

1.1 moves to amend H.F. No. 2434 as follows:

1.2 Page 24, line 23, delete "blended"

1.3 Page 26, line 3, delete "\$3.97" and insert "\$3.93"

1.4 Page 26, line 4, delete "\$8.62" and insert "\$8.55"

1.5 Page 27, line 22, delete everything after "(a)" and insert "Beginning on January 1, 2026,
1.6 the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies while
1.7 permanent licensing standards are developed and shall not enroll new EIDBI agencies to
1.8 provide EIDBI services. EIDBI agencies enrolled by December 31, 2025, have until April
1.9 1, 2026, to submit an application for provisional licensure on the forms and in the manner
1.10 prescribed by the commissioner."

1.11 Page 27, delete lines 23 to 26 and insert:

1.12 "(b) Beginning April 2, 2026, an EIDBI agency shall not operate if it has not submitted
1.13 an application for provisional licensure under this section. Failure to submit an application
1.14 for provisional licensure by April 2, 2026, will result in disenrollment from providing EIDBI
1.15 services.

1.16 (c) A provisional license is effective until comprehensive EIDBI agency licensure
1.17 standards are in effect unless the provisional license is revoked. An applicant whose
1.18 application for provisional licensure under this section has been denied may request a
1.19 reconsideration under subdivision 8."

1.20 Page 27, line 27, delete "...." and insert "January 1, 2027"

1.21 Page 27, line 30, delete "license, survey, and monitor" and insert "access the program"
1.22 and delete "this section" and insert "section 245A.04, subdivision 5"

1.23 Page 27, line 32, before the semicolon, insert "limited to the provisions of this section"

- 2.1 Page 28, delete line 1 and insert:
- 2.2 "(4) take action on a license pursuant to sections 245A.06 and 245A.07;
- 2.3 (5) deny an application for provisional licensure; and"
- 2.4 Page 28, line 2, delete "(5)" and insert "(6)"
- 2.5 Page 28, line 3, delete "(a)"
- 2.6 Page 28, line 13, before the period insert ", and exceptions to qualifications, standards,
- 2.7 and requirements granted by the commissioner under section 256B.0949, subdivision 17"
- 2.8 Page 28, delete lines 14 and 15
- 2.9 Page 28, line 16, delete "A provisional license holder" and insert "An EIDBI agency"
- 2.10 Page 28, line 20, after "NETStudy" insert "2.0" and delete everything after "under" and
- 2.11 insert "chapter 245C."
- 2.12 Page 28, delete line 21
- 2.13 Page 28, line 22, delete "Sanctions" and insert "Revocations" and delete "If the provisional
- 2.14 license holder is not in substantial compliance" and insert "The commissioner may revoke
- 2.15 a provisional license if the provisional license holder is not in substantial compliance with
- 2.16 the requirements of this section."
- 2.17 Page 28, delete lines 23 to 29
- 2.18 Page 28, line 30, delete "sanction" and insert "revocation"
- 2.19 Page 28, line 31, after the comma, insert "or a denial of a provisional license application,"
- 2.20 Page 29, line 3, delete "in" and insert "on the forms and in the manner prescribed by the
- 2.21 commissioner."
- 2.22 Page 29, delete lines 4 and 5
- 2.23 Page 29, line 6, delete "The" and insert "A complete"
- 2.24 Page 29 line 7, delete "licensee" and insert "license holder"
- 2.25 Page 29, line 8, delete "sanction" and insert "revocation" and before the period, insert
- 2.26 ", or a denial of a provisional license application"
- 2.27 Page 29, line 10, delete "nonrenewal or termination" and insert "denial of a provisional
- 2.28 license application or revocation"
- 2.29 Page 29, line 11, after the semicolon, insert "or"

- 3.1 Page 29, line 12, delete "or" and insert a period
- 3.2 Page 29, delete lines 13 and 14 and insert:
- 3.3 "Subd. 10. **Disenrollment.** An EIDBI agency whose application has been denied under
- 3.4 subdivision 2 or whose provisional license has been revoked is disenrolled from providing
- 3.5 EIDBI services."
- 3.6 Renumber the subdivisions in sequence
- 3.7 Page 29, line 17, delete "January 1, 2026" and insert "July 1, 2027"
- 3.8 Page 29, line 18, delete "December 1, 2026" and insert "January 1, 2028"
- 3.9 Page 38, line 12, delete everything after "agencies" and insert "pursuant to section
- 3.10 245A.142."
- 3.11 Page 38, delete lines 13 to 16
- 3.12 Page 41, lines 25 and 27, delete "two" and insert "four"
- 3.13 Page 41, line 26, delete "two" and insert "four" and after the second "index" insert
- 3.14 "update"
- 3.15 Page 44, lines 8, 9, and 10, delete "two" and insert "four"
- 3.16 Page 46, line 10, after "community" insert "residential"
- 3.17 Page 66, line 4, delete "a"
- 3.18 Page 66, line 5, delete everything before the period and insert "sections 245A.142 and
- 3.19 256B.0949"
- 3.20 Page 66, line 11, delete "...." and insert "January 1, 2026."
- 3.21 Page 66, line 29, delete everything before the period and insert "under sections 245A.142
- 3.22 and 256B.0949"
- 3.23 Page 67, line 1, delete "...." and insert "January 1, 2026."
- 3.24 Page 67, delete section 30
- 3.25 Page 69, delete section 1
- 3.26 Page 71, delete section 3
- 3.27 Page 75, line 25, after the comma, insert "forensic navigator,"
- 3.28 Page 75, line 28, delete "and" and insert a comma and after "prosecutors" insert ", and
- 3.29 forensic navigators"

4.1 Page 76, after line 3, insert:

4.2 "ARTICLE 4
4.3 BACKGROUND STUDIES

4.4 Section 1. Minnesota Statutes 2024, section 142A.02, subdivision 1, is amended to read:

4.5 Subdivision 1. **Department.** (a) The Department of Children, Youth, and Families is
4.6 established. The commissioner of children, youth, and families is hereby constituted the
4.7 "state agency" for the purposes of Title IV of the Social Security Act of the United States
4.8 and the laws of this state.

4.9 (b) The commissioners of human services and children, youth, and families are hereby
4.10 constituted the "state agency" and the "joint interagency office" for purposes of background
4.11 studies under chapter 245C.

4.12 (c) The commissioner of children, youth, and families is hereby constituted the "state
4.13 agency" for the purposes of administering the child care and development fund.

4.14 Sec. 2. Minnesota Statutes 2024, section 142A.09, subdivision 1, is amended to read:

4.15 Subdivision 1. **Background studies required.** The commissioner of ~~children, youth,~~
4.16 ~~and families shall contract with the commissioner of~~ human services to shall conduct
4.17 background studies of individuals specified in section 245C.03, subdivision 1, affiliated
4.18 with:

4.19 (1) a facility or program licensed or seeking a license under chapter 142B;

4.20 (2) a license-exempt child care center certified under chapter 142C; or

4.21 (3) a legal nonlicensed child care provider authorized under chapter 142E.

4.22 Sec. 3. Minnesota Statutes 2024, section 245C.02, subdivision 7, is amended to read:

4.23 Subd. 7. **Commissioner.** "Commissioner" ~~has the meaning given in section 245A.02,~~
4.24 ~~subdivision 5~~ means the commissioner of human services.

4.25 Sec. 4. Minnesota Statutes 2024, section 245C.03, subdivision 6, is amended to read:

4.26 Subd. 6. **Unlicensed home and community-based waiver providers of service to**
4.27 **seniors and individuals with disabilities.** (a) The commissioner shall conduct background
4.28 studies ~~of~~ on any individual who is an owner who has at least a five percent ownership stake
4.29 in, an operator of, or an employee or volunteer who provides direct contact, as defined in

section 245C.02, subdivision 11, for services specified in the federally approved home and community-based waiver plans under section 256B.4912. The individual studied must meet the requirements of this chapter prior to providing waiver services and as part of ongoing enrollment.

(b) The requirements in paragraph (a) apply to consumer-directed community supports under section 256B.4911.

(c) For purposes of this section, "operator" includes but is not limited to a managerial officer who oversees the billing, management, or policies of the services provided.

Sec. 5. Minnesota Statutes 2024, section 245C.03, subdivision 13, is amended to read:

Subd. 13. **Providers of housing stabilization services.** The commissioner shall conduct background studies ~~of~~ on any provider of individual who is an owner who has at least a five percent ownership stake in, an operator of, or an employee or volunteer who provides direct contact housing stabilization services required by section 256B.051 ~~to have a background study completed under this chapter.~~

Sec. 6. Minnesota Statutes 2024, section 245C.03, subdivision 15, is amended to read:

Subd. 15. **Early intensive developmental and behavioral intervention providers.** The commissioner shall conduct background studies according to this chapter ~~when initiated by an~~ on any individual who is an owner who has at least a five percent ownership stake in, an operator of, or an employee or volunteer who provides direct contact early intensive developmental and behavioral intervention ~~provider~~ services under section 256B.0949.

Sec. 7. Minnesota Statutes 2024, section 245C.04, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities and providers of housing stabilization services.** (a) Providers required to initiate background studies under section ~~256B.4912~~ 245C.03, subdivisions 6 and 13 must initiate a study using the electronic system known as NETStudy 2.0 before the individual begins in a position allowing direct contact with persons served by the provider. New providers must initiate a study under this subdivision before initial enrollment if the provider has not already initiated background studies as part of the service licensure requirements.

(b) Except as provided in paragraphs (c) and (d), the providers must initiate a background study annually of an individual required to be studied under section 245C.03, subdivision 6.

(c) After an initial background study under this subdivision is initiated on an individual by a provider of both services licensed by the commissioner and the unlicensed services under this subdivision, a repeat annual background study is not required if:

(1) the provider maintains compliance with the requirements of section 245C.07, paragraph (a), regarding one individual with one address and telephone number as the person to receive sensitive background study information for the multiple programs that depend on the same background study, and that the individual who is designated to receive the sensitive background information is capable of determining, upon the request of the commissioner, whether a background study subject is providing direct contact services in one or more of the provider's programs or services and, if so, at which location or locations; and

(2) the individual who is the subject of the background study provides direct contact services under the provider's licensed program for at least 40 hours per year so the individual will be recognized by a probation officer or corrections agent to prompt a report to the commissioner regarding criminal convictions as required under section 245C.05, subdivision 7.

~~(d) A provider who initiates background studies through NETStudy 2.0 is exempt from the requirement to initiate annual background studies under paragraph (b) for individuals who are on the provider's active roster.~~

Sec. 8. Minnesota Statutes 2024, section 245C.04, is amended by adding a subdivision to read:

Subd. 12. Early intensive developmental and behavioral intervention providers. Providers required to initiate background studies under section 245C.03, subdivision 15, must initiate a study using the electronic system known as NETStudy 2.0 before the individual begins in a position operating or allowing direct contact with persons served by the provider or before the individual becomes an operator or acquires five percent or more ownership.

