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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3763

02/26/2026 Authored by Nadeau and Backer
The bill was read for the first time and referred to the Committee on Health Finance and Policy

1.1 A bill for an act
1.2 relating to health care; establishing community engagement requirements for the
1.3 medical assistance program; amending Minnesota Statutes 2024, section 268.19,
1.4 subdivision 1a; Minnesota Statutes 2025 Supplement, sections 268.19, subdivision
1.5 1; 270B.14, subdivision 1; proposing coding for new law in Minnesota Statutes,
1.6 chapter 256B.

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

1.8 Section 1. [256B.0562] COMMUNITY ENGAGEMENT REQUIREMENTS.

1.9 Subdivision 1. Demonstrating community engagement. (a) To be eligible for medical
1.10 assistance, an applicable individual must demonstrate compliance with the community
1.11 engagement requirements under this section at application and renewal, unless the applicable
1.12 individual qualifies for an exception under subdivision 2 or 3. For purposes of this section,
1.13 "applicable individual" means an individual eligible for medical assistance under section
1.14 256B.055, subdivision 15.

1.15 (b) At application, an applicable individual must demonstrate either compliance with
1.16 the requirements in the two consecutive months immediately preceding the month in which
1.17 the applicable individual applies for medical assistance, or exception from the requirements
1.18 in the month of application.

1.19 (c) At renewal, an applicable individual must demonstrate either compliance with the
1.20 requirements in at least two months since application or last renewal, or exception from the
1.21 requirements in the month of renewal. The two months are not required to be consecutive.
1.22 The commissioner must not determine the specific months for which an applicable individual
1.23 must be in compliance.

2.1 (d) To comply with the community engagement requirements in a given month, an
2.2 applicable individual must do one or more of the following:

2.3 (1) work at least 80 hours;

2.4 (2) complete at least 80 hours of community service;

2.5 (3) participate in a work program, as defined in United States Code, title 7, section
2.6 2015(o)(1), for at least 80 hours;

2.7 (4) be enrolled at least half-time in an educational program, including but not limited to
2.8 an institution of higher education and a program of career and technical education;

2.9 (5) engage in any combination of the activities described in clauses (1) to (4) for a total
2.10 of at least 80 hours;

2.11 (6) have a monthly income that is equal to or greater than the federal minimum wage
2.12 multiplied by 80 hours; or

2.13 (7) have had an average monthly income over the preceding six months that is equal to
2.14 or greater than the federal minimum wage multiplied by 80 hours, and be a seasonal worker,
2.15 as defined under United States Code, title 26, section 45R(d)(5)(B).

2.16 Subd. 2. **Exceptions.** (a) An applicable individual is not subject to the community
2.17 engagement requirements for part or all of a month in which the applicable individual is:

2.18 (1) an individual enrolled under section 256B.055, subdivision 17;

2.19 (2) an American Indian or Alaska Native who is an Indian, Urban Indian, or California
2.20 Indian as defined under United States Code, title 25, section 1603, or has otherwise been
2.21 determined eligible as an Indian for the Indian Health Service by the United States
2.22 Department of Health and Human Services;

2.23 (3) a parent, guardian, caretaker relative, or family caregiver of a dependent child who
2.24 is 13 years of age and under or of an individual with a disability;

2.25 (4) a veteran with a disability rated as total under United States Code, title 38, section
2.26 1155;

2.27 (5) receiving benefits under the Minnesota family investment program under chapter
2.28 142G and meeting the work activity and participation requirements under that chapter;

2.29 (6) a member of a household that receives Supplemental Nutrition Assistance Program
2.30 (SNAP) benefits under the federal Food and Nutrition Act of 2008 and is not exempt from
2.31 a work requirement under the act;

3.1 (7) a participant in a drug addiction or alcohol treatment and rehabilitation program, as
3.2 defined under United States Code, title 7, section 2012;

3.3 (8) an inmate of a public institution; or

3.4 (9) an individual who is medically frail or otherwise has special medical needs, in
3.5 accordance with guidance issued by the United States Department of Health and Human
3.6 Services. This includes but is not limited to an individual who: is blind or has a disability;
3.7 has a substance use disorder; has a disabling mental disorder; has a physical, intellectual,
3.8 or developmental disability that significantly impairs the individual's ability to perform one
3.9 or more activities of daily living; or has a serious or complex medical condition.

