

1.1 moves to amend H.F. No. 2319 as follows:

1.2 Page 10, after line 9, insert:

1.3 "Sec. Minnesota Statutes 2018, section 245A.02, subdivision 3, is amended to read:

1.4 Subd. 3. **Applicant.** "Applicant" means an individual, ~~corporation, partnership, voluntary~~
1.5 ~~association, controlling individual, or other~~ organization, or government entity, as defined
1.6 in section 13.02, subdivision 7a, that has applied for licensure under this chapter and the
1.7 rules of the commissioner is subject to licensure under this chapter and that has applied for
1.8 but not yet been granted a license under this chapter.

1.9 **EFFECTIVE DATE.** This section is effective January 1, 2020.

1.10 Sec. Minnesota Statutes 2018, section 245A.02, is amended by adding a subdivision
1.11 to read:

1.12 **Subd. 3b. Authorized agent.** "Authorized agent" means the controlling individual
1.13 designated by the license holder responsible for communicating with the commissioner of
1.14 human services on all matters related to this chapter and on whom service of all notices and
1.15 orders must be made pursuant to section 245A.04, subdivision 1.

1.16 **EFFECTIVE DATE.** This section is effective January 1, 2020.

1.17 Sec. Minnesota Statutes 2018, section 245A.02, subdivision 8, is amended to read:

1.18 Subd. 8. **License.** "License" means a certificate issued by the commissioner under section
1.19 245A.04 authorizing the license holder to provide a specified program for a specified period
1.20 of time and in accordance with the terms of the license and the rules of the commissioner.

1.21 **EFFECTIVE DATE.** This section is effective January 1, 2020.

2.1 Sec. Minnesota Statutes 2018, section 245A.02, subdivision 9, is amended to read:

2.2 Subd. 9. **License holder.** "License holder" means an individual, ~~corporation, partnership,~~
2.3 ~~voluntary association, or other~~ organization, or government entity that is legally responsible
2.4 for the operation of the program or service, and has been granted a license by the
2.5 commissioner under this chapter ~~or chapter 245D~~ and the rules of the commissioner, ~~and~~
2.6 ~~is a controlling individual.~~

2.7 **EFFECTIVE DATE.** This section is effective January 1, 2020.

2.8 Sec. Minnesota Statutes 2018, section 245A.02, is amended by adding a subdivision
2.9 to read:

2.10 Subd. 10c. **Organization.** "Organization" means a domestic or foreign corporation,
2.11 nonprofit corporation, limited liability company, partnership, limited partnership, limited
2.12 liability partnership, association, voluntary association, and any other legal or commercial
2.13 entity. For purposes of this chapter, organization does not include a government entity.

2.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

2.15 Sec. Minnesota Statutes 2018, section 245A.02, subdivision 12, is amended to read:

2.16 Subd. 12. **Private agency.** "Private agency" means an ~~individual, corporation, partnership,~~
2.17 ~~voluntary association or other~~ organization, other than a county agency, or a court with
2.18 jurisdiction, that places persons who cannot remain in their own homes in residential
2.19 programs, foster care, or adoptive homes.

2.20 **EFFECTIVE DATE.** This section is effective January 1, 2020.

2.21 Sec. Minnesota Statutes 2018, section 245A.02, subdivision 14, is amended to read:

2.22 Subd. 14. **Residential program.** (a) Except as provided in paragraph (b), "residential
2.23 program" means a program that provides 24-hour-a-day care, supervision, food, lodging,
2.24 rehabilitation, training, education, habilitation, or treatment outside a person's own home,
2.25 including a program in an intermediate care facility for four or more persons with
2.26 developmental disabilities; and chemical dependency or chemical abuse programs that are
2.27 located in a hospital or nursing home and receive public funds for providing chemical abuse
2.28 or chemical dependency treatment services under chapter 254B. Residential programs
2.29 include home and community-based services for persons with disabilities or persons age
2.30 65 and older that are provided in or outside of a person's own home under chapter 245D.

3.1 (b) For a residential program under chapter 245D, "residential program" means a single
 3.2 or multifamily dwelling that is under the control, either directly or indirectly, of the service
 3.3 provider licensed under chapter 245D and in which at least one person receives services
 3.4 under chapter 245D, including residential supports and services under section 245D.03,
 3.5 subdivision 1, paragraph (c), clause (3); out-of-home crisis respite services under section
 3.6 245D.03, subdivision 1, paragraph (c), clause (1), item (ii); and out-of-home respite services
 3.7 under section 245D.03, subdivision 1, paragraph (b), clause (1). A residential program does
 3.8 not include out-of-home respite services when a case manager has determined that an
 3.9 unlicensed site meets the assessed needs of the person. A residential program also does not
 3.10 include multifamily dwellings where persons receive integrated community supports, even
 3.11 if authorization to provide these supports is granted under chapter 245D and approved in
 3.12 the federal waiver.

3.13 Sec. Minnesota Statutes 2018, section 245A.03, subdivision 1, is amended to read:

3.14 Subdivision 1. **License required.** Unless licensed by the commissioner under this chapter,
 3.15 an individual, ~~corporation, partnership, voluntary association,~~ other organization, or
 3.16 ~~controlling individual~~ government entity must not:

3.17 (1) operate a residential or a nonresidential program;

3.18 (2) receive a child or adult for care, supervision, or placement in foster care or adoption;

3.19 (3) help plan the placement of a child or adult in foster care or adoption or engage in
 3.20 placement activities as defined in section 259.21, subdivision 9, in this state, whether or not
 3.21 the adoption occurs in this state; or

3.22 (4) advertise a residential or nonresidential program.

3.23 **EFFECTIVE DATE.** This section is effective January 1, 2020.

3.24 Sec. Minnesota Statutes 2018, section 245A.03, subdivision 3, is amended to read:

3.25 Subd. 3. **Unlicensed programs.** (a) It is a misdemeanor for an individual, ~~corporation,~~
 3.26 ~~partnership, voluntary association,~~ other organization, or a ~~controlling individual~~ government
 3.27 entity to provide a residential or nonresidential program without a license issued under this
 3.28 chapter and in willful disregard of this chapter unless the program is excluded from licensure
 3.29 under subdivision 2.

3.30 (b) The commissioner may ask the appropriate county attorney or the attorney general
 3.31 to begin proceedings to secure a court order against the continued operation of the program,

4.1 if an individual, ~~corporation, partnership, voluntary association, other~~ organization, or
 4.2 ~~controlling individual~~ government entity has:

4.3 (1) failed to apply for a license under this chapter after receiving notice that a license is
 4.4 required or continues to operate without a license after receiving notice that a license is
 4.5 required;

4.6 (2) continued to operate without a license after ~~the~~ a license issued under this chapter
 4.7 has been revoked or suspended under ~~section 245A.07~~ this chapter, and the commissioner
 4.8 has issued a final order affirming the revocation or suspension, or the license holder did not
 4.9 timely appeal the sanction; or

4.10 (3) continued to operate without a license after ~~the~~ a temporary immediate suspension
 4.11 of a license has been temporarily suspended under section 245A.07 issued under this chapter.

4.12 (c) The county attorney and the attorney general have a duty to cooperate with the
 4.13 commissioner.

4.14 **EFFECTIVE DATE.** This section is effective January 1, 2020.

4.15 Sec. Minnesota Statutes 2018, section 245A.04, subdivision 1, is amended to read:

4.16 Subdivision 1. **Application for licensure.** (a) An individual, ~~corporation, partnership,~~
 4.17 ~~voluntary association, other~~ organization or ~~controlling individual,~~ or government entity
 4.18 that is subject to licensure under section 245A.03 must apply for a license. The application
 4.19 must be made on the forms and in the manner prescribed by the commissioner. The
 4.20 commissioner shall provide the applicant with instruction in completing the application and
 4.21 provide information about the rules and requirements of other state agencies that affect the
 4.22 applicant. An applicant seeking licensure in Minnesota with headquarters outside of
 4.23 Minnesota must have a program office located within 30 miles of the Minnesota state border.
 4.24 An applicant who intends to buy or otherwise acquire a program or services licensed under
 4.25 this chapter that is owned by another license holder must apply for a license under this
 4.26 chapter and comply with the application procedures in this section and section 245A.03.