Sec. 9. Minnesota Statutes 2024, section 245C.08, subdivision 5, is amended to read:

Subd. 5. Authorization. The commissioner of human services shall be authorized to receive information under this chapter.

Sec. 10. Minnesota Statutes 2024, section 245C.10, is amended by adding a subdivision to read:

Subd. 9b. Child foster care and adoption programs. The commissioner shall recover the cost of a background study required for child foster care and adoption studies through a fee of no more than \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

Subd. 2. Activities pending completion of background study. The subject of a background study may not perform any activity requiring a background study under paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

(a) Notices from the commissioner required prior to activity under paragraph (c) include:

(1) a notice of the study results under section 245C.17 stating that:

(i) the individual is not disqualified; or

(ii) more time is needed to complete the study but the individual is not required to be removed from direct contact or access to people receiving services prior to completion of the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice that more time is needed to complete the study must also indicate whether the individual is required to be under continuous direct supervision prior to completion of the background study. When more time is necessary to complete a background study of an individual affiliated with a Title IV-E eligible children's residential facility or foster residence setting, the individual may not work in the facility or setting regardless of whether or not the individual is supervised;

(2) a notice that a disqualification has been set aside under section 245C.23; or

(3) a notice that a variance has been granted related to the individual under section 245C.30.

(b) For a background study affiliated with a licensed child care center or certified license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii), must not be issued until the commissioner receives a qualifying result for the individual for the fingerprint-based national criminal history record check or the fingerprint-based criminal history information from the Bureau of Criminal Apprehension. The notice must require the individual to be under continuous direct supervision prior to completion of the remainder of the background study except as permitted in subdivision 3.

8.1 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

8.2 (1) being issued a license;

8.3 (2) living in the household where the licensed program will be provided;

8.4 (3) providing direct contact services to persons served by a program unless the subject
8.5 is under continuous direct supervision;

8.6 (4) having access to persons receiving services if the background study was completed
8.7 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),
8.8 (5), or (6), unless the subject is under continuous direct supervision;

8.9 (5) for licensed child care centers and certified license-exempt child care centers,
8.10 providing direct contact services to persons served by the program;

8.11 (6) for children's residential facilities or foster residence settings, working in the facility
8.12 or setting; ~~or~~

8.13 (7) for background studies affiliated with a personal care provider organization, except
8.14 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides
8.15 services, the personal care assistance provider agency must initiate a background study of
8.16 the personal care assistant under this chapter and the personal care assistance provider
8.17 agency must have received a notice from the commissioner that the personal care assistant
8.18 is:

8.19 (i) not disqualified under section 245C.14; or

8.20 (ii) disqualified, but the personal care assistant has received a set aside of the
8.21 disqualification under section 245C.22; or

8.22 (8) for background studies affiliated with an early intensive developmental and behavioral
8.23 intervention provider, before an individual provides services, the early intensive
8.24 developmental and behavioral intervention provider must initiate a background study for
8.25 the individual under this chapter and the early intensive developmental and behavioral
8.26 intervention provider must have received a notice from the commissioner that the individual
8.27 is:

8.28 (i) not disqualified under section 245C.14; or

8.29 (ii) disqualified, but the individual has received a set-aside of the disqualification under
8.30 section 245C.22.

8.31 **EFFECTIVE DATE.** The amendment to paragraph (b) is effective January 15, 2026.

8.32 The amendments to paragraph (c) are effective August 5, 2025.

9.1 Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
9.2 to read:

9.3 Subd. 4c. **Two-year disqualification.** An individual is disqualified under section
9.4 245C.14, subdivision 6, if less than two years have passed since a determination that the
9.5 individual violated section 142A.12, 245.095, or 256B.064.

9.6 **EFFECTIVE DATE.** This section is effective July 1, 2025.

9.7 Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision
9.8 to read:

9.9 Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall
9.10 disqualify an individual who is the subject of a background study from any position involving
9.11 ownership, management, or control of a program or billing activities if a background study
9.12 completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

9.13 **EFFECTIVE DATE.** This section is effective July 1, 2025.

9.14 Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

9.15 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under
9.16 section 245C.14 if: (1) regardless of how much time has passed since the discharge of the
9.17 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of
9.18 the level of the offense, the individual has committed any of the following offenses: sections
9.19 243.166 (violation of predatory offender registration law); 609.185 (murder in the first
9.20 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20
9.21 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony
9.22 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense
9.23 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or
9.24 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228
9.25 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247,
9.26 subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661
9.27 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the
9.28 second degree); 609.2663 (murder of an unborn child in the third degree); 609.322
9.29 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other
9.30 prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal
9.31 sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree);
9.32 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct
9.33 in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual

extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture); a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care background study subject, conviction of a crime that would make the individual ineligible for employment under United States Code, title 42, section 9858f, except for a felony drug conviction, regardless of whether a period of disqualification under subdivisions 2 to 4, would apply if the individual were not a child care background study subject.

(b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14.

(c) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies the individual under section 245C.14.

(d) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

(e) If the individual studied commits one of the offenses listed in paragraph (a) that is specified as a felony-level only offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified, but the disqualification look-back period for the offense is the period applicable to gross misdemeanor or misdemeanor offenses.

(f) A child care background study subject shall be disqualified if the individual is registered, or required to be registered, on a state sex offender registry or repository or the National Sex Offender Registry.

11.1 **EFFECTIVE DATE.** This section is effective July 1, 2025.

11.2 Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

11.3 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding
11.4 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,
11.5 regardless of how much time has passed, an individual is disqualified under section 245C.14
11.6 if the individual committed an act that resulted in a felony-level conviction for sections:
11.7 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder
11.8 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in
11.9 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first
11.10 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);
11.11 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense
11.12 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or
11.13 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325
11.14 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245
11.15 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);
11.16 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child
11.17 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663
11.18 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child
11.19 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);
11.20 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child
11.21 in the second degree); 609.268 (injury or death of an unborn child in the commission of a
11.22 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex
11.23 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,
11.24 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct
11.25 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal
11.26 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);
11.27 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory
11.28 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual
11.29 conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378
11.30 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision
11.31 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent
11.32 exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession
11.33 of pictorial representations of minors).

12.1 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated
12.2 with a licensed family foster setting, an individual is disqualified under section 245C.14,
12.3 regardless of how much time has passed, if the individual:

12.4 (1) committed an action under paragraph (e) that resulted in death or involved sexual
12.5 abuse, as defined in section 260E.03, subdivision 20;

12.6 (2) committed an act that resulted in a gross misdemeanor-level conviction for section
12.7 609.3451 (criminal sexual conduct in the fifth degree);

12.8 (3) committed an act against or involving a minor that resulted in a felony-level conviction
12.9 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the
12.10 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);
12.11 or

12.12 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level
12.13 conviction for section 617.293 (dissemination and display of harmful materials to minors).

12.14 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
12.15 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20
12.16 years have passed since the termination of the individual's parental rights under section
12.17 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of
12.18 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to
12.19 involuntarily terminate parental rights. An individual is disqualified under section 245C.14
12.20 if fewer than 20 years have passed since the termination of the individual's parental rights
12.21 in any other state or country, where the conditions for the individual's termination of parental
12.22 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph
12.23 (b).

12.24 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed
12.25 family foster setting, an individual is disqualified under section 245C.14 if fewer than five
12.26 years have passed since a felony-level violation for sections: 152.021 (controlled substance
12.27 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023
12.28 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the
12.29 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing
12.30 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)
12.31 (possession of substance with intent to manufacture methamphetamine); 152.027, subdivision
12.32 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies
12.33 prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia;
12.34 prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related

13.1 crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while
13.2 impaired); 243.166 (violation of predatory offender registration requirements); 609.2113
13.3 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn
13.4 child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal
13.5 abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal
13.6 neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery);
13.7 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation,
13.8 inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498,
13.9 subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b
13.10 (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563
13.11 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66
13.12 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749,
13.13 subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting
13.14 at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

13.15 (e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a
13.16 background study affiliated with a licensed family child foster care license, an individual
13.17 is disqualified under section 245C.14 if fewer than five years have passed since:

13.18 (1) a felony-level violation for an act not against or involving a minor that constitutes:
13.19 section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third
13.20 degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the
13.21 fifth degree);

13.22 (2) a violation of an order for protection under section 518B.01, subdivision 14;

13.23 (3) a determination or disposition of the individual's failure to make required reports
13.24 under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition
13.25 under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment
13.26 was recurring or serious;

13.27 (4) a determination or disposition of the individual's substantiated serious or recurring
13.28 maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or
13.29 serious or recurring maltreatment in any other state, the elements of which are substantially
13.30 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet
13.31 the definition of serious maltreatment or recurring maltreatment;

13.32 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in
13.33 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);

14.1 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);
14.2 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or
14.3 (6) committing an act against or involving a minor that resulted in a misdemeanor-level
14.4 violation of section 609.224, subdivision 1 (assault in the fifth degree).

14.5 (f) For purposes of this subdivision, the disqualification begins from:

14.6 (1) the date of the alleged violation, if the individual was not convicted;

14.7 (2) the date of conviction, if the individual was convicted of the violation but not
14.8 committed to the custody of the commissioner of corrections; or

14.9 (3) the date of release from prison, if the individual was convicted of the violation and
14.10 committed to the custody of the commissioner of corrections.

14.11 Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation
14.12 of the individual's supervised release, the disqualification begins from the date of release
14.13 from the subsequent incarceration.

14.14 (g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the
14.15 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota
14.16 Statutes, permanently disqualifies the individual under section 245C.14. An individual is
14.17 disqualified under section 245C.14 if fewer than five years have passed since the individual's
14.18 aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs
14.19 (d) and (e).

14.20 (h) An individual's offense in any other state or country, where the elements of the
14.21 offense are substantially similar to any of the offenses listed in paragraphs (a) and (b),
14.22 permanently disqualifies the individual under section 245C.14. An individual is disqualified
14.23 under section 245C.14 if fewer than five years have passed since an offense in any other
14.24 state or country, the elements of which are substantially similar to the elements of any
14.25 offense listed in paragraphs (d) and (e).

14.26 **EFFECTIVE DATE.** This section is effective July 1, 2025.

