

2024 DHS OIG Policy Bill Summaries

DHS OIG Children's Policy Bill

IG-01 Certified Child Care Center Policy

This proposal will address five areas for certified child care centers:

- Definitions of age categories, requirement for child care records: This proposal will establish a requirement that certified child care centers must have a record for each child enrolled at their program and outlines what minimally must be kept in that file. It will also add age categories (infant, toddler, preschool, school age) to the definitions in 245H.01. Currently ages are only outlined in maximum group size (245H.08, subd. 4) and ratios (245H.08, subd. 5).
- Training timelines: This proposal will adjust child development, first aid, and cardiopulmonary resuscitation (CPR) training timelines for staff from “within the first 90 days of employment” to “within 90 days after the first date of direct contact with a child.”
- Director or designee language clarification: 245H.08 subd. 1 requires a certified center to have a director or designee on site who is responsible for overseeing implementation of policies, ensuring health and safety, and supervising staff and volunteers. This proposal will clarify this language to make clear the role of the designee, in the director's absence.
- Noncompliance: If a certified child care center is out of compliance with certification requirements, currently the only tools DHS Licensing has to respond is to issue a correction order or to decertify the center. There needs to be another option between those two extremes to respond to situations where there is repeated noncompliance but it doesn't rise to the level of decertification. This proposal will allow a conditional certification to be issued.
- Technical clarifications: Two technical clarifications are needed. In 2023 a definition of authorized agent for certified child care center was added to 245H.01, but there needs to be clarifying language in 245C.02, subd. 6a (definition of a child care background study subject) that this person is required to have a background study. Minnesota Statutes, section 260E.30, subd. 3 allows for the finding of a nonmaltreatment mistake under specific circumstances in a licensed child care center. Certified child care centers were unintentionally omitted from this section; this proposal will add them in.

IG-02 Licensed Child Care Center Clean-up

Clean-up language is needed in two areas of statute for licensed child care centers related to recent legislative changes. In 2023, language about child care inspections in 245A.04, subd. 4 I and 245H.05 (a) was changed from “at least annually” to “at least once each calendar year” in order to clarify and align statute with the current practice of conducting annual reviews each calendar year for licensed and certified child care. An additional reference in 245A.09, subd. 7 (f) to the commissioner conducting unannounced inspections at least annually for licensed child care centers was accidentally overlooked and should be changed to each calendar year.

In 2020, the definition of supervision in a child care center was amended to allow a preschooler to use an individual, private restroom within the classroom with the door closed, with the program staff required to have knowledge of the child’s activity and location, hear the child, and check on the child at least every five minutes. Corresponding language should have been added in 245A.66, subd. 2 (f) to require centers to have policies and procedures in their risk reduction plan to ensure adequate supervision during this time.

IG-08 Reducing Unnecessary Requirements for Private Child-Caring Placing Agencies

This proposal addresses two areas for licensed private child-caring placing agencies.

Financial oversight

Under Minnesota Statutes, section 245A.04, subd. 10 (4), private child-caring placing agencies that oversee adoptions are required to submit a certified audit every year with their license renewal. This requirement is challenging for some small agencies, especially as audits have become more expensive. This proposal will remove the yearly certified audit requirement, while ensuring appropriate financial oversight through other means.

Personnel requirements

Minnesota Rules part 9545.0805, subp. 1 requires private child caring-placing agencies to have a licensed independent social worker (LISW) or independent clinical social worker (LICSW) on staff to supervise the agency’s casework. Agencies, particularly those in Greater Minnesota, often struggle to find a LICSW or LISW to fill this requirement and it can be a barrier to hiring otherwise qualified candidates. This proposal will repeal the Rule part and add language into statute outlining what experience/requirements are necessary for an individual who supervises the agency’s casework.

IG-10 Family Child Foster Care Continuous Licenses

This proposal will implement a continuous license process for family child foster care license holders to reduce redundant application requirements. Currently, after an initial one-year license, family child foster care license holders are on a two-year cycle and required to submit a new license application every time the license is set to renew.

Relative family child foster care license holders receive a two-year license initially and then must complete the same renewal paperwork. Switching to a continuous license process that is on a calendar

year cycle (January-December) will streamline the process for license holders and licensors and align with how DHS licenses many other license types.

IG-18 Child Care Assistance Program (CCAP) Reporter Confidentiality

This proposal seeks to align Child Care Assistance Programs (CCAP) investigatory practices surrounding reporter confidentiality with Medicaid investigatory practices.