4.27 The commissioner shall act on the application within 90 working days after a complete
 4.28 application and any required reports have been received from other state agencies or
 4.29 departments, counties, municipalities, or other political subdivisions. The commissioner
 4.30 shall not consider an application to be complete until the commissioner receives all of the
 4.31 ~~information~~ required ~~under section 245C.05~~ information.

4.32 When the commissioner receives an application for initial licensure that is incomplete
 4.33 because the applicant failed to submit required documents or that is substantially deficient

5.1 because the documents submitted do not meet licensing requirements, the commissioner
5.2 shall provide the applicant written notice that the application is incomplete or substantially
5.3 deficient. In the written notice to the applicant the commissioner shall identify documents
5.4 that are missing or deficient and give the applicant 45 days to resubmit a second application
5.5 that is substantially complete. An applicant's failure to submit a substantially complete
5.6 application after receiving notice from the commissioner is a basis for license denial under
5.7 section 245A.05.

5.8 (b) An application for licensure must identify all controlling individuals as defined in
5.9 section 245A.02, subdivision 5a, and must specify an designate one individual to be the
5.10 authorized agent who is responsible for dealing with the commissioner of human services
5.11 on all matters provided for in this chapter and on whom service of all notices and orders
5.12 must be made. The application must be signed by the authorized agent and must include
5.13 the authorized agent's first, middle, and last name; mailing address; and e-mail address. By
5.14 submitting an application for licensure, the authorized agent consents to electronic
5.15 communication with the commissioner throughout the application process. The authorized
5.16 agent must be authorized to accept service on behalf of all of the controlling individuals of
5.17 the program. A government entity that holds multiple licenses under this chapter may
5.18 designate one authorized agent for all licenses issued under this chapter or may designate
5.19 a different authorized agent for each license. Service on the authorized agent is service on
5.20 all of the controlling individuals of the program. It is not a defense to any action arising
5.21 under this chapter that service was not made on each controlling individual of the program.
5.22 The designation of one or more a controlling individuals individual as agents the authorized
5.23 agent under this paragraph does not affect the legal responsibility of any other controlling
5.24 individual under this chapter.

5.25 (c) An applicant or license holder must have a policy that prohibits license holders,
5.26 employees, subcontractors, and volunteers, when directly responsible for persons served
5.27 by the program, from abusing prescription medication or being in any manner under the
5.28 influence of a chemical that impairs the individual's ability to provide services or care. The
5.29 license holder must train employees, subcontractors, and volunteers about the program's
5.30 drug and alcohol policy.

5.31 (d) An applicant and license holder must have a program grievance procedure that permits
5.32 persons served by the program and their authorized representatives to bring a grievance to
5.33 the highest level of authority in the program.

5.34 (e) ~~The applicant must be able to demonstrate competent knowledge of the applicable~~
5.35 ~~requirements of this chapter and chapter 245C, and the requirements of other licensing~~

6.1 ~~statutes and rules applicable to the program or services for which the applicant is seeking~~
6.2 ~~to be licensed. Effective January 1, 2013, The commissioner may limit communication~~
6.3 ~~during the application process to the authorized agent or the controlling individuals identified~~
6.4 ~~on the license application and for whom a background study was initiated under chapter~~
6.5 ~~245C.~~ The commissioner may require the applicant, except for child foster care, to
6.6 demonstrate competence in the applicable licensing requirements by successfully completing
6.7 a written examination. The commissioner may develop a prescribed written examination
6.8 format.

6.9 (f) When an applicant is an individual, the ~~individual~~ applicant must provide:

6.10 (1) the applicant's taxpayer identification numbers including the Social Security number
6.11 or Minnesota tax identification number, and federal employer identification number if the
6.12 applicant has employees;

6.13 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
6.14 of state that includes the complete business name, if any, ~~and~~;

6.15 (3) if doing business under a different name, the doing business as (DBA) name, as
6.16 registered with the secretary of state; ~~and~~

6.17 ~~(3) a notarized signature of the applicant.~~ (4) if applicable, the applicant's National
6.18 Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number;
6.19 and

6.20 (5) at the request of the commissioner, the notarized signature of the applicant or
6.21 authorized agent.

6.22 (g) When an applicant is a ~~nonindividual~~ an organization, the applicant must provide
6.23 ~~the~~:

6.24 (1) the applicant's taxpayer identification numbers including the Minnesota tax
6.25 identification number and federal employer identification number;

6.26 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
6.27 of state that includes the complete business name, and if doing business under a different
6.28 name, the doing business as (DBA) name, as registered with the secretary of state;

6.29 (3) the first, middle, and last name, and address for all individuals who will be controlling
6.30 individuals, including all officers, owners, and managerial officials as defined in section
6.31 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
6.32 for each controlling individual; ~~and~~

7.1 ~~(4) first, middle, and last name, mailing address, and notarized signature of the agent~~
7.2 ~~authorized by the applicant to accept service on behalf of the controlling individuals.~~

7.3 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
7.4 Minnesota Provider Identifier (UMPI) number;

7.5 (5) the documents that created the organization and that determine the organization's
7.6 internal governance and the relations among the persons that own the organization, have
7.7 an interest in the organization, or are members of the organization, in each case as provided
7.8 or authorized by the organization's governing statute, which may include a partnership
7.9 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
7.10 or comparable documents as provided in the organization's governing statute; and

7.11 (6) the notarized signature of the applicant or authorized agent.

7.12 (h) When the applicant is a government entity, the applicant must provide:

7.13 (1) the name of the government agency, political subdivision, or other unit of government
7.14 seeking the license and the name of the program or services that will be licensed;

7.15 (2) the applicant's taxpayer identification numbers including the Minnesota tax
7.16 identification number and federal employer identification number;

7.17 (3) a letter signed by the manager, administrator, or other executive of the government
7.18 entity authorizing the submission of the license application; and

7.19 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
7.20 Minnesota Provider Identifier (UMPI) number.

7.21 ~~(h)~~ (i) At the time of application for licensure or renewal of a license under this chapter,
7.22 the applicant or license holder must acknowledge on the form provided by the commissioner
7.23 if the applicant or license holder elects to receive any public funding reimbursement from
7.24 the commissioner for services provided under the license that:

7.25 (1) the applicant's or license holder's compliance with the provider enrollment agreement
7.26 or registration requirements for receipt of public funding may be monitored by the
7.27 commissioner as part of a licensing investigation or licensing inspection; and

7.28 (2) noncompliance with the provider enrollment agreement or registration requirements
7.29 for receipt of public funding that is identified through a licensing investigation or licensing
7.30 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
7.31 reimbursement for a service, may result in:

8.1 (i) a correction order or a conditional license under section 245A.06, or sanctions under
8.2 section 245A.07;

8.3 (ii) nonpayment of claims submitted by the license holder for public program
8.4 reimbursement;

8.5 (iii) recovery of payments made for the service;

8.6 (iv) disenrollment in the public payment program; or

8.7 (v) other administrative, civil, or criminal penalties as provided by law.

8.8 **EFFECTIVE DATE.** This section is effective January 1, 2020.

8.9 Sec. Minnesota Statutes 2018, section 245A.04, subdivision 2, is amended to read:

8.10 Subd. 2. **Notification of affected municipality.** The commissioner must not issue a
8.11 license under this chapter without giving 30 calendar days' written notice to the affected
8.12 municipality or other political subdivision unless the program is considered a permitted
8.13 single-family residential use under sections 245A.11 and 245A.14. The commissioner may
8.14 provide notice through electronic communication. The notification must be given before
8.15 the first issuance of a license under this chapter and annually after that time if annual
8.16 notification is requested in writing by the affected municipality or other political subdivision.
8.17 State funds must not be made available to or be spent by an agency or department of state,
8.18 county, or municipal government for payment to a residential or nonresidential program
8.19 licensed under this chapter until the provisions of this subdivision have been complied with
8.20 in full. The provisions of this subdivision shall not apply to programs located in hospitals.