14.27 Sec. 16. Minnesota Statutes 2024, section 245C.22, subdivision 3, is amended to read:

14.28 Subd. 3. **Preeminent weight given to safety of persons being served and program**
14.29 **integrity.** In reviewing a request for reconsideration of a disqualification, the commissioner
14.30 shall give preeminent weight to the safety of each person served by the license holder,
14.31 applicant, or other entities as provided in this chapter, and to program integrity through
14.32 protection of state and federal funds supporting the program, over the interests of the

15.1 disqualified individual, license holder, applicant, or other entity as provided in this chapter,
15.2 and any single factor under subdivision 4, paragraph (b), may be determinative of the
15.3 commissioner's decision whether to set aside the individual's disqualification.

15.4 Sec. 17. Minnesota Statutes 2024, section 245C.22, subdivision 8, is amended to read:

15.5 Subd. 8. **Sharing of certain data for reconsiderations and appeals.** (a) The following
15.6 commissioners shall be responsible for ~~conducting~~ making final agency decisions on
15.7 background study reconsiderations and defending appeals of background studies for programs
15.8 ~~under their jurisdictions~~ study determinations:

15.9 (1) the commissioner of human services for all programs under ~~section 245C.03,~~
15.10 ~~subdivision 1~~ this chapter, unless otherwise specified in this subdivision;

15.11 (2) the commissioner of health for programs under section 245C.03, subdivision 5a;

15.12 (3) the commissioner of corrections for programs under section 245C.03, subdivision
15.13 5b; and

15.14 (4) the commissioner of the children, youth, and families for programs under section
15.15 245C.03, subdivision 5c.

15.16 (b) The commissioner of human services shall share all relevant background study data
15.17 to allow the commissioners specified in paragraph (a) to complete reconsiderations and
15.18 appeals for programs licensed or regulated by their agencies.

15.19 Sec. 18. Minnesota Statutes 2024, section 609A.015, subdivision 4, is amended to read:

15.20 Subd. 4. **Notice.** (a) The court shall notify a person who may become eligible for an
15.21 automatic expungement under this section of that eligibility at any hearing where the court
15.22 dismisses and discharges proceedings against a person under section 152.18, subdivision
15.23 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled
15.24 substance; concludes that all pending actions or proceedings were resolved in favor of the
15.25 person; grants a person's placement into a diversion program; or sentences a person or
15.26 otherwise imposes a consequence for a qualifying offense.

15.27 (b) To the extent possible, prosecutors, defense counsel, supervising agents, and
15.28 coordinators or supervisors of a diversion program shall notify a person who may become
15.29 eligible for an automatic expungement under this section of that eligibility.

15.30 (c) If any party gives notification under this subdivision, the notification shall inform
15.31 the person that:

(1) a record expunged under this section may be opened for purposes of a background study by the Department of Human Services, the Department of Children, Youth, and Families, or the Department of Health under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition under section 609A.03, subject to the process in section 609A.03 and the limitations in section 609A.02, to expunge the records held by the commissioner of human services, the commissioner of children, youth, and families, the commissioner of health, and the Professional Educator Licensing and Standards Board.

Sec. 19. Minnesota Statutes 2024, section 609A.055, subdivision 3, is amended to read:

Subd. 3. Expungement relief; notification requirements. (a) The Bureau of Criminal Apprehension shall grant expungement relief to each qualifying person whose records the bureau possesses and seal the bureau's records without requiring an application, petition, or motion. The bureau shall seal records related to an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch pursuant to subdivision 2, paragraph (b), unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(b) Nonpublic criminal records maintained by the bureau and subject to a grant of expungement relief must display a notation stating "expungement relief granted pursuant to section 609A.055."

(c) The bureau shall inform the judicial branch of all cases that are granted expungement relief pursuant to this section. The bureau may notify the judicial branch using electronic means and may notify the judicial branch immediately or in a monthly report. Upon receiving notice of an expungement, the judicial branch shall seal all related records, including records of the person's arrest, indictment, trial, verdict, and dismissal or discharge of the case. Upon receiving notice of an expungement, the judicial branch shall issue any order necessary to seal related records. The judicial branch shall not order the Department of Health, the Department of Children, Youth, and Families, or the Department of Human Services to seal records under this section.

(d) The bureau shall inform each arresting or citing law enforcement agency or prosecutorial office with records affected by the grant of expungement relief issued pursuant to paragraph (a) that expungement has been granted. The bureau shall notify each agency or office of an expungement within 60 days after the bureau sent notice of the expungement to the judicial branch. The bureau may notify each agency or office using electronic means.

17.1 Upon receiving notification of an expungement, an agency or office shall seal all records
17.2 related to the expungement, including the records of the person's arrest, indictment, trial,
17.3 verdict, and dismissal or discharge of the case.

17.4 (e) The bureau shall provide information on its publicly facing website clearly stating
17.5 that persons who are noncitizens may need copies of records affected by a grant of
17.6 expungement relief for immigration purposes, explaining how they can obtain these copies
17.7 after expungement or other granted relief, and stating that a noncitizen should consult with
17.8 an immigration attorney.

17.9 (f) Data on a person whose offense has been expunged under this subdivision, including
17.10 any notice sent pursuant to paragraph (d), are private data on individuals as defined in section
17.11 13.02, subdivision 12.

17.12 (g) Section 609A.03, subdivision 6, applies to an order issued under this section sealing
17.13 the record of proceedings under section 152.18.

17.14 (h) The limitations under section 609A.03, subdivision 7a, paragraph (b), do not apply
17.15 to an order issued under this section.

17.16 (i) The subject whose record qualifies for expungement shall be given access to copies
17.17 of the records of arrest, conviction, or incarceration for any purposes, including immigration
17.18 purposes.

17.19 (j) Relief granted under this subdivision shall not impact the ability of a petitioner to
17.20 file for relief under section 590.01.

17.21 ARTICLE 5

17.22 DEPARTMENT OF HUMAN SERVICES PROGRAM INTEGRITY

17.23 Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

17.24 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
17.25 by the welfare system are private data on individuals, and shall not be disclosed except:

17.26 (1) according to section 13.05;

17.27 (2) according to court order;

17.28 (3) according to a statute specifically authorizing access to the private data;

17.29 (4) to an agent of the welfare system and an or investigator acting on behalf of a county,
17.30 the state, or the federal government, including a law enforcement person or attorney in the

18.1 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
18.2 administration of a program;

18.3 (5) to personnel of the welfare system who require the data to verify an individual's
18.4 identity; determine eligibility, amount of assistance, and the need to provide services to an
18.5 individual or family across programs; coordinate services for an individual or family;
18.6 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
18.7 suspected fraud;

18.8 (6) to administer federal funds or programs;

18.9 (7) between personnel of the welfare system working in the same program;

18.10 (8) to the Department of Revenue to administer and evaluate tax refund or tax credit
18.11 programs and to identify individuals who may benefit from these programs, and prepare
18.12 the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article
18.13 17, section 6. The following information may be disclosed under this paragraph: an
18.14 individual's and their dependent's names, dates of birth, Social Security or individual taxpayer
18.15 identification numbers, income, addresses, and other data as required, upon request by the
18.16 Department of Revenue. Disclosures by the commissioner of revenue to the commissioner
18.17 of human services for the purposes described in this clause are governed by section 270B.14,
18.18 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
18.19 care credit under section 290.067, the Minnesota working family credit under section
18.20 290.0671, the property tax refund under section 290A.04, and the Minnesota education
18.21 credit under section 290.0674;

18.22 (9) between the Department of Human Services; the Department of Employment and
18.23 Economic Development; the Department of Children, Youth, and Families; Direct Care and
18.24 Treatment; and, when applicable, the Department of Education, for the following purposes:

18.25 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
18.26 employment or training program administered, supervised, or certified by that agency;

18.27 (ii) to administer any rehabilitation program or child care assistance program, whether
18.28 alone or in conjunction with the welfare system;

18.29 (iii) to monitor and evaluate the Minnesota family investment program or the child care
18.30 assistance program by exchanging data on recipients and former recipients of Supplemental
18.31 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D,
18.32 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter
18.33 256B or 256L; and

19.1 (iv) to analyze public assistance employment services and program utilization, cost,
19.2 effectiveness, and outcomes as implemented under the authority established in Title II,
19.3 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
19.4 Health records governed by sections 144.291 to 144.298 and "protected health information"
19.5 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
19.6 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
19.7 information, must not be exchanged under this clause;

19.8 (10) to appropriate parties in connection with an emergency if knowledge of the
19.9 information is necessary to protect the health or safety of the individual or other individuals
19.10 or persons;

19.11 (11) data maintained by residential programs as defined in section 245A.02 may be
19.12 disclosed to the protection and advocacy system established in this state according to Part
19.13 C of Public Law 98-527 to protect the legal and human rights of persons with developmental
19.14 disabilities or other related conditions who live in residential facilities for these persons if
19.15 the protection and advocacy system receives a complaint by or on behalf of that person and
19.16 the person does not have a legal guardian or the state or a designee of the state is the legal
19.17 guardian of the person;

19.18 (12) to the county medical examiner or the county coroner for identifying or locating
19.19 relatives or friends of a deceased person;

19.20 (13) data on a child support obligor who makes payments to the public agency may be
19.21 disclosed to the Minnesota Office of Higher Education to the extent necessary to determine
19.22 eligibility under section 136A.121, subdivision 2, clause (5);

19.23 (14) participant Social Security or individual taxpayer identification numbers and names
19.24 collected by the telephone assistance program may be disclosed to the Department of
19.25 Revenue to conduct an electronic data match with the property tax refund database to
19.26 determine eligibility under section 237.70, subdivision 4a;

19.27 (15) the current address of a Minnesota family investment program participant may be
19.28 disclosed to law enforcement officers who provide the name of the participant and notify
19.29 the agency that:

19.30 (i) the participant:

19.31 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after
19.32 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the
19.33 jurisdiction from which the individual is fleeing; or

20.1 (B) is violating a condition of probation or parole imposed under state or federal law;

20.2 (ii) the location or apprehension of the felon is within the law enforcement officer's
20.3 official duties; and

20.4 (iii) the request is made in writing and in the proper exercise of those duties;

20.5 (16) the current address of a recipient of general assistance may be disclosed to probation
20.6 officers and corrections agents who are supervising the recipient and to law enforcement
20.7 officers who are investigating the recipient in connection with a felony level offense;

20.8 (17) information obtained from a SNAP applicant or recipient households may be
20.9 disclosed to local, state, or federal law enforcement officials, upon their written request, for
20.10 the purpose of investigating an alleged violation of the Food and Nutrition Act, according
20.11 to Code of Federal Regulations, title 7, section 272.1(c);

20.12 (18) the address, Social Security or individual taxpayer identification number, and, if
20.13 available, photograph of any member of a household receiving SNAP benefits shall be made
20.14 available, on request, to a local, state, or federal law enforcement officer if the officer
20.15 furnishes the agency with the name of the member and notifies the agency that:

20.16 (i) the member:

20.17 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a
20.18 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

20.19 (B) is violating a condition of probation or parole imposed under state or federal law;

20.20 or

20.21 (C) has information that is necessary for the officer to conduct an official duty related
20.22 to conduct described in subitem (A) or (B);

20.23 (ii) locating or apprehending the member is within the officer's official duties; and

20.24 (iii) the request is made in writing and in the proper exercise of the officer's official duty;

20.25 (19) the current address of a recipient of Minnesota family investment program, general
20.26 assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing,
20.27 provide the name of the recipient and notify the agency that the recipient is a person required
20.28 to register under section 243.166, but is not residing at the address at which the recipient is
20.29 registered under section 243.166;

20.30 (20) certain information regarding child support obligors who are in arrears may be
20.31 made public according to section 518A.74;

21.1 (21) data on child support payments made by a child support obligor and data on the
21.2 distribution of those payments excluding identifying information on obligees may be
21.3 disclosed to all obligees to whom the obligor owes support, and data on the enforcement
21.4 actions undertaken by the public authority, the status of those actions, and data on the income
21.5 of the obligor or obligee may be disclosed to the other party;

21.6 (22) data in the work reporting system may be disclosed under section 142A.29,
21.7 subdivision 7;

21.8 (23) to the Department of Education for the purpose of matching Department of Education
21.9 student data with public assistance data to determine students eligible for free and
21.10 reduced-price meals, meal supplements, and free milk according to United States Code,
21.11 title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state
21.12 funds that are distributed based on income of the student's family; and to verify receipt of
21.13 energy assistance for the telephone assistance plan;

21.14 (24) the current address and telephone number of program recipients and emergency
21.15 contacts may be released to the commissioner of health or a community health board as
21.16 defined in section 145A.02, subdivision 5, when the commissioner or community health
21.17 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
21.18 or at risk of illness, and the data are necessary to locate the person;

21.19 (25) to other state agencies, statewide systems, and political subdivisions of this state,
21.20 including the attorney general, and agencies of other states, interstate information networks,
21.21 federal agencies, and other entities as required by federal regulation or law for the
21.22 administration of the child support enforcement program;

21.23 (26) to personnel of public assistance programs as defined in section 518A.81, for access
21.24 to the child support system database for the purpose of administration, including monitoring
21.25 and evaluation of those public assistance programs;

21.26 (27) to monitor and evaluate the Minnesota family investment program by exchanging
21.27 data between the Departments of Human Services; Children, Youth, and Families; and
21.28 Education, on recipients and former recipients of SNAP benefits, cash assistance under
21.29 chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical
21.30 programs under chapter 256B or 256L, or a medical program formerly codified under chapter
21.31 256D;

21.32 (28) to evaluate child support program performance and to identify and prevent fraud
21.33 in the child support program by exchanging data between the Department of Human Services;
21.34 Department of Children, Youth, and Families; Department of Revenue under section 270B.14,

22.1 subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph
22.2 (c); Department of Health; Department of Employment and Economic Development; and
22.3 other state agencies as is reasonably necessary to perform these functions;

22.4 (29) counties and the Department of Children, Youth, and Families operating child care
22.5 assistance programs under chapter 142E may disseminate data on program participants,
22.6 applicants, and providers to the commissioner of education;

22.7 (30) child support data on the child, the parents, and relatives of the child may be
22.8 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
22.9 Security Act, as authorized by federal law;

22.10 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
22.11 necessary to coordinate services;

22.12 (32) to the chief administrative officer of a school to coordinate services for a student
22.13 and family; data that may be disclosed under this clause are limited to name, date of birth,
22.14 gender, and address;

22.15 (33) to county correctional agencies to the extent necessary to coordinate services and
22.16 diversion programs; data that may be disclosed under this clause are limited to name, client
22.17 demographics, program, case status, and county worker information; or

22.18 (34) between the Department of Human Services and the Metropolitan Council for the
22.19 following purposes:

22.20 (i) to coordinate special transportation service provided under section 473.386 with
22.21 services for people with disabilities and elderly individuals funded by or through the
22.22 Department of Human Services; and

22.23 (ii) to provide for reimbursement of special transportation service provided under section
22.24 473.386.

22.25 The data that may be shared under this clause are limited to the individual's first, last, and
22.26 middle names; date of birth; residential address; and program eligibility status with expiration
22.27 date for the purposes of informing the other party of program eligibility.

22.28 (b) Information on persons who have been treated for substance use disorder may only
22.29 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
22.30 2.1 to 2.67.

22.31 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
22.32 (17), or (18), or paragraph (b), are investigative data and are confidential or protected

23.1 nonpublic while the investigation is active. The data are private after the investigation
23.2 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

23.3 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are
23.4 not subject to the access provisions of subdivision 10, paragraph (b).

23.5 For the purposes of this subdivision, a request will be deemed to be made in writing if
23.6 made through a computer interface system.

23.7 Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

23.8 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,
23.9 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare
23.10 system in an investigation, authorized by statute, and relating to the enforcement of rules
23.11 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or
23.12 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and
23.13 shall not be disclosed except:

23.14 (1) pursuant to section 13.05;

23.15 (2) pursuant to statute or valid court order;

23.16 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for
23.17 preparation of defense;

23.18 (4) to an agent of ~~the welfare system~~ or an investigator acting on behalf of a county,
23.19 state, or federal government, including a law enforcement officer or attorney in the
23.20 investigation or prosecution of a criminal, civil, or administrative proceeding, unless the
23.21 commissioner of human services or commissioner of children, youth, and families determines
23.22 that disclosure may compromise a Department of Human Services or Department of Children,
23.23 Youth, and Families ongoing investigation; or

23.24 (5) to provide notices required or permitted by statute.

23.25 The data referred to in this subdivision shall be classified as public data upon submission
23.26 to an administrative law judge or court in an administrative or judicial proceeding. Inactive
23.27 welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

23.28 (b) Notwithstanding any other provision in law, the commissioner of human services
23.29 shall provide all active and inactive investigative data, including the name of the reporter
23.30 of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for
23.31 mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. Withholding of payments. (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

(3) the provider is operating after a Minnesota state or federal agency orders the suspension, revocation, or decertification of the provider's license;

(4) the provider, vendor, associated individual, or associated entity, including those receiving funds under any contract or registered program, has a background study disqualification under chapter 245C that has not been set aside and for which no variance has been issued, except for a disqualification under sections 245C.14, subdivision 5, and 245C.15, subdivision 4c; or

(5) by a preponderance of the evidence that the provider, vendor, individual, associated individual, or associated entity intentionally provided materially false information on the provider's billing forms.

(b) For purposes of this subdivision, "credible allegation of fraud" means an allegation that has been verified by the commissioner from any source, including but not limited to:

(1) fraud hotline complaints;

25.1 (2) claims data mining;

25.2 (3) patterns identified through provider audits, civil false claims cases, and law
25.3 enforcement investigations; and

25.4 (4) court filings and other legal documents, including but not limited to police reports,
25.5 complaints, indictments, informations, affidavits, declarations, and search warrants.

25.6 (c) The commissioner must send notice of the withholding of payments within five days
25.7 of taking such action. The notice must:

25.8 (1) state that payments are being withheld according to this subdivision;

25.9 (2) set forth the general allegations related to the withholding action, except the notice
25.10 need not disclose specific information concerning an ongoing investigation;

25.11 (3) state that the withholding is for a temporary period and cite the circumstances under
25.12 which the withholding will be terminated; and

25.13 (4) inform the provider, vendor, individual, associated individual, or associated entity
25.14 of the right to submit written evidence to contest the withholding action for consideration
25.15 by the commissioner.

25.16 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,
25.17 individual, associated individual, or associated entity has a right to request administrative
25.18 reconsideration. A request for administrative reconsideration must be made in writing, state
25.19 with specificity the reasons the payment withholding decision is in error, and include
25.20 documents to support the request. Within 60 days from receipt of the request, the
25.21 commissioner shall judiciously review allegations, facts, evidence available to the
25.22 commissioner, and information submitted by the provider, vendor, individual, associated
25.23 individual, or associated entity to determine whether the payment withholding should remain
25.24 in place.

25.25 (e) The commissioner shall stop withholding payments if the commissioner determines
25.26 there is insufficient evidence of fraud by the provider, vendor, individual, associated
25.27 individual, or associated entity or when legal proceedings relating to the alleged fraud are
25.28 completed, unless the commissioner has sent notice under subdivision 3 to the provider,
25.29 vendor, individual, associated individual, or associated entity.

25.30 (f) The withholding of payments is a temporary action and is not subject to appeal under
25.31 section 256.045 or chapter 14.

25.32 **EFFECTIVE DATE.** This section is effective July 1, 2025.

26.1 Sec. 4. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to
26.2 read:

26.3 Subd. 6. **Data practices.** The commissioner may exchange information, including claims
26.4 data, with state or federal agencies, professional boards, departments, or programs for the
26.5 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related
26.6 to suspected fraud or exclusion from any program administered by a state or federal agency.

26.7 Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

26.8 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
26.9 entity that is subject to licensure under section 245A.03 must apply for a license. The
26.10 application must be made on the forms and in the manner prescribed by the commissioner.
26.11 The commissioner shall provide the applicant with instruction in completing the application
26.12 and provide information about the rules and requirements of other state agencies that affect
26.13 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
26.14 Minnesota must have a program office located within 30 miles of the Minnesota border.
26.15 An applicant who intends to buy or otherwise acquire a program or services licensed under
26.16 this chapter that is owned by another license holder must apply for a license under this
26.17 chapter and comply with the application procedures in this section and section 245A.043.

26.18 The commissioner shall act on the application within 90 working days after a complete
26.19 application and any required reports have been received from other state agencies or
26.20 departments, counties, municipalities, or other political subdivisions. The commissioner
26.21 shall not consider an application to be complete until the commissioner receives all of the
26.22 required information. If the applicant or a controlling individual is the subject of a pending
26.23 administrative, civil, or criminal investigation, the application is not complete until the
26.24 investigation has closed or the related legal proceedings are complete.

26.25 When the commissioner receives an application for initial licensure that is incomplete
26.26 because the applicant failed to submit required documents or that is substantially deficient
26.27 because the documents submitted do not meet licensing requirements, the commissioner
26.28 shall provide the applicant written notice that the application is incomplete or substantially
26.29 deficient. In the written notice to the applicant the commissioner shall identify documents
26.30 that are missing or deficient and give the applicant 45 days to resubmit a second application
26.31 that is substantially complete. An applicant's failure to submit a substantially complete
26.32 application after receiving notice from the commissioner is a basis for license denial under
26.33 section 245A.043.