3.10 (b) The commissioner must develop standard forms that health care providers must
3.11 complete in order for an individual to apply for an exception from the community engagement
3.12 requirements on the basis of being medically frail or physically or mentally unfit for
3.13 employment. An individual seeking these exceptions must submit a completed form to the
3.14 county agency.

3.15 (c) Enrollees who are excepted from the community engagement requirements under
3.16 this subdivision must report any changes related to the enrollee's exception status within
3.17 ten days of the change to the county agency. The agency must redetermine eligibility for
3.18 the exception when a change in exception status is reported and at the time of the enrollee's
3.19 renewal.

3.20 Subd. 3. **Short-term hardship exception.** (a) The commissioner must deem an applicable
3.21 individual as meeting the community engagement requirements for a given month if for
3.22 part or all of the month the applicable individual:

3.23 (1) requests an exception on the basis of receiving inpatient hospital services, nursing
3.24 facility services, services in an intermediate care facility for persons with developmental
3.25 disabilities, inpatient psychiatric hospital services, or such other services of similar acuity,
3.26 including but not limited to outpatient care relating to the above-listed services, in accordance
3.27 with guidance issued by the United States Department of Health and Human Services;

3.28 (2) requests an exception on the basis of having to travel outside of the individual's
3.29 community for an extended period of time to receive medical services necessary to treat a
3.30 serious or complex medical condition, either for the individual or the individual's dependent,
3.31 when the services are not available in the individual's community of residence;

4.1 (3) resides in a county or equivalent unit of local government in which an emergency
4.2 or disaster has been declared under the National Emergencies Act or the Robert T. Stafford
4.3 Disaster Relief and Emergency Assistance Act; or

4.4 (4) resides in a county or equivalent unit of local government that has an unemployment
4.5 rate that is at or above the lesser of eight percent or 1.5 times the national unemployment
4.6 rate, and for which the United States Department of Health and Human Services has granted
4.7 an exception based on a request from the commissioner.

4.8 (b) The commissioner must grant short-term hardship exceptions required under this
4.9 subdivision in accordance with standards specified by the United States Department of
4.10 Health and Human Services.

4.11 Subd. 4. **Determining and verifying compliance.** (a) The commissioner must determine
4.12 whether an individual is subject to, compliant with, or excepted from the community
4.13 engagement requirements using processes established by the commissioner that rely on
4.14 information available to the commissioner through periodic data matching under section
4.15 256B.0561 and other electronic data sources. The commissioner must not request additional
4.16 information or documentation from an applicable individual unless the commissioner is
4.17 unable to make a determination using the information available to the commissioner.

4.18 (b) The commissioner is prohibited from relying on managed care plans, county-based
4.19 purchasing plans, or contractors with direct or indirect financial relationships with managed
4.20 care or county-based purchasing plans to make determinations about whether an individual
4.21 is subject to, compliant with, or excepted from the community engagement requirements.

4.22 Subd. 5. **Failure to satisfy community engagement requirements.** (a) If the
4.23 commissioner cannot establish an applicable individual's compliance with or exception from
4.24 the community engagement requirements, the commissioner must provide notice of
4.25 noncompliance and allow the applicant or beneficiary 30 calendar days from the date the
4.26 notice is received to demonstrate compliance with or exception from the requirements. The
4.27 notice must include:

4.28 (1) information about how to demonstrate compliance with or exception from the
4.29 requirements; and

4.30 (2) information about how to reapply for medical assistance if the individual's application
4.31 is denied or if the beneficiary is disenrolled.