8.21 **EFFECTIVE DATE.** This section is effective January 1, 2020.

8.22 Sec. Minnesota Statutes 2018, section 245A.04, subdivision 4, is amended to read:

8.23 Subd. 4. **Inspections; waiver.** (a) Before issuing ~~an initial~~ a license under this chapter,
8.24 the commissioner shall conduct an inspection of the program. The inspection must include
8.25 but is not limited to:

8.26 (1) an inspection of the physical plant;

8.27 (2) an inspection of records and documents;

8.28 (3) ~~an evaluation of the program by consumers of the program;~~

8.29 (4) observation of the program in operation; and

9.1 ~~(5)~~ (4) an inspection for the health, safety, and fire standards in licensing requirements
 9.2 for a child care license holder.

9.3 ~~For the purposes of this subdivision, "consumer" means a person who receives the~~
 9.4 ~~services of a licensed program, the person's legal guardian, or the parent or individual having~~
 9.5 ~~legal custody of a child who receives the services of a licensed program.~~

9.6 (b) The ~~evaluation required in paragraph (a), clause (3), or the observation in paragraph~~
 9.7 (a), clause ~~(4)~~ (3), is not required prior to issuing ~~an initial~~ a license under subdivision 7. If
 9.8 the commissioner issues ~~an initial~~ a license under ~~subdivision 7~~ this chapter, these
 9.9 requirements must be completed within one year after the issuance of ~~an initial~~ the license.

9.10 (c) Before completing a licensing inspection in a family child care program or child care
 9.11 center, the licensing agency must offer the license holder an exit interview to discuss
 9.12 violations of law or rule observed during the inspection and offer technical assistance on
 9.13 how to comply with applicable laws and rules. Nothing in this paragraph limits the ability
 9.14 of the commissioner to issue a correction order or negative action for violations of law or
 9.15 rule not discussed in an exit interview or in the event that a license holder chooses not to
 9.16 participate in an exit interview.

9.17 (d) The commissioner or the county shall inspect at least annually a child care provider
 9.18 licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance
 9.19 with applicable licensing standards.

9.20 (e) No later than November 19, 2017, the commissioner shall make publicly available
 9.21 on the department's website the results of inspection reports of all child care providers
 9.22 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
 9.23 number of deaths, serious injuries, and instances of substantiated child maltreatment that
 9.24 occurred in licensed child care settings each year.

9.25 **EFFECTIVE DATE.** This section is effective January 1, 2020.

9.26 Sec. Minnesota Statutes 2018, section 245A.04, subdivision 6, is amended to read:

9.27 Subd. 6. **Commissioner's evaluation.** (a) Before issuing, denying, suspending, revoking,
 9.28 or making conditional a license, the commissioner shall evaluate information gathered under
 9.29 this section. The commissioner's evaluation shall consider the applicable requirements of
 9.30 statutes and rules for the program or services for which the applicant seeks a license,
 9.31 including the disqualification standards set forth in chapter 245C, and shall evaluate facts,
 9.32 conditions, or circumstances concerning:

9.33 (1) the program's operation;

- 10.1 (2) the well-being of persons served by the program;²
- 10.2 (3) available ~~consumer~~ evaluations of the program, ~~and~~ by persons receiving services;
- 10.3 (4) information about the qualifications of the personnel employed by the applicant or
- 10.4 license holder.; and
- 10.5 (5) the applicant's or license holder's ability to demonstrate competent knowledge of the
- 10.6 applicable requirements of statutes and rules including this chapter and chapter 245C for
- 10.7 which the applicant seeks a license or the license holder is licensed.

10.8 (b) The commissioner shall also evaluate the results of the study required in subdivision

10.9 3 and determine whether a risk of harm to the persons served by the program exists. In

10.10 conducting this evaluation, the commissioner shall apply the disqualification standards set

10.11 forth in chapter 245C.

10.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

10.13 Sec. Minnesota Statutes 2018, section 245A.04, subdivision 7, is amended to read:

10.14 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that

10.15 the program complies with all applicable rules and laws, the commissioner shall issue a

10.16 license consistent with this section or, if applicable, a temporary change of ownership license

10.17 under section 245A.043. At minimum, the license shall state:

- 10.18 (1) the name of the license holder;
- 10.19 (2) the address of the program;
- 10.20 (3) the effective date and expiration date of the license;
- 10.21 (4) the type of license;
- 10.22 (5) the maximum number and ages of persons that may receive services from the program;
- 10.23 and
- 10.24 (6) any special conditions of licensure.

10.25 (b) The commissioner may issue ~~an initial~~ a license for a period not to exceed two years

10.26 if:

- 10.27 (1) the commissioner is unable to conduct the evaluation or observation required by
- 10.28 subdivision 4, paragraph (a), ~~clauses (3) and~~ clause (4), because the program is not yet
- 10.29 operational;

11.1 (2) certain records and documents are not available because persons are not yet receiving
11.2 services from the program; and

11.3 (3) the applicant complies with applicable laws and rules in all other respects.

11.4 (c) A decision by the commissioner to issue a license does not guarantee that any person
11.5 or persons will be placed or cared for in the licensed program. ~~A license shall not be~~
11.6 ~~transferable to another individual, corporation, partnership, voluntary association, other~~
11.7 ~~organization, or controlling individual or to another location.~~

11.8 ~~(d) A license holder must notify the commissioner and obtain the commissioner's approval~~
11.9 ~~before making any changes that would alter the license information listed under paragraph~~
11.10 ~~(a).~~

11.11 ~~(e)~~ (d) Except as provided in paragraphs ~~(g)~~ (f) and ~~(h)~~ (g), the commissioner shall not
11.12 issue or reissue a license if the applicant, license holder, or controlling individual has:

11.13 (1) been disqualified and the disqualification was not set aside and no variance has been
11.14 granted;

11.15 (2) been denied a license under this chapter, within the past two years;

11.16 (3) had a license issued under this chapter revoked within the past five years;

11.17 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement
11.18 for which payment is delinquent; or

11.19 (5) failed to submit the information required of an applicant under subdivision 1,
11.20 paragraph (f) or (g), after being requested by the commissioner.

11.21 When a license issued under this chapter is revoked under clause (1) or (3), the license
11.22 holder and controlling individual may not hold any license under chapter 245A ~~or 245D~~ for
11.23 five years following the revocation, and other licenses held by the applicant, license holder,
11.24 or controlling individual shall also be revoked.

11.25 ~~(f)~~ (e) The commissioner shall not issue or reissue a license under this chapter if an
11.26 individual living in the household where the licensed services will be provided as specified
11.27 under section 245C.03, subdivision 1, has been disqualified and the disqualification has not
11.28 been set aside and no variance has been granted.

11.29 ~~(g)~~ (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
11.30 under this chapter has been suspended or revoked and the suspension or revocation is under
11.31 appeal, the program may continue to operate pending a final order from the commissioner.
11.32 If the license under suspension or revocation will expire before a final order is issued, a

12.1 temporary provisional license may be issued provided any applicable license fee is paid
 12.2 before the temporary provisional license is issued.

12.3 ~~(h)~~ (g) Notwithstanding paragraph ~~(g)~~ (f), when a revocation is based on the
 12.4 disqualification of a controlling individual or license holder, and the controlling individual
 12.5 or license holder is ordered under section 245C.17 to be immediately removed from direct
 12.6 contact with persons receiving services or is ordered to be under continuous, direct
 12.7 supervision when providing direct contact services, the program may continue to operate
 12.8 only if the program complies with the order and submits documentation demonstrating
 12.9 compliance with the order. If the disqualified individual fails to submit a timely request for
 12.10 reconsideration, or if the disqualification is not set aside and no variance is granted, the
 12.11 order to immediately remove the individual from direct contact or to be under continuous,
 12.12 direct supervision remains in effect pending the outcome of a hearing and final order from
 12.13 the commissioner.

12.14 ~~(h)~~ (h) For purposes of reimbursement for meals only, under the Child and Adult Care
 12.15 Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A,
 12.16 part 226, relocation within the same county by a licensed family day care provider, shall
 12.17 be considered an extension of the license for a period of no more than 30 calendar days or
 12.18 until the new license is issued, whichever occurs first, provided the county agency has
 12.19 determined the family day care provider meets licensure requirements at the new location.