Current language in Minn. Stat. 256B.064, subd. 5(d) ensures that a person who submits a tip in good faith will have their name kept confidential once a Medicaid investigation is complete. Including this provision in Minn. Stat. 245E.08 will expand the confidentiality protections related to CCAP. This will ensure that reporters who provide good faith tips to CCAP will have the same confidentiality as reporters who provide tips related to Medicaid. Having consistent reporter confidentiality protections will increase consistency of investigations across publicly funded programs.

DHS OIG Policy Bill

IG-04 Change in Ownership Process and Ownership Language Clarifications

A DHS issued license is not transferable to a different individual, organization, or entity. Standards in MS section 245A.043, describe the level of changes in ownership that require the new owner to apply for a new license. If there is a change in ownership, the existing and new owners may jointly operate under a temporary license while the new owner goes through the application process and until DHS issues a new license to the new owner. Since these requirements became effective in 2020 several implementation issues have arisen. Clarifications are necessary to better define scenarios that are a change of ownership, when a temporary license is applicable and when it is not, the responsibilities of the existing and new owners while operating under a temporary change in ownership license, and to refine the terms used. This proposal makes these necessary changes.

IG-05 Allowing for Condition While Revocation Order is Under Appeal

The Department of Human Services issues several different licenses and then reviews for requirements for the license on an ongoing basis. When a license holder is found to not be meeting licensing requirements, different progressive licensing actions are taken depending on the severity of the issues. In the most serious cases when a license holder is not meeting licensing requirements, DHS may revoke a license. If a provider appeals the decision to revoke a license, they may continue to operate the program during the appeal process. In these cases, the current standards do not clearly include the authority to include terms under which the program may operate.

This proposal will allow DHS to add terms to the license to ensure that programs with the most serious of compliance issues only operate and continue to provide services with certain guardrails in place. This is similar to the terms that are put in place when a license is on conditional status, which is a lower level of licensing action than a revocation. Terms might include requiring the license holder to create a corrective action plan for returning to and ensuring ongoing compliance with licensing standards, notifying clients of the license revocation, or limiting the admission of new clients into the program. DHS will tailor the terms for each license to address the violations that led to the revocation.

DHS only revokes a license for the most serious of violations of licensing requirements and often for violations that endanger the health, safety, or rights of the people receiving services. Programs that continue to operate after DHS identifies serious noncompliance with licensing standards need additional measures in place to ensure the clients are receiving services safely and within the requirements for a license.

IG-07 Public E-Mails for DHS Licensed Programs

License and certification holder data for DHS licensed programs are considered private data except in cases where explicitly identified by statute. Examples of license holder data that must be public under chapter 13.46 Subd. 4 (b)(1)(i) include, but are not limited to: name, address, and telephone number of the licensee.

This proposal would add a certification or license holder's e-mail as public data under 13.46 Subd. 4 (b)(1)(i). Due to privacy expectations for family foster care providers, family foster care is exempted from this requirement.

This proposal would allow for a more efficient Licensing Division. Currently, when e-mails of license holders are requested of the Licensing Division, legal and data teams must review these requests and determine if e-mails can be shared with the requesting party. E-mail requests are numerous, often coming from other state agencies or DHS Administrations which contributes to a significant impact to legal and data and analytics resources being dedicated to each request for e-mails.

IG-11 Key Staff Position Changes Notification

Licensing requirements for several types of DHS-licensed programs require that key staff positions are filled to ensure that that clients' medical needs are being met, staff are adequately supervised, and that requirements are being followed. Depending on the license type, these positions can include treatment director, program director, registered nurse, mental health professional, alcohol and drug counseling supervisor, or medical director. It has been found during licensing reviews that some programs have been operating without anyone working in certain key staff positions for several months or that individuals working in key staff positions do not meet the minimum qualifications for the position. Existing standards for Intensive Residential Treatment Services (IRTS) and Residential Crisis Stabilization (RCS) licensed programs require these programs to notify DHS when the individual working in a key position changes. This ensures that there is always someone in these essential roles and that the person is qualified for the position.