4.32 (b) An enrolled beneficiary continues to be eligible for medical assistance during the
4.33 30-day period under paragraph (a).

5.1 (c) The commissioner must suspend medical assistance benefits for applicable individuals
5.2 who do not satisfy the community engagement requirements. The commissioner must
5.3 reinstate the medical assistance benefits once the applicable individual satisfies the
5.4 requirements for a calendar month. Medical assistance benefits must be reinstated the first
5.5 day of the month following the month for which the individual has satisfied the community
5.6 engagement requirements.

5.7 (d) If the commissioner determines that an individual is subject to but not compliant
5.8 with the community engagement requirements after the 30-day period, then the commissioner
5.9 must:

5.10 (1) determine whether the individual has any other basis for eligibility for medical
5.11 assistance or another insurance affordability program;

5.12 (2) provide written notice and fair hearing rights in accordance with Code of Federal
5.13 Regulations, title 42, part 431, subpart E; and

5.14 (3) if there is no other basis for medical assistance eligibility, deny the application or
5.15 terminate eligibility by the end of the month that follows the 30-day period.

5.16 **Subd. 6. Outreach to applicable individuals.** (a) By September 1, 2026, the
5.17 commissioner must notify medical assistance enrollees who may be applicable individuals
5.18 about the community engagement requirements.

5.19 (b) Beginning January 1, 2027, the commissioner must semiannually notify medical
5.20 assistance enrollees who may be applicable individuals about the community engagement
5.21 requirements.

5.22 (c) The notifications required under this subdivision must include, at a minimum:

5.23 (1) information about how to comply with the community engagement requirements;

5.24 (2) an explanation of who is considered an applicable individual;

5.25 (3) the list of exceptions to the community engagement requirements and how to obtain
5.26 an exception from the requirements;

5.27 (4) information about how to report a change in status that could result in the individual
5.28 qualifying for an exception, meeting an exception, or being subject to the community
5.29 engagement requirements after an exception ends; and

5.30 (5) information about the consequences of not complying with the community engagement
5.31 requirements.

6.1 (d) The commissioner must provide the notices required under this subdivision by mail
 6.2 or an electronic format, if elected by the individual, and one or more additional formats
 6.3 deemed appropriate by the United States Department of Health and Human Services.

6.4 Subd. 7. **Additional requirements for the commissioner.** The commissioner, in
 6.5 collaboration with county agencies, must implement strategies to assist applicable individuals
 6.6 in meeting the community engagement requirements and link applicable individuals to
 6.7 additional resources for job training or other employment services, child care assistance,
 6.8 transportation, or other supports to help applicable individuals prepare for work, maintain
 6.9 employment, or increase earnings.

6.10 Sec. 2. Minnesota Statutes 2025 Supplement, section 268.19, subdivision 1, is amended
 6.11 to read:

6.12 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from
 6.13 any person under the administration of the Minnesota Unemployment Insurance Law are
 6.14 private data on individuals or nonpublic data not on individuals as defined in section 13.02,
 6.15 subdivisions 9 and 12, and may not be disclosed except according to a district court order
 6.16 or section 13.05. A subpoena is not considered a district court order. These data may be
 6.17 disseminated to and used by the following agencies without the consent of the subject of
 6.18 the data:

6.19 (1) state and federal agencies specifically authorized access to the data by state or federal
 6.20 law;

6.21 (2) any agency of any other state or any federal agency charged with the administration
 6.22 of an unemployment insurance program;

6.23 (3) any agency responsible for the maintenance of a system of public employment offices
 6.24 for the purpose of assisting individuals in obtaining employment;

6.25 (4) the public authority responsible for child support in Minnesota or any other state in
 6.26 accordance with section 518A.83;

6.27 (5) human rights agencies within Minnesota that have enforcement powers;