12.20 ~~(i)~~ (i) Unless otherwise specified by statute, all licenses issued under this chapter expire
 12.21 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
 12.22 apply for and be granted a new license to operate the program or the program must not be
 12.23 operated after the expiration date.

12.24 ~~(j)~~ (j) The commissioner shall not issue or reissue a license under this chapter if it has
 12.25 been determined that a tribal licensing authority has established jurisdiction to license the
 12.26 program or service.

12.27 **EFFECTIVE DATE.** This section is effective January 1, 2020.

12.28 Sec. Minnesota Statutes 2018, section 245A.04, is amended by adding a subdivision
 12.29 to read:

12.30 **Subd. 7a. Notification required.** (a) A license holder must notify the commissioner, in
 12.31 a manner prescribed by the commissioner, and obtain the commissioner's approval before
 12.32 making any change that would alter the license information listed under subdivision 7,
 12.33 paragraph (a).

13.1 (b) A license holder must also notify the commissioner, in a manner prescribed by the
 13.2 commissioner, before making any change:

13.3 (1) to the license holder's authorized agent as defined in section 245A.02, subdivision
 13.4 3b;

13.5 (2) to the license holder's controlling individual as defined in section 245A.02, subdivision
 13.6 5a;

13.7 (3) to the license holder information on file with the secretary of state;

13.8 (4) in the location of the program or service licensed under this chapter; and

13.9 (5) in the federal or state tax identification number associated with the license holder.

13.10 (c) When, for reasons beyond the license holder's control, a license holder cannot provide
 13.11 the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the
 13.12 license holder must notify the commissioner by the tenth business day after the change and
 13.13 must provide any additional information requested by the commissioner.

13.14 (d) When a license holder notifies the commissioner of a change to the license holder
 13.15 information on file with the secretary of state, the license holder must provide amended
 13.16 articles of incorporation and other documentation of the change.

13.17 **EFFECTIVE DATE.** This section is effective January 1, 2020.

13.18 Sec. Minnesota Statutes 2018, section 245A.04, subdivision 10, is amended to read:

13.19 Subd. 10. **Adoption agency; additional requirements.** In addition to the other
 13.20 requirements of this section, an individual, ~~corporation, partnership, voluntary association,~~
 13.21 ~~other or organization, or controlling individual~~ applying for a license to place children for
 13.22 adoption must:

13.23 (1) incorporate as a nonprofit corporation under chapter 317A;

13.24 (2) file with the application for licensure a copy of the disclosure form required under
 13.25 section 259.37, subdivision 2;

13.26 (3) provide evidence that a bond has been obtained and will be continuously maintained
 13.27 throughout the entire operating period of the agency, to cover the cost of transfer of records
 13.28 to and storage of records by the agency which has agreed, according to rule established by
 13.29 the commissioner, to receive the applicant agency's records if the applicant agency voluntarily
 13.30 or involuntarily ceases operation and fails to provide for proper transfer of the records. The
 13.31 bond must be made in favor of the agency which has agreed to receive the records; and

14.1 (4) submit a certified audit to the commissioner each year the license is renewed as
14.2 required under section 245A.03, subdivision 1.

14.3 **EFFECTIVE DATE.** This section is effective January 1, 2020.

14.4 Sec. **[245A.043] LICENSE APPLICATION AFTER A CHANGE OF**
14.5 **OWNERSHIP.**

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

14.9 Subd. 2. **Change in ownership.** (a) If the commissioner determines that there is a change
14.10 in ownership, the commissioner shall require submission of a new license application. This
14.11 subdivision does not apply to a licensed program or service located in a home where the
14.12 license holder resides. A change in ownership occurs when:

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

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

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

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

14.19 (5) all controlling individuals associated with the original application have changed.

14.20 (b) Notwithstanding paragraph (a), clauses (1) and (5), no change in ownership has
14.21 occurred if at least one controlling individual has been listed as a controlling individual for
14.22 the license for at least the previous 12 months.

14.23 Subd. 3. **Change of ownership process.** (a) When a change in ownership is proposed
14.24 and the party intends to assume operation without an interruption in service longer than 60
14.25 days after acquiring the program or service, the license holder must provide the commissioner
14.26 with written notice of the proposed change on a form provided by the commissioner at least
14.27 60 days before the anticipated date of the change in ownership. For purposes of this
14.28 subdivision and subdivision 4, "party" means the party that intends to operate the service
14.29 or program.

14.30 (b) The party must submit a license application under this chapter on the form and in
14.31 the manner prescribed by the commissioner at least 30 days before the change in ownership
14.32 is complete, and must include documentation to support the upcoming change. The party

15.1 must comply with background study requirements under chapter 245C and shall pay the
15.2 application fee required under section 245A.10. A party that intends to assume operation
15.3 without an interruption in service longer than 60 days after acquiring the program or service
15.4 is exempt from the requirements of Minnesota Rules, part 9530.6800.

15.5 (c) The commissioner may streamline application procedures when the party is an existing
15.6 license holder under this chapter and is acquiring a program licensed under this chapter or
15.7 service in the same service class as one or more licensed programs or services the party
15.8 operates and those licenses are in substantial compliance. For purposes of this subdivision,
15.9 "substantial compliance" means within the previous 12 months the commissioner did not
15.10 (1) issue a sanction under section 245A.07 against a license held by the party, or (2) make
15.11 a license held by the party conditional according to section 245A.06.

15.12 (d) Except when a temporary change in ownership license is issued pursuant to
15.13 subdivision 4, the existing license holder is solely responsible for operating the program
15.14 according to applicable laws and rules until a license under this chapter is issued to the
15.15 party.

15.16 (e) If a licensing inspection of the program or service was conducted within the previous
15.17 12 months and the existing license holder's record demonstrates substantial compliance with
15.18 the applicable licensing requirements, the commissioner may waive the party's inspection
15.19 required by section 245A.04, subdivision 4. The party must submit to the commissioner (1)
15.20 proof that the premises was inspected by a fire marshal or that the fire marshal deemed an
15.21 inspection was not warranted, and (2) proof that the premises was inspected for compliance
15.22 with the building code or no inspection was deemed warranted.

15.23 (f) If the party is seeking a license for a program or service that has an outstanding action
15.24 under section 245A.06 or 245A.07, the party must submit a letter as part of the application
15.25 process identifying how the party has or will come into full compliance with the licensing
15.26 requirements.

15.27 (g) The commissioner shall evaluate the party's application according to section 245A.04,
15.28 subdivision 6. If the commissioner determines that the party has remedied or demonstrates
15.29 the ability to remedy the outstanding actions under section 245A.06 or 245A.07 and has
15.30 determined that the program otherwise complies with all applicable laws and rules, the
15.31 commissioner shall issue a license or conditional license under this chapter. The conditional
15.32 license remains in effect until the commissioner determines that the grounds for the action
15.33 are corrected or no longer exist.

16.1 (h) The commissioner may deny an application as provided in section 245A.05. An
16.2 applicant whose application was denied by the commissioner may appeal the denial according
16.3 to section 245A.05.

16.4 (i) This subdivision does not apply to a licensed program or service located in a home
16.5 where the license holder resides.

16.6 Subd. 4. **Temporary change in ownership license.** (a) After receiving the party's
16.7 application pursuant to subdivision 3, upon the written request of the existing license holder
16.8 and the party, the commissioner may issue a temporary change in ownership license to the
16.9 party while the commissioner evaluates the party's application. Until a decision is made to
16.10 grant or deny a license under this chapter, the existing license holder and the party shall
16.11 both be responsible for operating the program or service according to applicable laws and
16.12 rules, and the sale or transfer of the existing license holder's ownership interest in the licensed
16.13 program or service does not terminate the existing license.

16.14 (b) The commissioner may issue a temporary change in ownership license when a license
16.15 holder's death, divorce, or other event affects the ownership of the program and an applicant
16.16 seeks to assume operation of the program or service to ensure continuity of the program or
16.17 service while a license application is evaluated.

