

- 1.1 ..... moves to amend H.F. No. 3455 as follows:
- 1.2 Page 1, line 11, before the period, insert "consistent with this section or, if applicable,
- 1.3 a temporary change of ownership license under section 245A.043"
- 1.4 Page 1, line 19, strike "an initial" and insert "a"
- 1.5 Page 2, line 5, strike everything after the period
- 1.6 Page 2, strike line 6
- 1.7 Page 2, line 7, strike the old language and delete the new language
- 1.8 Page 2, delete lines 8 to 12
- 1.9 Page 2, line 13, strike everything after "(d)"
- 1.10 Page 2, strike lines 14 and 15
- 1.11 Page 2, line 16, strike "(e)" and strike "(g)" and insert "(f)" and strike "(h)" and insert
- 1.12 "(g)"
- 1.13 Page 2, line 21, after "license" insert "issued under this chapter"
- 1.14 Page 2, line 26, before "is" insert "issued under this chapter"
- 1.15 Page 2, line 30, strike "(f)" and insert "(e)" and after "license" insert "under this chapter"
- 1.16 Page 2, line 31, strike "licensed"
- 1.17 Page 3, line 3, strike "(g)" and insert "(f)" and after "license" insert "issued under this
- 1.18 chapter"
- 1.19 Page 3, line 9, strike "(h)" and insert "(g)" and strike "(g)" and insert "(f)"
- 1.20 Page 3, line 19, strike "(i)" and insert "(h)"

2.1 Page 3, line 25, strike "(j)" and insert "(i)" and after "licenses" insert "issued under this  
2.2 chapter"

2.3 Page 3, line 29, strike "(k)" and insert "(j)" and after "license" insert "under this chapter"

2.4 Page 3, after line 30, insert:

2.5 "Sec. 2. Minnesota Statutes 2016, section 245A.04, is amended by adding a subdivision  
2.6 to read:

2.7 Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner and  
2.8 obtain the commissioner's approval before making any change that would alter the license  
2.9 information listed under subdivision 7, paragraph (a).

2.10 (b) At least 30 days before the effective date of a change, the license holder must notify  
2.11 the commissioner in writing of any:

2.12 (1) change to the license holder's controlling individual as defined in section 245A.02,  
2.13 subdivision 5a;

2.14 (2) change to license holder information on file with the secretary of state;

2.15 (3) change in the location of the program or service licensed under this chapter; and

2.16 (4) change in the federal or state tax identification number associated with the license  
2.17 holder.

2.18 (c) When a license holder notifies the commissioner of a change to the business structure  
2.19 governing the licensed program or services but is not selling the business, the license holder  
2.20 must provide amended articles of incorporation and other documentation of the change and  
2.21 any other information requested by the commissioner.

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

2.23 Sec. 3. **[245A.043] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

2.24 Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid  
2.25 for a premises and individual, organization, or government entity identified by the  
2.26 commissioner on the license. A license is not transferable or assignable.

2.27 Subd. 2. **Change of ownership.** If the commissioner determines that there will be a  
2.28 change of ownership, the commissioner shall require submission of a new license application.  
2.29 A change of ownership occurs when:

2.30 (1) the license holder sells or transfers 100 percent of the property, stock, or assets;

2.31 (2) the license holder merges with another organization;

3.1 (3) the license holder consolidates with two or more organizations, resulting in the  
3.2 creation of a new organization;

3.3 (4) there is a change in the federal tax identification number associated with the license  
3.4 holder; or

3.5 (5) there is a turnover of each controlling individual associated with the license within  
3.6 a 12-month period. A change to the license holder's controlling individuals, including a  
3.7 change due to a transfer of stock, is not a change of ownership if at least one controlling  
3.8 individual who was listed on the license for at least 12 consecutive months continues to be  
3.9 a controlling individual after the reported change.

3.10 Subd. 3. **Change of ownership requirements.** (a) A license holder who intends to  
3.11 change the ownership of the program or service as defined in subdivision 2 to a party that  
3.12 intends to assume operation without an interruption in service longer than 60 days after  
3.13 acquiring the program or service must provide the commissioner with written notice of the  
3.14 proposed sale or change on a form provided by the commissioner, at least 60 days before  
3.15 the anticipated date of the change in ownership. For purposes of this subdivision and  
3.16 subdivision 4, "party" means the party that intends to operate the service or program.