This proposal expands the notification requirement for key staff position changes to other types of DHS-licensed programs including substance use disorder treatment programs, withdrawal management programs, detoxification programs, and children's residential facilities. This proposal will require these programs to notify DHS within 5 business days of a change

IG-12 Offsite Substance Use Disorder Treatment Services

Licensing standards generally require substance use disorder treatment programs to provide most treatment services at the location where the program's license is issued. Programs may provide some specific treatment services off-site because the type of service may need to utilize community settings. These services may include therapeutic recreation, stress management, independent living skills, employment services, and educational services. To provide these specific services off-site, the license holder must create multiple policies and procedures that detail each and every off-site location.

Changes to licensing requirements for substance use disorder treatment programs made in 2018 allowed programs to request to provide all treatment services at specific locations away from the licensed program site. These locations can include a school, government building, medical or behavioral health facility, or social service organization. To provide services at these locations, a license holder must receive approval for each location from the Licensing Division. Providers and DHS have identified issues with off-site locations and this proposal resolves these issues in two ways.

First, the requirement to create policies and procedures for community-based services is difficult for providers to meet due to the vast array of potential service venues in the community and prohibits programs from using new places without first updating this plan. This inhibits the ability of a program to use community resources to provide treatment services. This proposal will eliminate the requirement to create policies regarding these locations and will reduce provider paperwork.

Second, the process to request to provide all treatment services at a school, government building, medical or behavioral health facility, or social service organization needs refinement. The existing language in statute is ambiguous about how many clients the locations can serve and the number of locations that can be under one license. This can potentially allow a program to have dozens of service locations under one license while paying only one license fee. This proposal places parameters around these additional locations and limits these to the most essential types of locations.

These changes will also clarify the ability for programs to provide services via telehealth and in a client's home.

IG-13 Licensing Technical Fixes

Technical fixes are needed in six areas of licensing requirements:

- Emergency Overdose Medication – The 2023 legislature established a new requirement for several types of substance use and mental health programs to maintain a supply of emergency overdose medication (e.g., naloxone or Narcan). Previously existing requirements for medication storage and administration conflict with the intent of the new law. This proposal fixes these conflicts by (1) allowing staff and adult clients to carry emergency overdose medications at the program, (2) allowing naloxone to be readily available at the program and not locked up with other medications, and (3) allowing staff to be trained only on administering emergency overdose medications if it is the only medication they administer.
- Family Child Care (FCC) – Minnesota Statutes, section 245A.52 requires the Department of Human Services to propose updates to family child care standards in the year after revisions are made to the State Fire Code to bring the regulations into alignment. The 2023 Legislature addressed some of the technical fixes needed to update fire code standards for family child care programs. This proposal would address the outstanding technical fixes that are needed to align family child care standards with the updated State Fire Code.
- Community Residential Settings (CRS) – There continue to be areas of Minnesota Statutes, Chapter 245A that were inadvertently missed when community residential settings were established. References to CRS are missing in 245A.11, subd. 7 and in 245A.16, subd. 1 (a)(2) and (3). This proposal would address these missing sections of law.
- Uniform Service Standards (USS) - Major consolidations and streamlining of mental health regulations from the 2021 session have taken effect, starting 10/17/22. As providers have

questions, DHS has found wording that has been confusing or unclear. Continued cleanup of this language will assist DHS in responding to those concerns.

- Prone and contraindicated restraint cross reference and clarification – This proposal adds a missing cross reference for withdrawal management programs in Chapter 245F to the new prone and contraindicated restraint prohibitions in section 245A.211. Additionally, it clarifies the applicability of when contraindicated restraints must be documented to address provider concerns.
- Opioid treatment programs – State licensing requirements for opioid treatment programs quote federal rules in several places. The federal agency that regulates opioid treatment programs is updating the federal rules and the new version will likely be published in January 2024. This proposal replaces the soon to be outdated language in section 245G.22 with a citation to the new federal requirements.
- Provider Licensing Hub Use – Requires that upon the implementation of the provider hub that requests for reconsideration under 260E.33 Subd. 2 be submitted through the provider licensing hub.
- CCBHC Comprehensive Evaluations - Last session, policy changes were made related to certified community behavioral health clinic (CCBHC) requirements. One of the changes allowed substance use disorder comprehensive assessments to be substituted to fulfill the requirements of a comprehensive evaluation. CCBHC's are federally required to complete a comprehensive evaluation within 60 days of the first request for services. The comprehensive evaluation is a uniquely integrative evaluation that includes components that cannot be fulfilled by an SUD comprehensive assessment. This provision would ensure CCBHCs meet federally required criteria and continue to serve as high-quality integrated care models.