16.18 (c) This subdivision applies to any program or service licensed under this chapter.

16.19 **EFFECTIVE DATE.** This section is effective January 1, 2020.

16.20 Sec. Minnesota Statutes 2018, section 245A.05, is amended to read:

16.21 **245A.05 DENIAL OF APPLICATION.**

16.22 (a) The commissioner may deny a license if an applicant or controlling individual:

16.23 (1) fails to submit a substantially complete application after receiving notice from the
16.24 commissioner under section 245A.04, subdivision 1;

16.25 (2) fails to comply with applicable laws or rules;

16.26 (3) knowingly withholds relevant information from or gives false or misleading
16.27 information to the commissioner in connection with an application for a license or during
16.28 an investigation;

16.29 (4) has a disqualification that has not been set aside under section 245C.22 and no
16.30 variance has been granted;

17.1 (5) has an individual living in the household who received a background study under
 17.2 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that
 17.3 has not been set aside under section 245C.22, and no variance has been granted;

17.4 (6) is associated with an individual who received a background study under section
 17.5 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
 17.6 children or vulnerable adults, and who has a disqualification that has not been set aside
 17.7 under section 245C.22, and no variance has been granted; or

17.8 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

17.9 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
 17.10 6;

17.11 (9) has a history of noncompliance as a license holder or controlling individual with
 17.12 applicable laws or rules including but not limited to this chapter and chapters 119B and
 17.13 245C; or

17.14 (10) is prohibited from holding a license according to section 245.095.

17.15 (b) An applicant whose application has been denied by the commissioner must be given
 17.16 notice of the denial, which must state the reasons for the denial in plain language. Notice
 17.17 must be given by certified mail or personal service. The notice must state the reasons the
 17.18 application was denied and must inform the applicant of the right to a contested case hearing
 17.19 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may
 17.20 appeal the denial by notifying the commissioner in writing by certified mail or personal
 17.21 service. If mailed, the appeal must be postmarked and sent to the commissioner within 20
 17.22 calendar days after the applicant received the notice of denial. If an appeal request is made
 17.23 by personal service, it must be received by the commissioner within 20 calendar days after
 17.24 the applicant received the notice of denial. Section 245A.08 applies to hearings held to
 17.25 appeal the commissioner's denial of an application.

17.26 **EFFECTIVE DATE.** This section is effective January 1, 2020.

17.27 Sec. **[245A.055] CLOSING A LICENSE.**

17.28 Subdivision 1. **Inactive programs.** The commissioner shall close a license if the
 17.29 commissioner determines that a licensed program has not been serving any client for a
 17.30 consecutive period of 12 months or longer. The license holder is not prohibited from
 17.31 reapplying for a license if the license holder's license was closed under this chapter.

18.1 Subd. 2. **Reconsideration of closure.** If a license is closed, the commissioner must
18.2 notify the license holder of closure by certified mail or personal service. If mailed, the notice
18.3 of closure must be mailed to the last known address of the license holder and must inform
18.4 the license holder why the license was closed and that the license holder has the right to
18.5 request reconsideration of the closure. If the license holder believes that the license was
18.6 closed in error, the license holder may ask the commissioner to reconsider the closure. The
18.7 license holder's request for reconsideration must be made in writing and must include
18.8 documentation that the licensed program has served a client in the previous 12 months. The
18.9 request for reconsideration must be postmarked and sent to the commissioner within 20
18.10 calendar days after the license holder receives the notice of closure. A timely request for
18.11 reconsideration stays imposition of the license closure until the commissioner issues a
18.12 decision on the request for reconsideration.

18.13 Subd. 3. **Reconsideration final.** The commissioner's disposition of a request for
18.14 reconsideration is final and not subject to appeal under chapter 14.

18.15 **EFFECTIVE DATE.** This section is effective January 1, 2020.

18.16 Sec. Minnesota Statutes 2018, section 245A.07, subdivision 1, is amended to read:

18.17 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
18.18 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
18.19 or secure an injunction against the continuing operation of the program of a license holder
18.20 who does not comply with applicable law or rule. When applying sanctions authorized under
18.21 this section, the commissioner shall consider the nature, chronicity, or severity of the violation
18.22 of law or rule and the effect of the violation on the health, safety, or rights of persons served
18.23 by the program.

18.24 (b) If a license holder appeals the suspension or revocation of a license and the license
18.25 holder continues to operate the program pending a final order on the appeal, the commissioner
18.26 shall issue the license holder a temporary provisional license. Unless otherwise specified
18.27 by the commissioner, variances in effect on the date of the license sanction under appeal
18.28 continue under the temporary provisional license. If a license holder fails to comply with
18.29 applicable law or rule while operating under a temporary provisional license, the
18.30 commissioner may impose additional sanctions under this section and section 245A.06, and
18.31 may terminate any prior variance. If a temporary provisional license is set to expire, a new
18.32 temporary provisional license shall be issued to the license holder upon payment of any fee
18.33 required under section 245A.10. The temporary provisional license shall expire on the date

19.1 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
 19.2 license shall be issued for the remainder of the current license period.

19.3 (c) If a license holder is under investigation and the license issued under this chapter is
 19.4 due to expire before completion of the investigation, the program shall be issued a new
 19.5 license upon completion of the reapplication requirements and payment of any applicable
 19.6 license fee. Upon completion of the investigation, a licensing sanction may be imposed
 19.7 against the new license under this section, section 245A.06, or 245A.08.

19.8 (d) Failure to reapply or closure of a license issued under this chapter by the license
 19.9 holder prior to the completion of any investigation shall not preclude the commissioner
 19.10 from issuing a licensing sanction under this section, or section 245A.06, ~~or 245A.08~~ at the
 19.11 conclusion of the investigation.

19.12 **EFFECTIVE DATE.** This section is effective January 1, 2020.

19.13 Sec. Minnesota Statutes 2018, section 245A.07, subdivision 2, is amended to read:

19.14 Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately
 19.15 to temporarily suspend a license issued under this chapter if:

19.16 (1) the license holder's actions or failure to comply with applicable law or rule, or the
 19.17 actions of other individuals or conditions in the program, pose an imminent risk of harm to
 19.18 the health, safety, or rights of persons served by the program; ~~or~~

19.19 (2) while the program continues to operate pending an appeal of an order of revocation,
 19.20 the commissioner identifies one or more subsequent violations of law or rule which may
 19.21 adversely affect the health or safety of persons served by the program; ~~or~~

19.22 (3) the license holder is criminally charged in state or federal court with an offense that
 19.23 involves fraud or theft against a program administered by the commissioner.

19.24 (b) No state funds shall be made available or be expended by any agency or department
 19.25 of state, county, or municipal government for use by a license holder regulated under this
 19.26 chapter while a license issued under this chapter is under immediate suspension. A notice
 19.27 stating the reasons for the immediate suspension and informing the license holder of the
 19.28 right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to
 19.29 1400.8612, must be delivered by personal service to the address shown on the application
 19.30 or the last known address of the license holder. The license holder may appeal an order
 19.31 immediately suspending a license. The appeal of an order immediately suspending a license
 19.32 must be made in writing by certified mail ~~or~~ personal service, or other means expressly set
 19.33 forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the

20.1 commissioner within five calendar days after the license holder receives notice that the
20.2 license has been immediately suspended. If a request is made by personal service, it must
20.3 be received by the commissioner within five calendar days after the license holder received
20.4 the order. A license holder and any controlling individual shall discontinue operation of the
20.5 program upon receipt of the commissioner's order to immediately suspend the license.

20.6 **EFFECTIVE DATE.** This section is effective January 1, 2020.