3.17 (b) The party must submit a license application under this chapter on the form and in  
3.18 the manner prescribed by the commissioner at least 30 days before the change of ownership  
3.19 is complete, and must include documentation to support the upcoming change. The form  
3.20 and manner of the application prescribed by the commissioner shall require only information  
3.21 which is specifically required by statute or rule. The party must comply with background  
3.22 study requirements under chapter 245C and shall pay the application fee required in section  
3.23 245A.10. A party that intends to assume operation without an interruption in service longer  
3.24 than 60 days after acquiring the program or service is exempt from the requirements of  
3.25 Minnesota Rules, part 9530.6800.

3.26 (c) The commissioner may develop streamlined application procedures when the party  
3.27 is an existing license holder under this chapter and is acquiring a program licensed under  
3.28 this chapter or service in the same service class as one or more licensed programs or services  
3.29 the party operates and those licenses are in substantial compliance according to the licensing  
3.30 standards in this chapter and applicable rules. For purposes of this subdivision, "substantial  
3.31 compliance" means within the past 12 months the commissioner did not: (i) issue a sanction  
3.32 under section 245A.07 against a license held by the party or (ii) make a license held by the  
3.33 party conditional according to section 245A.06.

4.1 (d) Except when a temporary change of ownership license is issued pursuant to  
4.2 subdivision 4, the existing license holder is solely responsible for operating the program  
4.3 according to applicable rules and statutes until a license under this chapter is issued to the  
4.4 party.

4.5 (e) If a licensing inspection of the program or service was conducted within the previous  
4.6 12 months and the existing license holder's license record demonstrates substantial  
4.7 compliance with the applicable licensing requirements, the commissioner may waive the  
4.8 party's inspection required by section 245A.04, subdivision 4. The party must submit to the  
4.9 commissioner proof that the premises was inspected by a fire marshal or that the fire marshal  
4.10 deemed that an inspection was not warranted and proof that the premises was inspected for  
4.11 compliance with the building code or that no inspection was deemed warranted.

4.12 (f) If the party is seeking a license for a program or service that has an outstanding  
4.13 correction order, the party must submit a letter with the license application identifying how  
4.14 and within what length of time the party shall resolve the outstanding correction order and  
4.15 come into full compliance with the licensing requirements.

4.16 (g) Any action taken under section 245A.06 or 245A.07 against the existing license  
4.17 holder's license at the time the party is applying for a license, including when the existing  
4.18 license holder is operating under a conditional license or is subject to a revocation, shall  
4.19 remain in effect until the commissioner determines that the grounds for the action are  
4.20 corrected or no longer exist.

4.21 (h) The commissioner shall evaluate the application of the party according to section  
4.22 245A.04, subdivision 6. Pursuant to section 245A.04, subdivision 7, if the commissioner  
4.23 determines that the party complies with applicable laws and rules, the commissioner may  
4.24 issue a license or a temporary change of ownership license.

4.25 (i) The commissioner may deny an application as provided in section 245A.05. An  
4.26 applicant whose application was denied by the commissioner may appeal the denial according  
4.27 to section 245A.05.

4.28 (j) This subdivision does not apply to a licensed program or service located in a home  
4.29 where the license holder resides.

4.30 Subd. 4. **Temporary change of ownership license.** (a) After receiving the party's  
4.31 application and upon the written request of the existing license holder and the party, the  
4.32 commissioner may issue a temporary change of ownership license to the party while the  
4.33 commissioner evaluates the party's application. Until a decision is made to grant or deny a  
4.34 license under this chapter, the existing license holder and the party shall both be responsible

5.1 for operating the program or service according to applicable laws and rules, and the sale or  
5.2 transfer of the license holder's ownership interest in the licensed program or service does  
5.3 not terminate the existing license.

5.4 (b) The commissioner may establish criteria to issue a temporary change of ownership  
5.5 license when a license holder's death, divorce, or other event affecting the ownership of the  
5.6 program when an applicant seeks to assume operation of the program or service to ensure  
5.7 continuity of the program or service while a license application is evaluated. This subdivision  
5.8 applies to any program or service licensed under this chapter.

5.9 **EFFECTIVE DATE.** This section is effective August 1, 2018."