IG-15 Emergency Option for DHS Background Studies

The proposal would authorize the commissioner to modify background study requirements in an emergency situation (e.g. public health emergency, environmental emergency, natural disaster, or other unplanned event), eliminating barriers to accessing studies during an emergency.

Depending on the emergency and availability of services and information, certain requirements could be waived. This includes but is not limited to requirements for fingerprints and photographs and the requirements for searches of FBI and other national records could also be waived. As part of any decision to take action, the commissioner would consider potential impacts to Minnesota's participation in federally funded programs such as those governed by the Child Care and Development Block Grant (CCDBG) law (42 USC § 9858f) and regulations (45 CFR § 98.43) and the Adam Walsh Child Protection and Safety Act of 2006 (Public Law 109-248, Social Security Act Title IV-E). The commissioner would be granted this authority without legislative or other approval.

IG-16 245C Language and Disqualification Clarifications

The proposal would make two sets of changes to chapter 245C. The first set of changes would clarify language to ensure statutory consistency and alignment with current operations and best practices. The second set of changes would update the list of disqualifying crimes or conduct in 245C.15 to conform with chapter 609, the criminal code, and to eliminate any inconsistencies and potential inequities related to the disqualifications list.

IG-17 Consistency with Federal Requirements for Similar Background Studies

This proposal would create consistency in DHS' consideration of background studies variances for individuals working with children in all foster care settings, including family foster homes, foster residence settings, and children's residential facilities.

Specifically, this proposal would prohibit the department from issuing a variance for an individual affiliated with a foster residence setting or a children's residential facility when the study results do not meet federal requirements for child foster care and adoptions, which are similar program types. Currently, state law only prohibits the department from issuing a variance for an individual with a child foster care background study whose results do not meet federal requirements. A variance may allow a study subject to work even if they remain disqualified and the disqualification has not been set aside.

IG-20 Using Signature-Confirmed Delivery Methods for Mailing Provider Notices

This proposal seeks to amend language in Minn. Stat. 256B.064, subd. 4(a) and Minn. Stat. 256.046, subd. 3(b) to clarify and expand signature-verified delivery methods to allow for use of multiple mailing platforms.

DHS OIG Anti-Kickback Policy Bill

IG-19 New Anti-kickback Statute

This proposal builds on work conducted in 2019 and 2020 to add anti-kickback language for Medical Assistance (MA) and CCAP providers into Minnesota statute.

The Department of Human Services is responsible for supporting program integrity in Minnesota's public assistance programs, including Medical Assistance (MA) and the Child Care Assistance Program (CCAP). The division is responsible for investigating fraud, waste, and abuse for Minnesota's approximately \$13 billion Medicaid industry and the approximately \$250 million Child Care Assistance Program (CCAP).

This proposal addresses the federally illegal practice of kickbacks. Anti-kickback policy prohibits providers from receiving anything of value in exchange for referrals payable by a federal program. Language prohibiting kickback practices is found throughout the laws directing federal programs, like Social Security and the Affordable Care Act, and specifically in 42 U.S.C 1320a-7B. This federal law specifically defines and prohibits any remuneration, including kickbacks, for referrals and in return for purchasing, leasing, ordering, or arranging for any good, facility, service, or item where a payment is made under a Federal health care program.

DHS proposes to incorporate federal anti-kickback language into Minnesota statute, including those directing the state's MA and CCAP programs. This proposal seeks to create criminal penalties for individuals and entities that knowingly and willfully offer, pay, solicit, or receive compensation where payment may be made under a health care or CCAP. If enacted, the new state law would apply to providers and recipients of MA and CCAP.

Adding anti-kickback language to Minnesota law prevents fraud, waste, and abuse by deterring subjective referrals for healthcare and CCAP providers that are not available to the general public. Anti-kickback language also contributes to the maintenance of fair competition across providers. While conducting investigations into both of these programs, staff have identified instances of kickback arrangements between providers as well as between providers and recipients.

Kickback arrangements in MA increase the potential for abusive or fraudulent provider billing and increase the risk for potential harm to recipients as they may not receive services they need. Kickback arrangements in CCAP increase the risk for erroneous, fraudulent, and abusive billing. This proposal seeks to increase program integrity, reduce risks to recipients of MA and CCAP, and ensure funds are spent effectively for Minnesotans needing services.