20.7 Sec. Minnesota Statutes 2018, section 245A.07, subdivision 2a, is amended to read:

20.8 Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of
20.9 receipt of the license holder's timely appeal, the commissioner shall request assignment of
20.10 an administrative law judge. The request must include a proposed date, time, and place of
20.11 a hearing. A hearing must be conducted by an administrative law judge within 30 calendar
20.12 days of the request for assignment, unless an extension is requested by either party and
20.13 granted by the administrative law judge for good cause. The commissioner shall issue a
20.14 notice of hearing by certified mail or personal service at least ten working days before the
20.15 hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary
20.16 immediate suspension should remain in effect pending the commissioner's final order under
20.17 section 245A.08, regarding a licensing sanction issued under subdivision 3 following the
20.18 immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the
20.19 burden of proof in expedited hearings under this subdivision shall be limited to the
20.20 commissioner's demonstration that reasonable cause exists to believe that the license holder's
20.21 actions or failure to comply with applicable law or rule poses, or the actions of other
20.22 individuals or conditions in the program poses an imminent risk of harm to the health, safety,
20.23 or rights of persons served by the program. "Reasonable cause" means there exist specific
20.24 articulable facts or circumstances which provide the commissioner with a reasonable
20.25 suspicion that there is an imminent risk of harm to the health, safety, or rights of persons
20.26 served by the program. When the commissioner has determined there is reasonable cause
20.27 to order the temporary immediate suspension of a license based on a violation of safe sleep
20.28 requirements, as defined in section 245A.1435, the commissioner is not required to
20.29 demonstrate that an infant died or was injured as a result of the safe sleep violations. For
20.30 suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited
20.31 hearings under this subdivision shall be limited to the commissioner's demonstration by a
20.32 preponderance of evidence that, since the license was revoked, the license holder committed
20.33 additional violations of law or rule which may adversely affect the health or safety of persons
20.34 served by the program.

21.1 (b) The administrative law judge shall issue findings of fact, conclusions, and a
21.2 recommendation within ten working days from the date of hearing. The parties shall have
21.3 ten calendar days to submit exceptions to the administrative law judge's report. The record
21.4 shall close at the end of the ten-day period for submission of exceptions. The commissioner's
21.5 final order shall be issued within ten working days from the close of the record. When an
21.6 appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner
21.7 shall issue a final order affirming the temporary immediate suspension within ten calendar
21.8 days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days
21.9 after a final order affirming an immediate suspension, the commissioner shall make a
21.10 determination regarding whether a final licensing sanction shall be issued under subdivision
21.11 3. The license holder shall continue to be prohibited from operation of the program during
21.12 this 90-day period.

21.13 (c) When the final order under paragraph (b) affirms an immediate suspension, and a
21.14 final licensing sanction is issued under subdivision 3 and the license holder appeals that
21.15 sanction, the license holder continues to be prohibited from operation of the program pending
21.16 a final commissioner's order under section 245A.08, subdivision 5, regarding the final
21.17 licensing sanction.

21.18 (d) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof
21.19 in expedited hearings under this subdivision shall be limited to the commissioner's
21.20 demonstration by a preponderance of evidence that a criminal complaint and warrant or
21.21 summons was issued for the license holder that was not dismissed, and that the criminal
21.22 charge is an offense that involves fraud or theft against a program administered by the
21.23 commissioner.

21.24 Sec. Minnesota Statutes 2018, section 245A.07, subdivision 3, is amended to read:

21.25 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
21.26 or revoke a license, or impose a fine if:

21.27 (1) a license holder fails to comply fully with applicable laws or rules including but not
21.28 limited to the requirements of this chapter and chapter 245C;

21.29 (2) a license holder, a controlling individual, or an individual living in the household
21.30 where the licensed services are provided or is otherwise subject to a background study has
21.31 a been disqualified and the disqualification which has ~~was~~ not been set aside under section
21.32 245C.22 and no variance has been granted;

22.1 (3) a license holder knowingly withholds relevant information from or gives false or
22.2 misleading information to the commissioner in connection with an application for a license,
22.3 in connection with the background study status of an individual, during an investigation,
22.4 or regarding compliance with applicable laws or rules; or

22.5 (4) ~~after July 1, 2012, and upon request by the commissioner, a license holder fails to~~
22.6 ~~submit the information required of an applicant under section 245A.04, subdivision 1,~~
22.7 ~~paragraph (f) or (g).~~ a license holder is excluded from any program administered by the
22.8 commissioner under section 245.095; or

22.9 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d).

22.10 A license holder who has had a license issued under this chapter suspended, revoked,
22.11 or has been ordered to pay a fine must be given notice of the action by certified mail or
22.12 personal service. If mailed, the notice must be mailed to the address shown on the application
22.13 or the last known address of the license holder. The notice must state in plain language the
22.14 reasons the license was suspended or revoked, or a fine was ordered.

22.15 (b) If the license was suspended or revoked, the notice must inform the license holder
22.16 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
22.17 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
22.18 a license. The appeal of an order suspending or revoking a license must be made in writing
22.19 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to
22.20 the commissioner within ten calendar days after the license holder receives notice that the
22.21 license has been suspended or revoked. If a request is made by personal service, it must be
22.22 received by the commissioner within ten calendar days after the license holder received the
22.23 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
22.24 timely appeal of an order suspending or revoking a license, the license holder may continue
22.25 to operate the program as provided in section 245A.04, subdivision 7, paragraphs ~~(g)~~ (f)
22.26 and ~~(h)~~ (g), until the commissioner issues a final order on the suspension or revocation.

22.27 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
22.28 holder of the responsibility for payment of fines and the right to a contested case hearing
22.29 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
22.30 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
22.31 the appeal must be postmarked and sent to the commissioner within ten calendar days after
22.32 the license holder receives notice that the fine has been ordered. If a request is made by
22.33 personal service, it must be received by the commissioner within ten calendar days after
22.34 the license holder received the order.

23.1 (2) The license holder shall pay the fines assessed on or before the payment date specified.
23.2 If the license holder fails to fully comply with the order, the commissioner may issue a
23.3 second fine or suspend the license until the license holder complies. If the license holder
23.4 receives state funds, the state, county, or municipal agencies or departments responsible for
23.5 administering the funds shall withhold payments and recover any payments made while the
23.6 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
23.7 until the commissioner issues a final order.

23.8 (3) A license holder shall promptly notify the commissioner of human services, in writing,
23.9 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
23.10 commissioner determines that a violation has not been corrected as indicated by the order
23.11 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
23.12 the license holder by certified mail or personal service that a second fine has been assessed.
23.13 The license holder may appeal the second fine as provided under this subdivision.

23.14 (4) Fines shall be assessed as follows:

23.15 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
23.16 child under section 626.556 or the maltreatment of a vulnerable adult under section 626.557
23.17 for which the license holder is determined responsible for the maltreatment under section
23.18 626.556, subdivision 10e, paragraph (i), or 626.557, subdivision 9c, paragraph (c);

23.19 (ii) if the commissioner determines that a determination of maltreatment for which the
23.20 license holder is responsible is the result of maltreatment that meets the definition of serious
23.21 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
23.22 \$5,000;

23.23 (iii) for a program that operates out of the license holder's home and a program licensed
23.24 under Minnesota Rules, parts 9502.0300 to ~~9502.0495~~ 9502.0445, the fine assessed against
23.25 the license holder shall not exceed \$1,000 for each determination of maltreatment;

23.26 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
23.27 governing matters of health, safety, or supervision, including but not limited to the provision
23.28 of adequate staff-to-child or adult ratios, and failure to comply with background study
23.29 requirements under chapter 245C; and

23.30 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
23.31 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

23.32 For purposes of this section, "occurrence" means each violation identified in the
23.33 commissioner's fine order. Fines assessed against a license holder that holds a license to

24.1 provide home and community-based services, as identified in section 245D.03, subdivision
 24.2 1, and a community residential setting or day services facility license under chapter 245D
 24.3 where the services are provided, may be assessed against both licenses for the same
 24.4 occurrence, but the combined amount of the fines shall not exceed the amount specified in
 24.5 this clause for that occurrence.

24.6 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
 24.7 selling, or otherwise transferring the licensed program to a third party. In such an event, the
 24.8 license holder will be personally liable for payment. In the case of a corporation, each
 24.9 controlling individual is personally and jointly liable for payment.