5.10 Page 4, after line 13, insert:

5.11 "Sec. 5. Minnesota Statutes 2017 Supplement, section 254B.03, subdivision 2, is amended  
5.12 to read:

5.13 Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical  
5.14 dependency fund is limited to payments for services other than detoxification licensed under  
5.15 Minnesota Rules, parts 9530.6510 to 9530.6590, that, if located outside of federally  
5.16 recognized tribal lands, would be required to be licensed by the commissioner as a chemical  
5.17 dependency treatment or rehabilitation program under sections 245A.01 to 245A.16, and  
5.18 services other than detoxification provided in another state that would be required to be  
5.19 licensed as a chemical dependency program if the program were in the state. Out of state  
5.20 vendors must also provide the commissioner with assurances that the program complies  
5.21 substantially with state licensing requirements and possesses all licenses and certifications  
5.22 required by the host state to provide chemical dependency treatment. Vendors receiving  
5.23 payments from the chemical dependency fund must not require co-payment from a recipient  
5.24 of benefits for services provided under this subdivision. The vendor is prohibited from using  
5.25 the client's public benefits to offset the cost of services paid under this section. The vendor  
5.26 shall not require the client to use public benefits for room or board costs. This includes but  
5.27 is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP  
5.28 benefits. Retention of SNAP benefits is a right of a client receiving services through the  
5.29 consolidated chemical dependency treatment fund or through state contracted managed care  
5.30 entities. Payment from the chemical dependency fund shall be made for necessary room  
5.31 and board costs provided by vendors certified according to section 254B.05, or in a  
5.32 community hospital licensed by the commissioner of health according to sections 144.50  
5.33 to 144.56 to a client who is:

6.1 (1) determined to meet the criteria for placement in a residential chemical dependency  
6.2 treatment program according to rules adopted under section 254A.03, subdivision 3; and

6.3 (2) concurrently receiving a chemical dependency treatment service in a program licensed  
6.4 by the commissioner and reimbursed by the chemical dependency fund.

6.5 (b) A county may, from its own resources, provide chemical dependency services for  
6.6 which state payments are not made. A county may elect to use the same invoice procedures  
6.7 and obtain the same state payment services as are used for chemical dependency services  
6.8 for which state payments are made under this section if county payments are made to the  
6.9 state in advance of state payments to vendors. When a county uses the state system for  
6.10 payment, the commissioner shall make monthly billings to the county using the most recent  
6.11 available information to determine the anticipated services for which payments will be made  
6.12 in the coming month. Adjustment of any overestimate or underestimate based on actual  
6.13 expenditures shall be made by the state agency by adjusting the estimate for any succeeding  
6.14 month.

6.15 (c) The commissioner shall coordinate chemical dependency services and determine  
6.16 whether there is a need for any proposed expansion of chemical dependency treatment  
6.17 services. ~~The commissioner shall deny vendor certification to any provider that has not~~  
6.18 ~~received prior approval from the commissioner for the creation of new programs or the~~  
6.19 ~~expansion of existing program capacity. The commissioner shall consider the provider's~~  
6.20 ~~capacity to obtain clients from outside the state based on plans, agreements, and previous~~  
6.21 ~~utilization history, when determining the need for new treatment services~~ The commissioner  
6.22 may deny vendor certification to a provider if the commissioner determines that the services  
6.23 currently available in the local area are sufficient to meet local need and that the addition  
6.24 of new services would be detrimental to individuals seeking these services."

6.25 Page 4, after line 23, insert:

6.26 "(b) A provider must specify in the provider's application what geographic area and  
6.27 populations will be primarily served by the proposed program. A provider must submit  
6.28 evidence that in planning for the proposed program it has solicited feedback from the county  
6.29 in which the proposed program would be located regarding how the proposed programming  
6.30 relates to the types of programming identified by the local mental health authority as being  
6.31 needed for the county in which the proposed program would be located and how the proposed  
6.32 populations to be served relate to the populations identified by the local mental health  
6.33 authority as being in need of services for the county in which the proposed program would  
6.34 be located. A provider must submit evidence that it has identified a process for aligning the  
6.35 proposed program with local mental health authority's efforts. A provider must submit

7.1 evidence of ongoing relationships with other providers, the county where the program will  
7.2 be located, and levels of care to facilitate referrals to and from the proposed program. The  
7.3 commissioner may deny approval of a provider's application if the commissioner determines  
7.4 that the services currently available in the local area are sufficient to meet local need and  
7.5 that the addition of new services would be detrimental to individuals seeking these services."