27.1 (b) An application for licensure must identify all controlling individuals as defined in
27.2 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
27.3 agent. The application must be signed by the authorized agent and must include the authorized
27.4 agent's first, middle, and last name; mailing address; and email address. By submitting an
27.5 application for licensure, the authorized agent consents to electronic communication with
27.6 the commissioner throughout the application process. The authorized agent must be
27.7 authorized to accept service on behalf of all of the controlling individuals. A government
27.8 entity that holds multiple licenses under this chapter may designate one authorized agent
27.9 for all licenses issued under this chapter or may designate a different authorized agent for
27.10 each license. Service on the authorized agent is service on all of the controlling individuals.
27.11 It is not a defense to any action arising under this chapter that service was not made on each
27.12 controlling individual. The designation of a controlling individual as the authorized agent
27.13 under this paragraph does not affect the legal responsibility of any other controlling individual
27.14 under this chapter.

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

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

27.24 (e) The commissioner may limit communication during the application process to the
27.25 authorized agent or the controlling individuals identified on the license application and for
27.26 whom a background study was initiated under chapter 245C. Upon implementation of the
27.27 provider licensing and reporting hub, applicants and license holders must use the hub in the
27.28 manner prescribed by the commissioner. The commissioner may require the applicant,
27.29 except for child foster care, to demonstrate competence in the applicable licensing
27.30 requirements by successfully completing a written examination. The commissioner may
27.31 develop a prescribed written examination format.

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

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

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

28.6 (3) if doing business under a different name, the doing business as (DBA) name, as
28.7 registered with the secretary of state;

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

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

28.12 (g) When an applicant is an organization, the applicant must provide:

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

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

28.18 (3) the first, middle, and last name, and address for all individuals who will be controlling
28.19 individuals, including all officers, owners, and managerial officials as defined in section
28.20 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
28.21 for each controlling individual;

28.22 (4) if applicable, the applicant's NPI number and UMPI number;

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

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

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

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

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

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

29.5 (4) if applicable, the applicant's NPI number and UMPI number.

29.6 (i) At the time of application for licensure or renewal of a license under this chapter, the
29.7 applicant or license holder must acknowledge on the form provided by the commissioner
29.8 if the applicant or license holder elects to receive any public funding reimbursement from
29.9 the commissioner for services provided under the license that:

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

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

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

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

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

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

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

29.24 Sec. 6. Minnesota Statutes 2024, section 245A.05, is amended to read:

29.25 **245A.05 DENIAL OF APPLICATION.**

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

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

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

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

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

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

30.9 (6) is associated with an individual who received a background study under section
30.10 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to
30.11 children or vulnerable adults, and who has a disqualification that has not been set aside
30.12 under section 245C.22, and no variance has been granted;

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

30.14 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision
30.15 6;

30.16 (9) has a history of noncompliance as a license holder or controlling individual with
30.17 applicable laws or rules, including but not limited to this chapter and chapters 142E and
30.18 245C; ~~or~~

30.19 (10) is prohibited from holding a license according to section 245.095; or

30.20 (11) is the subject of a pending administrative, civil, or criminal investigation.

30.21 (b) An applicant whose application has been denied by the commissioner must be given
30.22 notice of the denial, which must state the reasons for the denial in plain language. Notice
30.23 must be given by certified mail, by personal service, or through the provider licensing and
30.24 reporting hub. The notice must state the reasons the application was denied and must inform
30.25 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,
30.26 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the
30.27 commissioner in writing by certified mail, by personal service, or through the provider
30.28 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the
30.29 commissioner within 20 calendar days after the applicant received the notice of denial. If
30.30 an appeal request is made by personal service, it must be received by the commissioner
30.31 within 20 calendar days after the applicant received the notice of denial. If the order is issued
30.32 through the provider hub, the appeal must be received by the commissioner within 20

31.1 calendar days from the date the commissioner issued the order through the hub. Section
31.2 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

31.3 Sec. 7. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

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

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

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

31.12 (3) the license holder or controlling individual is criminally charged in state or federal
31.13 court with an offense that involves fraud or theft against a program administered by ~~the~~
31.14 ~~commissioner~~ a state or federal agency.

31.15 (b) No state funds shall be made available or be expended by any agency or department
31.16 of state, county, or municipal government for use by a license holder regulated under this
31.17 chapter while a license issued under this chapter is under immediate suspension. A notice
31.18 stating the reasons for the immediate suspension and informing the license holder of the
31.19 right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to
31.20 1400.8612, must be delivered by personal service to the address shown on the application
31.21 or the last known address of the license holder. The license holder may appeal an order
31.22 immediately suspending a license. The appeal of an order immediately suspending a license
31.23 must be made in writing by certified mail, personal service, or other means expressly set
31.24 forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the
31.25 commissioner within five calendar days after the license holder receives notice that the
31.26 license has been immediately suspended. If a request is made by personal service, it must
31.27 be received by the commissioner within five calendar days after the license holder received
31.28 the order. A license holder and any controlling individual shall discontinue operation of the
31.29 program upon receipt of the commissioner's order to immediately suspend the license.

31.30 (c) The commissioner may act immediately to temporarily suspend a license issued
31.31 under this chapter if the license holder or controlling individual is the subject of a pending
31.32 administrative, civil, or criminal investigation or subject to an administrative or civil action
31.33 related to fraud against a program administered by a state or federal agency.

32.1 Sec. 8. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to
32.2 read:

32.3 Subd. 5. **Prohibition of duplicative claim submission.** (a) For time-based claims,
32.4 submissions must follow the guidelines in the Centers for Medicare and Medicaid Services'
32.5 Healthcare Common Procedure Coding System and the American Medical Association's
32.6 Current Procedural Terminology to determine the appropriate units of time to report.

32.7 (b) More than half the duration of a time-based code must be spent performing the service
32.8 to be eligible under this section. Any provision of service during the remaining balance of
32.9 the unit of time is not eligible for any other claims submission and would be considered a
32.10 duplicative claim submission.

32.11 (c) A provider may only round up to the next whole number of service units on a
32.12 submitted claim when more than one and one-half times the defined value of the code has
32.13 occurred and no additional time increment code exists.

32.14 **EFFECTIVE DATE.** This section is effective July 1, 2025.

32.15 Sec. 9. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

32.16 Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through
32.17 the settlement provisions applicable to the Supplemental Nutrition Assistance Program
32.18 (SNAP), MFIP, child care assistance programs, the medical assistance program, and other
32.19 federal and state-funded programs.

32.20 (b) The commissioners will maintain program compliance if for any ~~three consecutive~~
32.21 ~~month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention
32.22 investigation program guidelines, or fails to meet the cost-effectiveness standards developed
32.23 by the commissioners. This result is contingent on the commissioners providing written
32.24 notice, including an offer of technical assistance, within 30 days of the end of the ~~third or~~
32.25 ~~subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required
32.26 to submit a corrective action plan to the commissioners within 30 days of receipt of a notice
32.27 of noncompliance. Failure to submit a corrective action plan or, continued deviation from
32.28 standards of more than ten percent after submission of a corrective action plan, will result
32.29 in denial of funding for each subsequent month, or billing the county or Tribal agency for
32.30 fraud prevention investigation (FPI) service provided by the commissioners, or reallocation
32.31 of program grant funds, or investigative resources, or both, to other counties or Tribal
32.32 agencies. The denial of funding shall apply to the general settlement received by the county

33.1 or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to
33.2 the FPI project.

33.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

33.4 Sec. 10. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

33.5 Subd. 21. **Requirements for provider enrollment of personal care assistance provider**
33.6 **agencies.** (a) All personal care assistance provider agencies must provide, at the time of
33.7 enrollment, reenrollment, and revalidation as a personal care assistance provider agency in
33.8 a format determined by the commissioner, information and documentation that includes,
33.9 but is not limited to, the following:

33.10 (1) the personal care assistance provider agency's current contact information including
33.11 address, telephone number, and email address;

33.12 (2) proof of surety bond coverage for each business location providing services. Upon
33.13 new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up
33.14 to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If
33.15 the Medicaid revenue in the previous year is over \$300,000, the provider agency must
33.16 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
33.17 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
33.18 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
33.19 surety bond must occur within six years from the date the debt is affirmed by a final agency
33.20 decision. An agency decision is final when the right to appeal the debt has been exhausted
33.21 or the time to appeal has expired under section 256B.064;

33.22 (3) proof of fidelity bond coverage in the amount of \$20,000 for each business location
33.23 providing service;

33.24 (4) proof of workers' compensation insurance coverage identifying the business location
33.25 where personal care assistance services are provided;

33.26 (5) proof of liability insurance coverage identifying the business location where personal
33.27 care assistance services are provided and naming the department as a certificate holder;

33.28 (6) a copy of the personal care assistance provider agency's written policies and
33.29 procedures including: hiring of employees; training requirements; service delivery; and
33.30 employee and consumer safety including process for notification and resolution of consumer
33.31 grievances, identification and prevention of communicable diseases, and employee
33.32 misconduct;

34.1 (7) copies of all other forms the personal care assistance provider agency uses in the
34.2 course of daily business including, but not limited to:

34.3 (i) a copy of the personal care assistance provider agency's time sheet if the time sheet
34.4 varies from the standard time sheet for personal care assistance services approved by the
34.5 commissioner, and a letter requesting approval of the personal care assistance provider
34.6 agency's nonstandard time sheet;

34.7 (ii) the personal care assistance provider agency's template for the personal care assistance
34.8 care plan; and

34.9 (iii) the personal care assistance provider agency's template for the written agreement
34.10 in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

34.11 (8) a list of all training and classes that the personal care assistance provider agency
34.12 requires of its staff providing personal care assistance services;

34.13 (9) documentation that the personal care assistance provider agency and staff have
34.14 successfully completed all the training required by this section, including the requirements
34.15 under subdivision 11, paragraph (d), if enhanced personal care assistance services are
34.16 provided and submitted for an enhanced rate under subdivision 17a;

34.17 (10) documentation of the agency's marketing practices;

34.18 (11) disclosure of ownership, leasing, or management of all residential properties that
34.19 is used or could be used for providing home care services;

34.20 (12) documentation that the agency will use the following percentages of revenue
34.21 generated from the medical assistance rate paid for personal care assistance services for
34.22 employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal
34.23 care assistance choice option and 72.5 percent of revenue from other personal care assistance
34.24 providers. The revenue generated by the qualified professional and the reasonable costs
34.25 associated with the qualified professional shall not be used in making this calculation; and

34.26 (13) effective May 15, 2010, documentation that the agency does not burden recipients'
34.27 free exercise of their right to choose service providers by requiring personal care assistants
34.28 to sign an agreement not to work with any particular personal care assistance recipient or
34.29 for another personal care assistance provider agency after leaving the agency and that the
34.30 agency is not taking action on any such agreements or requirements regardless of the date
34.31 signed.