6.28 (6) the Department of Revenue to the extent necessary for its duties under Minnesota
 6.29 laws;

6.30 (7) public and private agencies responsible for administering publicly financed assistance
 6.31 programs for the purpose of monitoring the eligibility of the program's recipients;

7.1 (8) the Department of Labor and Industry, the Department of Commerce, and the Bureau
7.2 of Criminal Apprehension for uses consistent with the administration of their duties under
7.3 Minnesota law;

7.4 (9) the Department of Human Services and the Office of Inspector General and its agents
7.5 within the Department of Human Services, including county fraud investigators, for
7.6 investigations related to recipient or provider fraud and employees of providers when the
7.7 provider is suspected of committing public assistance fraud;

7.8 (10) the Department of Human Services for the purpose of evaluating medical assistance
7.9 services ~~and~~, supporting program improvement, and administering section 256B.0562;

7.10 (11) local and state welfare agencies for monitoring the eligibility of the data subject
7.11 for assistance programs, or for any employment or training program administered by those
7.12 agencies, whether alone, in combination with another welfare agency, or in conjunction
7.13 with the department or to monitor and evaluate the statewide Minnesota family investment
7.14 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,
7.15 and the Supplemental Nutrition Assistance Program Employment and Training program by
7.16 providing data on recipients and former recipients of Supplemental Nutrition Assistance
7.17 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
7.18 care assistance under chapter 142E, or medical programs under chapter 256B or 256L or
7.19 formerly codified under chapter 256D;

7.20 (12) local and state welfare agencies for the purpose of identifying employment, wages,
7.21 and other information to assist in the collection of an overpayment debt in an assistance
7.22 program;

7.23 (13) local, state, and federal law enforcement agencies for the purpose of ascertaining
7.24 the last known address and employment location of an individual who is the subject of a
7.25 criminal investigation;

7.26 (14) the United States Immigration and Customs Enforcement has access to data on
7.27 specific individuals and specific employers provided the specific individual or specific
7.28 employer is the subject of an investigation by that agency;

7.29 (15) the Department of Health for the purposes of epidemiologic investigations;

7.30 (16) the Department of Corrections for the purposes of case planning and internal research
7.31 for preprobation, probation, and postprobation employment tracking of offenders sentenced
7.32 to probation and preconfinement and postconfinement employment tracking of committed
7.33 offenders;

8.1 (17) the state auditor to the extent necessary to conduct audits of job opportunity building
8.2 zones as required under section 469.3201;

8.3 (18) the Office of Higher Education for purposes of supporting program improvement,
8.4 system evaluation, and research initiatives including the Statewide Longitudinal Education
8.5 Data System;

8.6 (19) the Family and Medical Benefits Division of the Department of Employment and
8.7 Economic Development to be used as necessary to administer chapter 268B; and

8.8 (20) the executive director or interim executive director of the Minnesota Secure Choice
8.9 Retirement Program established under chapter 187 for the purposes of assisting with
8.10 communication with employers and to verify employer compliance with chapter 187.

8.11 (b) Data on individuals and employers that are collected, maintained, or used by the
8.12 department in an investigation under section 268.182 are confidential as to data on individuals
8.13 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3
8.14 and 13, and must not be disclosed except under statute or district court order or to a party
8.15 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

8.16 (c) Data gathered by the department in the administration of the Minnesota unemployment
8.17 insurance program must not be made the subject or the basis for any suit in any civil
8.18 proceedings, administrative or judicial, unless the action is initiated by the department.

8.19 Sec. 3. Minnesota Statutes 2024, section 268.19, subdivision 1a, is amended to read:

8.20 Subd. 1a. **Wage detail data.** (a) Wage and employment data gathered under section
8.21 268.044 may be disseminated to and used, without the consent of the subject of the data,
8.22 by an agency of another state that is designated as the performance accountability and
8.23 consumer information agency for that state under Code of Federal Regulations, volume 20,
8.24 part 663.510(c), in order to carry out the requirements of the Workforce Investment Act of
8.25 1998, United States Code, title 29, sections 2842 and 2871.