24.10 (d) Except for background study violations involving the failure to comply with an order
 24.11 to immediately remove an individual or an order to provide continuous, direct supervision,
 24.12 the commissioner shall not issue a fine under paragraph (c) relating to a background study
 24.13 violation to a license holder who self-corrects a background study violation before the
 24.14 commissioner discovers the violation. A license holder who has previously exercised the
 24.15 provisions of this paragraph to avoid a fine for a background study violation may not avoid
 24.16 a fine for a subsequent background study violation unless at least 365 days have passed
 24.17 since the license holder self-corrected the earlier background study violation.

24.18 **EFFECTIVE DATE.** This section is effective January 1, 2020."

24.19 Page 11, after line 17, insert:

24.20 "Sec. Minnesota Statutes 2018, section 256.046, subdivision 1, is amended to read:

24.21 Subdivision 1. **Hearing authority.** A local agency must initiate an administrative fraud
 24.22 disqualification hearing for individuals, ~~including child care providers caring for children~~
 24.23 ~~receiving child care assistance~~, accused of wrongfully obtaining assistance or intentional
 24.24 program violations, in lieu of a criminal action when it has not been pursued, in the Minnesota
 24.25 family investment program and any affiliated program to include the diversionary work
 24.26 program and the work participation cash benefit program, child care assistance programs,
 24.27 general assistance, family general assistance program formerly codified in section 256D.05,
 24.28 subdivision 1, clause (15), Minnesota supplemental aid, food stamp programs, MinnesotaCare
 24.29 for adults without children, and upon federal approval, all categories of medical assistance
 24.30 and remaining categories of MinnesotaCare except for children through age 18. The
 24.31 Department of Human Services, in lieu of a local agency, may initiate an administrative
 24.32 fraud disqualification hearing when the state agency is directly responsible for administration
 24.33 or investigation of the program for which benefits were wrongfully obtained. The hearing

25.1 is subject to the requirements of ~~section~~ sections 256.045 and 256.0451, and the requirements
25.2 in Code of Federal Regulations, title 7, section 273.16.

25.3 Sec. Minnesota Statutes 2018, section 256B.02, subdivision 7, is amended to read:

25.4 Subd. 7. **Vendor of medical care.** (a) "Vendor of medical care" means any person or
25.5 persons furnishing, within the scope of the vendor's respective license, any or all of the
25.6 following goods or services: medical, surgical, hospital, ambulatory surgical center services,
25.7 optical, visual, dental and nursing services; drugs and medical supplies; appliances;
25.8 laboratory, diagnostic, and therapeutic services; nursing home and convalescent care;
25.9 screening and health assessment services provided by public health nurses as defined in
25.10 section 145A.02, subdivision 18; health care services provided at the residence of the patient
25.11 if the services are performed by a public health nurse and the nurse indicates in a statement
25.12 submitted under oath that the services were actually provided; and such other ~~medical~~
25.13 services or supplies provided or prescribed by persons authorized by state law to give such
25.14 services and supplies. The term includes, but is not limited to, directors and officers of
25.15 corporations or members of partnerships who, either individually or jointly with another or
25.16 others, have the legal control, supervision, or responsibility of submitting claims for
25.17 reimbursement to the medical assistance program. The term only includes directors and
25.18 officers of corporations who personally receive a portion of the distributed assets upon
25.19 liquidation or dissolution, and their liability is limited to the portion of the claim that bears
25.20 the same proportion to the total claim as their share of the distributed assets bears to the
25.21 total distributed assets.

25.22 (b) "Vendor of medical care" also includes any person who is credentialed as a health
25.23 professional under standards set by the governing body of a federally recognized Indian
25.24 tribe authorized under an agreement with the federal government according to United States
25.25 Code, title 25, section 450f, to provide health services to its members, and who through a
25.26 tribal facility provides covered services to American Indian people within a contract health
25.27 service delivery area of a Minnesota reservation, as defined under Code of Federal
25.28 Regulations, title 42, section 36.22.

25.29 (c) A federally recognized Indian tribe that intends to implement standards for
25.30 credentialing health professionals must submit the standards to the commissioner of human
25.31 services, along with evidence of meeting, exceeding, or being exempt from corresponding
25.32 state standards. The commissioner shall maintain a copy of the standards and supporting
25.33 evidence, and shall use those standards to enroll tribal-approved health professionals as

26.1 medical assistance providers. For purposes of this section, "Indian" and "Indian tribe" mean
26.2 persons or entities that meet the definition in United States Code, title 25, section 450b."

26.3 Page 18, after line 11, insert:

26.4 "Sec. Minnesota Statutes 2018, section 256B.0659, subdivision 12, is amended to read:

26.5 Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal
26.6 care assistance services for a recipient must be documented daily by each personal care
26.7 assistant, on a time sheet form approved by the commissioner. All documentation may be
26.8 web-based, electronic, or paper documentation. The completed form must be submitted on
26.9 a monthly basis to the provider and kept in the recipient's health record.

26.10 (b) The activity documentation must correspond to the personal care assistance care plan
26.11 and be reviewed by the qualified professional.

26.12 (c) The personal care assistant time sheet must be on a form approved by the
26.13 commissioner documenting time the personal care assistant provides services in the home.
26.14 The following criteria must be included in the time sheet:

26.15 (1) full name of personal care assistant and individual provider number;

26.16 (2) provider name and telephone numbers;

26.17 (3) full name of recipient and either the recipient's medical assistance identification
26.18 number or date of birth;

26.19 (4) consecutive dates, including month, day, and year, and arrival and departure times
26.20 with a.m. or p.m. notations;

26.21 (5) signatures of recipient or the responsible party;

26.22 (6) personal signature of the personal care assistant;

26.23 (7) any shared care provided, if applicable;

26.24 (8) a statement that it is a federal crime to provide false information on personal care
26.25 service billings for medical assistance payments; and

26.26 (9) dates and location of recipient stays in a hospital, care facility, or incarceration.

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

26.28 Page 18, after line 30, insert:

27.1 "Sec. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
27.2 to read:

27.3 Subd. 11. Home and community-based service billing requirements. (a) A home and
27.4 community-based service is eligible for reimbursement if:

27.5 (1) the service is provided according to a federally approved waiver plan, as authorized
27.6 under sections 256B.0913, 256B.0915, 256B.092, and 256B.49;

27.7 (2) if applicable, the service is provided on days and times during the days and hours of
27.8 operation specified on any license required under chapter 245A or 245D; and

27.9 (3) the provider complies with subdivisions 12 to 15, if applicable.

27.10 (b) The provider must maintain documentation that, upon employment and annually
27.11 thereafter, staff providing a service have attested to reviewing and understanding the
27.12 following statement: "It is a federal crime to provide materially false information on service
27.13 billings for medical assistance or services provided under a federally approved waiver plan,
27.14 as authorized under Minnesota Statutes, sections 256B.0913, 256B.0915, 256B.092, and
27.15 256B.49."

27.16 (c) The department may recover payment, according to section 256B.064 and Minnesota
27.17 Rules, parts 9505.2160 to 9505.2245, for a service that does not satisfy this subdivision.

27.18 Sec. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
27.19 to read:

27.20 Subd. 12. Home and community-based service documentation requirements. (a)
27.21 Documentation may be collected and maintained electronically or in paper form by providers
27.22 and must be produced upon request of the commissioner.

27.23 (b) Documentation of a delivered service must be in English and must be legible according
27.24 to the standard of a reasonable person.

27.25 (c) If the service is reimbursed at an hourly or specified minute-based rate, each
27.26 documentation of the provision of a service, unless otherwise specified, must include:

27.27 (1) the date the documentation occurred;

27.28 (2) the day, month, and year when the service was provided;

27.29 (3) the start and stop times with a.m. and p.m. designations, except for case management
27.30 services as defined under sections 256B.0913, subdivision 7; 256B.0915, subdivision 1a;
27.31 256B.092, subdivision 1a; and 256B.49, subdivision 13;

28.1 (4) the service name or description of the service provided; and

28.2 (5) the name, signature, and title, if any, of the provider of service. If the service is
 28.3 provided by multiple staff members, the provider may designate a staff member responsible
 28.4 for verifying services and completing the documentation required by this paragraph.