34.32 (b) Personal care assistance provider agencies shall provide the information specified
34.33 in paragraph (a) to the commissioner at the time the personal care assistance provider agency

35.1 enrolls as a vendor or upon request from the commissioner. The commissioner shall collect
35.2 the information specified in paragraph (a) from all personal care assistance providers
35.3 beginning July 1, 2009.

35.4 (c) All personal care assistance provider agencies shall require all employees in
35.5 management and supervisory positions and owners of the agency who are active in the
35.6 day-to-day management and operations of the agency to complete mandatory training as
35.7 determined by the commissioner before submitting an application for enrollment of the
35.8 agency as a provider. All personal care assistance provider agencies shall also require
35.9 qualified professionals to complete the training required by subdivision 13 before submitting
35.10 an application for enrollment of the agency as a provider. Employees in management and
35.11 supervisory positions and owners who are active in the day-to-day operations of an agency
35.12 who have completed the required training as an employee with a personal care assistance
35.13 provider agency do not need to repeat the required training if they are hired by another
35.14 agency, if they have completed the training within the past three years. By September 1,
35.15 2010, the required training must be available with meaningful access according to title VI
35.16 of the Civil Rights Act and federal regulations adopted under that law or any guidance from
35.17 the United States Health and Human Services Department. The required training must be
35.18 available online or by electronic remote connection. The required training must provide for
35.19 competency testing. Personal care assistance provider agency billing staff shall complete
35.20 training about personal care assistance program financial management. This training is
35.21 effective July 1, 2009. Any personal care assistance provider agency enrolled before that
35.22 date shall, if it has not already, complete the provider training within 18 months of July 1,
35.23 2009. Any new owners or employees in management and supervisory positions involved
35.24 in the day-to-day operations are required to complete mandatory training as a requisite of
35.25 working for the agency. Personal care assistance provider agencies certified for participation
35.26 in Medicare as home health agencies are exempt from the training required in this
35.27 subdivision. When available, Medicare-certified home health agency owners, supervisors,
35.28 or managers must successfully complete the competency test.

35.29 (d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability
35.30 insurance required by this subdivision must be maintained continuously. After initial
35.31 enrollment, a provider must submit proof of bonds and required coverages at any time at
35.32 the request of the commissioner. Services provided while there are lapses in coverage are
35.33 not eligible for payment. Lapses in coverage may result in sanctions, including termination.
35.34 The commissioner shall send instructions and a due date to submit the requested information
35.35 to the personal care assistance provider agency.

36.1 **EFFECTIVE DATE.** This section is effective July 1, 2025.

36.2 Sec. 11. Minnesota Statutes 2024, section 256B.0949, subdivision 16a, is amended to
36.3 read:

36.4 Subd. 16a. **Background studies.** An early intensive developmental and behavioral
36.5 intervention services agency must fulfill any background studies requirements under this
36.6 section by initiating a background study through the commissioner's NETStudy 2.0 system
36.7 as provided under ~~sections 245C.03, subdivision 15, and 245C.10, subdivision 17~~ chapter
36.8 245C and must maintain documentation of background study requests and results.

36.9 Sec. 12. Minnesota Statutes 2024, section 256B.4912, subdivision 1, is amended to read:

36.10 Subdivision 1. **Provider qualifications.** (a) For the home and community-based waivers
36.11 providing services to seniors and individuals with disabilities under chapter 256S and
36.12 sections 256B.0913, 256B.092, and 256B.49, the commissioner shall establish:

36.13 (1) agreements with enrolled waiver service providers to ensure providers meet Minnesota
36.14 health care program requirements;

36.15 (2) regular reviews of provider qualifications, and including requests of proof of
36.16 documentation; and

36.17 (3) processes to gather the necessary information to determine provider qualifications.

36.18 (b) A provider shall not require or coerce any service recipient to change waiver programs
36.19 or move to a different location, consistent with the informed choice and independent living
36.20 policies under section 256B.4905, subdivisions 1a, 2a, 3a, 7, and 8.

36.21 (c) ~~Beginning July 1, 2012,~~ For staff that provide direct contact, as defined in section
36.22 245C.02, subdivision 11, for services specified in the federally approved waiver plans,
36.23 providers must meet the requirements of chapter 245C ~~prior to providing waiver services~~
36.24 ~~and as part of ongoing enrollment. Upon federal approval,~~ and maintain documentation of
36.25 background study requests and results. This requirement ~~must also apply~~ applies to
36.26 consumer-directed community supports.

36.27 (d) ~~Beginning January 1, 2014,~~ Service owners and managerial officials overseeing the
36.28 management or policies of services that provide direct contact as specified in the federally
36.29 approved waiver plans must meet the requirements of chapter 245C prior to reenrollment
36.30 or revalidation or, for new providers, prior to initial enrollment if they have not already
36.31 done so as a part of service licensure requirements.

37.1 Sec. 13. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

37.2 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS
37.3 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation
37.4 as a CFSS agency-provider in a format determined by the commissioner, information and
37.5 documentation that includes but is not limited to the following:

37.6 (1) the CFSS agency-provider's current contact information including address, telephone
37.7 number, and email address;

37.8 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's
37.9 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the
37.10 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid
37.11 revenue in the previous calendar year is greater than \$300,000, the agency-provider must
37.12 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the
37.13 commissioner, must be renewed annually, and must allow for recovery of costs and fees in
37.14 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a
37.15 surety bond must occur within six years from the date the debt is affirmed by a final agency
37.16 decision. An agency decision is final when the right to appeal the debt has been exhausted
37.17 or the time to appeal has expired under section 256B.064;

37.18 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

37.19 (4) proof of workers' compensation insurance coverage;

37.20 (5) proof of liability insurance;

37.21 (6) a copy of the CFSS agency-provider's organizational chart identifying the names
37.22 and roles of all owners, managing employees, staff, board of directors, and additional
37.23 documentation reporting any affiliations of the directors and owners to other service
37.24 providers;

37.25 (7) proof that the CFSS agency-provider has written policies and procedures including:
37.26 hiring of employees; training requirements; service delivery; and employee and consumer
37.27 safety, including the process for notification and resolution of participant grievances, incident
37.28 response, identification and prevention of communicable diseases, and employee misconduct;

37.29 (8) proof that the CFSS agency-provider has all of the following forms and documents:

37.30 (i) a copy of the CFSS agency-provider's time sheet; and

37.31 (ii) a copy of the participant's individual CFSS service delivery plan;

38.1 (9) a list of all training and classes that the CFSS agency-provider requires of its staff
38.2 providing CFSS services;

38.3 (10) documentation that the CFSS agency-provider and staff have successfully completed
38.4 all the training required by this section;

38.5 (11) documentation of the agency-provider's marketing practices;

38.6 (12) disclosure of ownership, leasing, or management of all residential properties that
38.7 are used or could be used for providing home care services;

38.8 (13) documentation that the agency-provider will use at least the following percentages
38.9 of revenue generated from the medical assistance rate paid for CFSS services for CFSS
38.10 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except
38.11 100 percent of the revenue generated by a medical assistance rate increase due to a collective
38.12 bargaining agreement under section 179A.54 must be used for support worker wages and
38.13 benefits. The revenue generated by the worker training and development services and the
38.14 reasonable costs associated with the worker training and development services shall not be
38.15 used in making this calculation; and

38.16 (14) documentation that the agency-provider does not burden participants' free exercise
38.17 of their right to choose service providers by requiring CFSS support workers to sign an
38.18 agreement not to work with any particular CFSS participant or for another CFSS
38.19 agency-provider after leaving the agency and that the agency is not taking action on any
38.20 such agreements or requirements regardless of the date signed.

38.21 (b) CFSS agency-providers shall provide to the commissioner the information specified
38.22 in paragraph (a).

38.23 (c) All CFSS agency-providers shall require all employees in management and
38.24 supervisory positions and owners of the agency who are active in the day-to-day management
38.25 and operations of the agency to complete mandatory training as determined by the
38.26 commissioner. Employees in management and supervisory positions and owners who are
38.27 active in the day-to-day operations of an agency who have completed the required training
38.28 as an employee with a CFSS agency-provider do not need to repeat the required training if
38.29 they are hired by another agency and they have completed the training within the past three
38.30 years. CFSS agency-provider billing staff shall complete training about CFSS program
38.31 financial management. Any new owners or employees in management and supervisory
38.32 positions involved in the day-to-day operations are required to complete mandatory training
38.33 as a requisite of working for the agency.

(d) Agency-providers shall submit all required documentation in this section within 30 days of notification from the commissioner. If an agency-provider fails to submit all the required documentation, the commissioner may take action under subdivision 23a.

EFFECTIVE DATE. This section is effective July 1, 2025."

Page 78, after line 29, insert:

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 79, after line 5, insert:

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 79, after line 9, insert:

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 79, after line 13, insert:

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 79, after line 17, insert:

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 79, after line 21, insert:

EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained."

Page 80, line 5, before the second period, insert ", or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained"

- 40.1 Page 81, line 20, delete "and"
- 40.2 Page 81, line 22, delete the period and insert "; and"
- 40.3 Page 81, after line 22, insert:
- 40.4 "(4) collecting urinalysis samples."
- 40.5 Page 81, after line 25, insert:
- 40.6 **"EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,**
40.7 **whichever is later. The commissioner of human services shall notify the revisor of statutes**
40.8 **when federal approval is obtained.**"
- 40.9 Page 82, line 4, delete "utilization of" and insert "use"
- 40.10 Page 82, line 7, delete "for"
- 40.11 Page 82, after line 27, insert:
- 40.12 **"EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,**
40.13 **whichever is later. The commissioner of human services shall notify the revisor of statutes**
40.14 **when federal approval is obtained.**"
- 40.15 Page 82, line 31, delete "one-to-one" and insert "to a single client"
- 40.16 Page 84, after line 5, insert:
- 40.17 **"EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,**
40.18 **whichever is later. The commissioner of human services shall notify the revisor of statutes**
40.19 **when federal approval is obtained.**"
- 40.20 Page 84, after line 23, insert:
- 40.21 **"EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,**
40.22 **whichever is later. The commissioner of human services shall notify the revisor of statutes**
40.23 **when federal approval is obtained.**"
- 40.24 Page 86, after line 21, insert:
- 40.25 **"EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,**
40.26 **whichever is later. The commissioner of human services shall notify the revisor of statutes**
40.27 **when federal approval is obtained.**"
- 40.28 Page 86, line 23, after "paraprofessional" insert "who does not meet the qualifications
40.29 of the behavioral health practitioner under section 245G.11, subdivision 12"

41.1 Page 86, line 28, delete "is not qualified to" and insert "must not" and delete everything
41.2 after "service" and insert "unless qualified to do so according to section 245G.07, subdivision
41.3 3."