8.26 (b) The commissioner may enter into a data exchange agreement with an employment
8.27 and training service provider under section 116L.17, or the Workforce Investment Act of
8.28 1998, United States Code, title 29, section 2864, under which the commissioner, with the
8.29 consent of the subject of the data, may furnish data on the quarterly wages paid and number
8.30 of hours worked on those individuals who have received employment and training services
8.31 from the provider. With the initial consent of the subject of the data, this data may be shared
8.32 for up to three years after termination of the employment and training services provided to
8.33 the individual without execution of an additional consent. This data is furnished solely for

9.1 the purpose of evaluating the employment and training services provided. The data subject's
9.2 ability to receive service is not affected by a refusal to give consent under this paragraph.
9.3 The consent form must state this fact.

9.4 (c) Wage and employment data gathered under section 268.044 may be disseminated to
9.5 and used by the commissioner of human services for the purpose of administering section
9.6 256B.0562 without the consent of the subject data.

9.7 Sec. 4. Minnesota Statutes 2025 Supplement, section 270B.14, subdivision 1, is amended
9.8 to read:

9.9 Subdivision 1. **Disclosure to commissioner of human services.** (a) The commissioner
9.10 shall provide the records and information necessary to administer the supplemental housing
9.11 allowance to the commissioner of human services.

9.12 (b) At the request of the commissioner of human services, the commissioner of revenue
9.13 shall electronically match the Social Security or individual taxpayer identification numbers
9.14 and names of participants in the telephone assistance plan operated under sections 237.69
9.15 to 237.71, with those of property tax refund filers under chapter 290A or renter's credit filers
9.16 under section 290.0693, and determine whether each participant's household income is
9.17 within the eligibility standards for the telephone assistance plan.

9.18 (c) The commissioner may provide records and information collected under sections
9.19 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid
9.20 Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law
9.21 102-234. Upon the written agreement by the United States Department of Health and Human
9.22 Services to maintain the confidentiality of the data, the commissioner may provide records
9.23 and information collected under sections 295.50 to 295.59 to the Centers for Medicare and
9.24 Medicaid Services section of the United States Department of Health and Human Services
9.25 for purposes of meeting federal reporting requirements.

9.26 (d) The commissioner may provide records and information to the commissioner of
9.27 human services as necessary to administer the early refund of refundable tax credits.

9.28 (e) The commissioner may disclose information to the commissioner of human services
9.29 as necessary for income verification for eligibility and premium payment under the
9.30 MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical
9.31 assistance program under chapter 256B.

9.32 (f) The commissioner may disclose information to the commissioner of human services
9.33 necessary to verify whether applicants or recipients for general assistance and the Minnesota

10.1 supplemental aid program have claimed refundable tax credits under chapter 290 and the
10.2 property tax refund under chapter 290A, and the amounts of the credits.

10.3 (g) At the request of the commissioner of human services and when authorized in writing
10.4 by the taxpayer, the commissioner of revenue may match the business legal name or
10.5 individual legal name, and the Minnesota tax identification number, federal Employer
10.6 Identification Number, or Social Security number of the applicant under section 142C.03;
10.7 245A.04, subdivision 1; or 245I.20; or license or certification holder. The commissioner of
10.8 revenue may share the matching with the commissioner of human services. The matching
10.9 may only be used by the commissioner of human services to determine eligibility for provider
10.10 grant programs and to facilitate the regulatory oversight of license and certification holders
10.11 as it relates to ownership and public funds program integrity. This paragraph applies only
10.12 if the commissioner of human services and the commissioner of revenue enter into an
10.13 interagency agreement for the purposes of this paragraph.

10.14 (h) The commissioner may disclose return information to the commissioner of human
10.15 services for the purpose of administering section 256B.0562.