28.5 (d) If the service is reimbursed at a daily rate or does not meet the requirements in
 28.6 paragraph (c), each documentation of the provision of a service, unless otherwise specified,
 28.7 must include:

28.8 (1) the date the documentation occurred;

28.9 (2) the day, month, and year when the service was provided;

28.10 (3) the service name or description of the service provided; and

28.11 (4) the name, signature, and title, if any, of the person providing the service. If the service
 28.12 is provided by multiple staff, the provider may designate a staff member responsible for
 28.13 verifying services and completing the documentation required by this paragraph.

28.14 Sec. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
 28.15 to read:

28.16 **Subd. 13. Waiver transportation documentation and billing requirements. (a) A**
 28.17 **waiver transportation service must be a waiver transportation service that: (1) is not covered**
 28.18 **by medical transportation under the Medicaid state plan; and (2) is not included as a**
 28.19 **component of another waiver service.**

28.20 (b) In addition to the documentation requirements in subdivision 12, a waiver
 28.21 transportation service provider must maintain:

28.22 (1) odometer and other records pursuant to section 256B.0625, subdivision 17b, paragraph
 28.23 (b), clause (3), sufficient to distinguish an individual trip with a specific vehicle and driver
 28.24 for a waiver transportation service that is billed directly by the mile. A common carrier as
 28.25 defined by Minnesota Rules, part 9505.0315, subpart 1, item B, or a publicly operated transit
 28.26 system provider are exempt from this clause; and

28.27 (2) documentation demonstrating that a vehicle and a driver meet the standards determined
 28.28 by the Department of Human Services on vehicle and driver qualifications in section
 28.29 256B.0625, subdivision 17, paragraph (c).

29.1 Sec. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
29.2 to read:

29.3 Subd. 14. **Equipment and supply documentation requirements.** (a) In addition to the
29.4 requirements in subdivision 12, an equipment and supply services provider must for each
29.5 documentation of the provision of a service include:

29.6 (1) the recipient's assessed need for the equipment or supply;

29.7 (2) the reason the equipment or supply is not covered by the Medicaid state plan;

29.8 (3) the type and brand name of the equipment or supply delivered to or purchased by
29.9 the recipient, including whether the equipment or supply was rented or purchased;

29.10 (4) the quantity of the equipment or supplies delivered or purchased; and

29.11 (5) the cost of equipment or supplies if the amount paid for the service depends on the
29.12 cost.

29.13 (b) A provider must maintain a copy of the shipping invoice or a delivery service tracking
29.14 log or other documentation showing the date of delivery that proves the equipment or supply
29.15 was delivered to the recipient or a receipt if the equipment or supply was purchased by the
29.16 recipient.

29.17 Sec. Minnesota Statutes 2018, section 256B.4912, is amended by adding a subdivision
29.18 to read:

29.19 Subd. 15. **Adult day service documentation and billing requirements.** (a) In addition
29.20 to the requirements in subdivision 12, a provider of adult day services as defined in section
29.21 245A.02, subdivision 2a, and licensed under Minnesota Rules, parts 9555.9600 to 9555.9730,
29.22 must maintain documentation of:

29.23 (1) a needs assessment and current plan of care according to section 245A.143,
29.24 subdivisions 4 to 7, or Minnesota Rules, part 9555.9700, for each recipient, if applicable;

29.25 (2) attendance records as specified under section 245A.14, subdivision 14, paragraph
29.26 (c), including the date of attendance with the day, month, and year; and the pickup and
29.27 drop-off time in hours and minutes with a.m. and p.m. designations;

29.28 (3) the monthly and quarterly program requirements in Minnesota Rules, part 9555.9710,
29.29 subparts 1, items E and H; 3; 4; and 6, if applicable;

30.1 (4) the name and qualification of each registered physical therapist, registered nurse,
 30.2 and registered dietitian who provides services to the adult day services or nonresidential
 30.3 program; and

30.4 (5) the location where the service was provided. If the location is an alternate location
 30.5 from the usual place of service, the documentation must include the address, or a description
 30.6 if the address is not available, of both the origin site and destination site; the length of time
 30.7 at the alternate location with a.m. and p.m. designations; and a list of participants who went
 30.8 to the alternate location.

30.9 (b) A provider cannot exceed the provider's licensed capacity. If a provider exceeds the
 30.10 provider's licensed capacity, the department must recover all Minnesota health care programs
 30.11 payments from the date the provider exceeded licensed capacity.

30.12 **EFFECTIVE DATE.** This section is effective August 1, 2019."

30.13 Page 19, line 4, delete "with intent" and insert "intentionally"

30.14 Page 19, line 5, after the first "person" insert "is guilty of a crime and may be sentenced
 30.15 as provided in subdivision 3 if such offer or payment is made"

30.16 Page 19, line 14, delete the comma and insert a period

30.17 Page 19, delete lines 15 and 16

30.18 Page 19, line 18, delete "with intent" and insert "intentionally"

30.19 Page 19, line 19, before the colon insert "is guilty of a crime and may be sentenced as
 30.20 provided in subdivision 3 if the remuneration is solicited or received"

30.21 Page 19, line 33, delete the comma and insert a period

30.22 Page 20, delete lines 1 and 2 and insert:

30.23 "Subd. 3. **Sentence.** Whoever violates subdivision 1 or 2 may be sentenced to
 30.24 imprisonment for not more than five years or to payment of a fine of not more than \$15,000,
 30.25 or both."

30.26 Renumber the subdivisions in sequence

30.27 Page 20, delete lines 27 to 29, and insert:

30.28 "\$..... in fiscal year 2020 and \$..... in fiscal year 2021 are appropriated from the general
 30.29 fund to the commissioner of human services to strengthen program integrity and fraud
 30.30 prevention. Of this appropriation:

31.1 (1) \$673,000 in fiscal year 2020 and \$722,000 in fiscal year 2021 must be used to add
31.2 eight child care licensing staff for the purpose of increasing the frequency of inspections of
31.3 child care centers to ensure the health and safety of children in care, provide technical
31.4 assistance to newly-licensed programs, and monitor struggling programs more closely to
31.5 evaluate whether the program should be referred to the Office of Inspector General for a
31.6 potential fraud investigation;

31.7 (2) \$317,000 in fiscal year 2020 and \$339,000 in fiscal year 2021 must be used to add
31.8 two data analysts to strengthen the commissioner's ability to identify, detect, and prevent
31.9 fraud and abuse in the child care assistance program under Minnesota Statutes, chapter
31.10 119B;

31.11 (3) \$418,000 in fiscal year 2020 and \$483,000 in fiscal year 2021 must be used to add
31.12 four investigators to the Office of Inspector General to detect, prevent, and make recoveries
31.13 from fraudulent activities among providers in the medical assistance program under
31.14 Minnesota Statutes, chapter 256B;

31.15 (4) \$355,000 in fiscal year 2020 and \$105,000 in fiscal year 2021 must be used to
31.16 purchase a system to record, track, and report on investigative activity for the Office of
31.17 Inspector General to strengthen fraud prevention and investigation activities for child care
31.18 assistance programs under Minnesota Statutes, chapter 119B;

31.19 (5) \$529,000 in fiscal year 2020 and \$546,000 in fiscal year 2021 must be used for the
31.20 fraud prevention investigation grant program under Minnesota Statutes, section 256.983.
31.21 Of this amount, the commissioner may use up to \$104,000 in the first year and up to \$121,000
31.22 in the second year and each year thereafter to hire one permanent full-time equivalent
31.23 employee to support the grant program;

31.24 (6) \$71,000 in fiscal year 2020 and \$82,000 in fiscal year 2021 must be used for one
31.25 temporary full-time employee to plan for improvements to provider registration and oversight
31.26 for the child care assistance program under Minnesota Statutes, chapter 119B; and

31.27 (7) \$350,000 in fiscal year 2020 and \$350,000 in fiscal year 2021 must be used to contract
31.28 with the Bureau of Criminal Apprehension for two additional law enforcement officers to
31.29 conduct criminal investigations in child care assistance program cases."

31.30 Renumber the sections in sequence and correct the internal references

31.31 Amend the title accordingly