinghouse  
11.12 for mental health professionals and individuals seeking to qualify as a mental health  
11.13 professional. The website must contain information on the various master's level programs  
11.14 to become a mental health professional, requirements for supervision, where to find  
11.15 supervision, how to access tools to study for the applicable licensing examination, links to  
11.16 loan forgiveness programs and tuition reimbursement programs, and other topics of use to  
11.17 individuals seeking to become a mental health professional.