7.6 Page 4, line 24, strike "(b)" and insert "(c)"

7.7 Page 5, line 13, strike "(c)" and insert "(d)"

7.8 Page 5, after line 28, insert:

7.9 "(c) A provider must specify in the provider's application what geographic area and  
7.10 populations will be primarily served by the proposed program. A provider must submit  
7.11 evidence that in planning for the proposed program it has solicited feedback from the county  
7.12 in which the proposed program would be located regarding how the proposed programming  
7.13 relates to the types of programing identified by the local mental health authority as being  
7.14 needed for the county in which the proposed program would be located and how the proposed  
7.15 populations to be served relate to the populations identified by the local mental health  
7.16 authority as being in need of services for the county in which the proposed program would  
7.17 be located. A provider must submit evidence that it has identified a process for aligning the  
7.18 proposed program with local mental health authority's efforts. A provider must submit  
7.19 evidence of ongoing relationships with other providers, the county where the program will  
7.20 be located, and levels of care to facilitate referrals to and from the proposed program. The  
7.21 commissioner may deny approval of a provider's application if the commissioner determines  
7.22 that the services currently available in the local area are sufficient to meet local need and  
7.23 that the addition of new services would be detrimental to individuals seeking these services."

7.24 Page 6, line 7, reinstate the stricken "(c)"

7.25 Page 6, line 12, after the stricken "services." insert "A provider must specify in the  
7.26 provider's application what geographic area and populations will be primarily served by the  
7.27 proposed program. A provider must submit evidence that in planning for the proposed  
7.28 program it has solicited feedback from the county in which the proposed program would  
7.29 be located regarding how the proposed programming relates to the types of programing  
7.30 identified by the local mental health authority as being needed for the county in which the  
7.31 proposed program would be located and how the proposed populations to be served relate  
7.32 to the populations identified by the local mental health authority as being in need of services  
7.33 for the county in which the proposed program would be located. A provider must submit  
7.34 evidence that it has identified a process for aligning the proposed program with local mental

8.1 health authority's efforts. A provider must submit evidence of ongoing relationships with  
8.2 other providers, the county where the program will be located, and levels of care to facilitate  
8.3 referrals to and from the proposed program. The commissioner may deny approval of a  
8.4 provider's application if the commissioner determines that the services currently available  
8.5 in the local area are sufficient to meet local need and that the addition of new services would  
8.6 be detrimental to individuals seeking these services."

8.7 Page 6, lines 13, 14, and 17, reinstate the stricken language and delete the new language  
8.8 Page 9, after line 12, insert:

8.9 "(d) A provider entity that is providing crisis stabilization services in a residential setting  
8.10 as described in subdivision 7, is not required to meet the requirements of paragraph (a),  
8.11 clause (1) or (2), of this subdivision, but must still meet the standards of paragraph (c). A  
8.12 provider entity that is providing crisis stabilization services in a residential setting as  
8.13 described in subdivision 7 must specify in the provider entity's application what geographic  
8.14 area and populations will be primarily served by the proposed program. A provider must  
8.15 submit evidence that in planning for the proposed program it has solicited feedback from  
8.16 the county in which the proposed program would be located regarding how the proposed  
8.17 programming relates to the types of programming identified by the local mental health  
8.18 authority as being needed for the county in which the proposed program would be located  
8.19 and how the proposed populations to be served relate to the populations identified by the  
8.20 local mental health authority as being in need of services for the county in which the proposed  
8.21 program would be located. A provider must submit evidence that it has identified a process  
8.22 for aligning the proposed program with local mental health authority's efforts. A provider  
8.23 must submit evidence of ongoing relationships with other providers, the county where the  
8.24 program will be located, and levels of care to facilitate referrals to and from the proposed  
8.25 program. The commissioner may deny approval of a provider entity's application if the  
8.26 commissioner determines that the services currently available in the local area are sufficient  
8.27 to meet local need and that the addition of new services would be detrimental to individuals  
8.28 seeking these services."

8.29 Renumber the sections in sequence and correct the internal references

8.30 Amend the title accordingly