41.4 Page 86, delete line 29 and insert:

41.5 "EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,
41.6 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.7 when federal approval is obtained."

41.8 Page 87, after line 17, insert:

41.9 "EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,
41.10 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.11 when federal approval is obtained."

41.12 Page 88, after line 2, insert:

41.13 "EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,
41.14 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.15 when federal approval is obtained."

41.16 Page 88, after line 12, insert:

41.17 "EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,
41.18 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.19 when federal approval is obtained."

41.20 Page 88, after line 24, insert:

41.21 "EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,
41.22 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.23 when federal approval is obtained."

41.24 Page 89, line 1, delete "July 1, 2025" and insert "January 1, 2027"

41.25 Page 89, after line 7, insert:

41.26 "EFFECTIVE DATE. This section is effective July 1, 2026, or upon federal approval,
41.27 whichever is later. The commissioner of human services shall notify the revisor of statutes
41.28 when federal approval is obtained."

41.29 Page 89, line 28, delete "July 1, 2025" and insert "January 1, 2026"

41.30 Page 90, line 24, delete "July 1, 2025" and insert "January 1, 2027"

41.31 Page 90, line 30, delete "July 1, 2025" and insert "January 1, 2026"

- 42.1 Page 91, line 14, delete "July 1, 2025" and insert "January 1, 2026"
- 42.2 Page 93, line 5, delete "July 1, 2025" and insert "January 1, 2027"
- 42.3 Page 93, after line 10, insert:
- 42.4 "**EFFECTIVE DATE.** This section is effective January 1, 2027."
- 42.5 Page 94, after line 28, insert:
- 42.6 "**EFFECTIVE DATE.** This section is effective January 1, 2027."
- 42.7 Page 95, after line 3, insert:
- 42.8 "**EFFECTIVE DATE.** This section is effective January 1, 2027."
- 42.9 Page 100, line 5, delete "July 1, 2025" and insert "January 1, 2026"
- 42.10 Page 100, line 12, delete "July 1, 2025" and insert "January 1, 2026"
- 42.11 Pages 100 to 104, delete sections 38 to 43
- 42.12 Page 107, after line 24, insert:
- 42.13 "**EFFECTIVE DATE.** This section is effective January 1, 2027."
- 42.14 Page 107, before line 25, insert:
- 42.15 "Sec. **[254B.21] DEFINITIONS.**
- 42.16 Subdivision 1. **Scope.** The terms used in sections 254B.21 to 254B.216 have the meanings
- 42.17 given in this section.
- 42.18 Subd. 2. **Applicant.** "Applicant" means any individual, organization, or entity who has
- 42.19 applied for certification of a recovery residence.
- 42.20 Subd. 3. **Certified recovery residence.** "Certified recovery residence" means a recovery
- 42.21 residence that has completed the application process and been approved for certification by
- 42.22 the commissioner.
- 42.23 Subd. 4. **Co-occurring disorders.** "Co-occurring disorders" means a diagnosis of both
- 42.24 a substance use disorder and a mental health disorder.
- 42.25 Subd. 5. **National Alliance for Recovery Residences or NARR.** "National Alliance
- 42.26 for Recovery Residences" or "NARR" is a nonprofit organization with a nationally recognized
- 42.27 standard for the certification of recovery residences that works with and supports
- 42.28 state-affiliated organizations.

43.1 Subd. 6. **Operator.** "Operator" means the lawful owner or lessee of a recovery residence
43.2 or a person employed and designated by the owner or lessee of the recovery residence to
43.3 have primary responsibility for oversight of the recovery residence, including but not limited
43.4 to hiring and termination of recovery residence staff, recovery residence maintenance, and
43.5 responding to complaints being investigated by the commissioner.

43.6 Subd. 7. **Recovery residence.** "Recovery residence" means a type of community residence
43.7 that provides a safe, healthy, family-like, substance-free living environment that supports
43.8 individuals in recovery from substance use disorder.

43.9 Subd. 8. **Recovery residence registry.** "Recovery residence registry" means the list of
43.10 recovery certified residences maintained by the commissioner.

43.11 Subd. 9. **Resident.** "Resident" means an individual who resides in a recovery residence.

43.12 Subd. 10. **Staff.** "Staff" means employees, contractors, or volunteers who provide
43.13 monitoring, assistance, or other services for the use and benefit of a recovery residence and
43.14 the residence's residents.

43.15 Subd. 11. **Substance free.** "Substance free" means being free from the use of alcohol,
43.16 illicit drugs, and the illicit use of prescribed drugs. This term does not prohibit medications
43.17 prescribed, dispensed, or administered by a licensed health care professional, such as
43.18 pharmacotherapies specifically approved by the United States Food and Drug Administration
43.19 (FDA) for treatment of a substance use disorder as well as other medications approved by
43.20 the FDA for the treatment of co-occurring disorders when taken as directed.

43.21 Subd. 12. **Substance use disorder.** "Substance use disorder" means a pattern of use of
43.22 alcohol or other drugs leading to impairment that meets the applicable diagnostic criteria
43.23 in the latest edition of the Diagnostic and Statistical Manual of Disorders of the American
43.24 Psychiatric Association.

43.25 **EFFECTIVE DATE.** This section is effective January 1, 2027.

43.26 Sec. **[254B.211] RESIDENCE REQUIREMENTS AND RESIDENT RIGHTS.**

43.27 Subdivision 1. **Applicability.** This section is applicable to all recovery residences
43.28 regardless of certification status.

43.29 Subd. 2. **Residence requirements.** All recovery residences must:

43.30 (1) comply with applicable state laws and regulations and local ordinances related to
43.31 maximum occupancy, fire safety, and sanitation;

43.32 (2) have safety policies and procedures that at a minimum address:

- 44.1 (i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide
44.2 detectors and fire extinguishers, and emergency evacuation drills;
- 44.3 (ii) exposure to bodily fluids and contagious disease; and
- 44.4 (iii) emergency procedures posted in conspicuous locations in the residence;
- 44.5 (3) maintain a supply of an opiate antagonist in the home, post information on proper
44.6 use, and train staff in opiate antagonist use;
- 44.7 (4) have written policies regarding access to all prescribed medications and storage of
44.8 medications when requested by the resident;
- 44.9 (5) have written policies regarding residency termination, including how length of stay
44.10 is determined and procedures in case of evictions;
- 44.11 (6) return all property and medications to a person discharged from the home and retain
44.12 the items for a minimum of 60 days if the person did not collect them upon discharge. The
44.13 owner must make an effort to contact persons listed as emergency contacts for the discharged
44.14 person so that the items are returned;
- 44.15 (7) ensure separation of money of persons served by the program from money of the
44.16 program or program staff. The program and staff must not:
- 44.17 (i) borrow money from a person served by the program;
- 44.18 (ii) purchase personal items from a person served by the program;
- 44.19 (iii) sell merchandise or personal services to a person served by the program;
- 44.20 (iv) require a person served by the program to purchase items for which the program is
44.21 eligible for reimbursement; or
- 44.22 (v) use money of persons served by the program to purchase items for which the program
44.23 is already receiving public or private payments;
- 44.24 (8) document the names and contact information for persons to contact in case of an
44.25 emergency, upon discharge, or other circumstances designated by the resident, including
44.26 but not limited to death due to an overdose;
- 44.27 (9) maintain contact information for emergency resources in the community to address
44.28 mental health and health emergencies;
- 44.29 (10) have policies on staff qualifications and a prohibition against relationships between
44.30 operators and residents;

(11) permit residents to use, as directed by a licensed prescriber, legally prescribed and dispensed or administered pharmacotherapies approved by the FDA for the treatment of opioid use disorder, co-occurring substance use disorders, and mental health conditions;

(12) have a fee schedule and refund policy;

(13) have rules for residents, including on prohibited items;

(14) have policies that promote resident participation in treatment, self-help groups, or other recovery supports;

(15) have policies requiring abstinence from alcohol and illicit drugs on the property. If the program utilizes drug screening or toxicology, the procedures must be included in the program's policies;

(16) distribute the recovery resident bill of rights in subdivision 3, resident rules, certification, and grievance process and post the documents in this clause in common areas;

(17) have policies and procedures on person and room searches;

(18) have code of ethics policies and procedures that are aligned with the National Alliance for Recovery Residences code of ethics and document they are read and signed by all those associated with the operation of the recovery residence, to include owners, operators, staff, and volunteers;

(19) have a description of how residents are involved with the governance of the residence, including decision-making procedures, how residents are involved in setting and implementing rules, and the role of peer-leaders, if any; and

(20) have procedures to maintain a respectful environment, including appropriate action to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff, and visitors within the residence. Programs should consider trauma-informed and resilience-promoting practices when determining action.

Subd. 3. **Resident bill of rights.** An individual living in a recovery residence has the right to:

(1) have access to an environment that supports recovery;

(2) have access to an environment that is safe and free from alcohol and other illicit drugs or substances;

(3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

46.1 (4) be treated with dignity and respect and to have personal property treated with respect;

46.2 (5) have personal, financial, and medical information kept private and to be advised of
46.3 the recovery residence's policies and procedures regarding disclosure of such information;

46.4 (6) access while living in the residence to other community-based support services as
46.5 needed;

46.6 (7) be referred to appropriate services upon leaving the residence if necessary;

46.7 (8) retain personal property that does not jeopardize the safety or health of the resident
46.8 or others;

46.9 (9) assert the rights in this subdivision personally or have the rights asserted by the
46.10 individual's representative or by anyone on behalf of the individual without retaliation;

46.11 (10) be provided with the name, address, and telephone number of the ombudsman for
46.12 mental health and developmental disabilities and the certifying designated state affiliate
46.13 and be provided with information about the right to file a complaint;

46.14 (11) be fully informed of the rights and responsibilities in this section and program
46.15 policies and procedures; and

46.16 (12) not be required to perform services for the residence that are not included in the
46.17 usual expectations for all residents.

46.18 **EFFECTIVE DATE.** This section is effective January 1, 2027.

46.19 Sec. **[254B.212] COMPLAINTS AGAINST RECOVERY RESIDENCES.**

46.20 Subdivision 1. **In general.** Any complaints about a recovery residence may be made to
46.21 and reviewed or investigated by the commissioner.

46.22 Subd. 2. **Types of complaints.** The commissioner must receive and review complaints
46.23 that concern:

46.24 (1) the health and safety of residents;

46.25 (2) management of the recovery residence, including but not limited to house
46.26 environment, financial procedures, staffing, house rules and regulations, improper handling
46.27 of resident terminations, and recovery support environment; or

46.28 (3) illegal activities or threats.

46.29 Subd. 3. **Investigation.** (a) Complaints regarding illegal activities or threats must be
46.30 immediately referred to law enforcement in the jurisdiction where the recovery residence

is located. The commissioner must continue to investigate complaints under subdivision 2, clause (3), that have been referred to law enforcement unless law enforcement requests the commissioner to stay the investigation.

(b) The commissioner must investigate all other types of complaints under this section and may take any action necessary to conduct an investigation, including but not limited to interviewing the recovery residence operator, staff, and residents and inspecting the premises.

Subd. 4. **Anonymity.** When making a complaint pursuant to this section, an individual must disclose the individual's identity to the commissioner. Unless ordered by a court or authorized by the complainant, the commissioner must not disclose the complainant's identity.

Subd. 5. **Prohibition against retaliation.** A recovery residence owner, operator, director, staff member, or resident must not be subject to retaliation, including but not limited to interference, threats, coercion, harassment, or discrimination for making any complaint against a recovery residence or against a recovery residence owner, operator, or chief financial officer.

EFFECTIVE DATE. This section is effective January 1, 2027.

Sec. **[254B.213] CERTIFICATION.**

Subdivision 1. **Voluntary certification.** The commissioner must establish and provide for the administration of a voluntary certification program for recovery residences based on the National Alliance for Recovery Residences standards seeking certification under this section.

Subd. 2. **Application requirements.** An applicant for certification must, at minimum, submit the following documents on forms approved by the commissioner:

(1) if the premises for the recovery residence is leased, documentation from the owner that the applicant has permission from the owner to operate a recovery residence on the premises;

(2) all policies and procedures required under this chapter;

(3) copies of all forms provided to residents, including but not limited to the recovery residence's medication, drug-testing, return-to-use, refund, and eviction or transfer policies;

(4) proof of insurance coverage necessary and at a minimum:

(i) employee dishonesty insurance in the amount of \$10,000 if the vendor has or had custody or control of money or property belonging to clients; and

48.1 (ii) bodily injury and property damage insurance in the amount of \$2,000,000 for each
48.2 occurrence; and

48.3 (5) proof of completed background checks for residence staff and operator.

48.4 Subd. 3. **Inspection pursuant to application.** Upon receiving a completed application,
48.5 the commissioner must conduct an initial on-site inspection of the recovery residence to
48.6 ensure the residence is in compliance with the requirements of sections 254B.21 to 254B.216.

48.7 Subd. 4. **Certification.** The commissioner must certify a recovery residence upon
48.8 approval of the application and after the initial on-site inspection. The certification
48.9 automatically terminates three years after issuance of the certification if the commissioner
48.10 does not renew the certification. Upon certification, the commissioner must issue the recovery
48.11 residence a proof of certification.

48.12 Subd. 5. **Display of proof of certification.** A recovery residence must publicly display
48.13 a proof of certification in the recovery residence.

48.14 Subd. 6. **Nontransferrability.** Certifications issued pursuant to this section cannot be
48.15 transferred to an address other than the address in the application or to another certification
48.16 holder without prior approval from the commissioner.

48.17 **EFFECTIVE DATE.** This section is effective January 1, 2027.

48.18 Sec. **[254B.214] MONITORING AND OVERSIGHT OF CERTIFIED RECOVERY**
48.19 **RESIDENCES.**

48.20 Subdivision 1. **Monitoring and inspections.** (a) The commissioner must conduct an
48.21 on-site certification review of the certified recovery residence every three years to determine
48.22 the certification holder's compliance with applicable rules and statutes.

48.23 (b) The commissioner must offer the certification holder a choice of dates for an
48.24 announced certification review. A certification review must occur during regular business
48.25 hours.

48.26 (c) The commissioner must make the results of certification reviews and the results of
48.27 investigations that result in a correction order publicly available on the department's website.

48.28 Subd. 2. **Commissioner's right of access.** (a) When the commissioner is exercising the
48.29 powers conferred to the commissioner under this section, if the recovery residence is in
48.30 operation and the information is relevant to the commissioner's inspection or investigation,
48.31 the certification holder must provide the commissioner access to:

48.32 (1) the physical facility and grounds where the residence is located;

49.1 (2) documentation and records, including electronically maintained records;

49.2 (3) residents served by the recovery residence;

49.3 (4) staff persons of the recovery residence; and

49.4 (5) personnel records of current and former staff of the recovery residence.

49.5 (b) The applicant or certification holder must provide the commissioner with access to
49.6 the facility and grounds, documentation and records, residents, and staff without prior notice
49.7 and as often as the commissioner considers necessary if the commissioner is conducting an
49.8 inspection or investigating alleged maltreatment or a violation of a law or rule. When
49.9 conducting an inspection, the commissioner may request assistance from other state, county,
49.10 and municipal governmental agencies and departments. The applicant or certification holder
49.11 must allow the commissioner, at the commissioner's expense, to photocopy, photograph,
49.12 and make audio and video recordings during an inspection.

49.13 Subd. 3. **Correction orders.** (a) If the applicant or certification holder fails to comply
49.14 with a law or rule, the commissioner may issue a correction order. The correction order
49.15 must state:

49.16 (1) the condition that constitutes a violation of the law or rule;

49.17 (2) the specific law or rule that the applicant or certification holder has violated; and

49.18 (3) the time that the applicant or certification holder is allowed to correct each violation.

49.19 (b) If the applicant or certification holder believes that the commissioner's correction
49.20 order is erroneous, the applicant or certification holder may ask the commissioner to
49.21 reconsider the correction order. An applicant or certification holder must make a request
49.22 for reconsideration in writing. The request must be sent via electronic communication to
49.23 the commissioner within 20 calendar days after the applicant or certification holder received
49.24 the correction order and must:

49.25 (1) specify the part of the correction order that is allegedly erroneous;

49.26 (2) explain why the specified part is erroneous; and

49.27 (3) include documentation to support the allegation of error.

49.28 (c) A request for reconsideration does not stay any provision or requirement of the
49.29 correction order. The commissioner's disposition of a request for reconsideration is final
49.30 and not subject to appeal.

(d) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified recovery residence according to subdivision 4.

(e) Nothing in this subdivision prohibits the commissioner from decertifying a recovery residence according to subdivision 4.

Subd. 4. **Decertification.** (a) The commissioner may decertify a recovery residence if a certification holder:

(1) failed to comply with an applicable law or rule; or

(2) knowingly withheld relevant information from or gave false or misleading information to the commissioner in connection with an application for certification, during an investigation, or regarding compliance with applicable laws or rules.

(b) When considering decertification of a recovery residence, the commissioner must consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of residents.

(c) If the commissioner decertifies a recovery residence, the order of decertification must inform the certification holder of the right to have a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The certification holder may appeal the decertification. The certification holder must appeal a decertification in writing and send or deliver the appeal to the commissioner by certified mail or personal service. If the certification holder mails the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar days after the certification holder receives the order of decertification. If the certification holder delivers an appeal by personal service, the commissioner must receive the appeal within ten calendar days after the certification holder received the order. If a certification holder submits a timely appeal of an order of decertification, the certification holder may continue to operate the program until the commissioner issues a final order on the decertification.

(d) If the commissioner decertifies a recovery residence pursuant to paragraph (a), clause (1), based on a determination that the recovery residence was responsible for maltreatment under chapter 260E or section 626.557, the final decertification determination is stayed until the commissioner issues a final decision regarding the maltreatment appeal if the certification holder appeals the decertification according to paragraph (c) and appeals the maltreatment determination pursuant to chapter 260E or section 626.557.

51.1 Subd. 5. **Notifications required and noncompliance.** (a) Changes in recovery residence
51.2 organization, staffing, services, or quality assurance procedures that affect the ability of the
51.3 certification holder to comply with the minimum standards of this chapter must be reported
51.4 in writing by the certification holder to the commissioner within 15 days of the occurrence.
51.5 The commissioner must review the change. If the change would result in noncompliance
51.6 in minimum standards, the commissioner must give the recovery residence written notice
51.7 and up to 180 days to correct the areas of noncompliance before being decertified. The
51.8 recovery residence must develop interim procedures to resolve the noncompliance on a
51.9 temporary basis and submit the interim procedures in writing to the commissioner for
51.10 approval within 30 days of the commissioner's determination of the noncompliance. The
51.11 commissioner must immediately decertify a recovery residence that fails to report a change
51.12 that results in noncompliance within 15 days, fails to develop an approved interim procedure
51.13 within 30 days of the determination of the noncompliance, or does not resolve the
51.14 noncompliance within 180 days.

51.15 (b) The commissioner may require the recovery residence to submit written information
51.16 to document that the recovery residence has maintained compliance with this section.

51.17 **EFFECTIVE DATE.** This section is effective January 1, 2027.

51.18 Sec. **[254B.215] CERTIFICATION LEVELS.**

51.19 Subdivision 1. **Certification levels.** When certifying a recovery residence, the
51.20 commissioner must specify whether the residence is a level-one or level-two certified
51.21 recovery residence.

51.22 Subd. 2. **Level-one certification.** The commissioner must designate a certified residence
51.23 as a level-one certified recovery residence when the residence is peer run. A level-one
51.24 certified recovery residence must:

51.25 (1) not permit an allowance for on-site paid staff or operator of the recovery residence;

51.26 (2) permit only nonpaid staff to live or work within the residence; and

51.27 (3) ensure that decisions are made solely by residents.

51.28 Subd. 3. **Level-two certification.** (a) The commissioner must designate a certified
51.29 residence as a level-two certified recovery residence when the residence is managed by
51.30 someone other than the residents. A level-two certified recovery residence must have staff
51.31 to model and teach recovery skills and behaviors.

51.32 (b) A level-two certified recovery residence must:

- 52.1 (1) have written job descriptions for each staff member position, including position
52.2 responsibilities and qualifications;
- 52.3 (2) have written policies and procedures for ongoing performance development of staff;
- 52.4 (3) provide annual training on emergency procedures, resident bill of rights, grievance
52.5 policies and procedures, and code of ethics;
- 52.6 (4) provide community or house meetings, peer supports, and involvement in self-help
52.7 or off-site treatment services;
- 52.8 (5) have identified recovery goals;
- 52.9 (6) maintain documentation that residents are linked with community resources such as
52.10 job search, education, family services, and health and housing programs; and
- 52.11 (7) maintain documentation of referrals made for additional services.
- 52.12 (c) Staff of a level-two certified recovery residence must not provide billable peer support
52.13 services to residents of the recovery residence.
- 52.14 **EFFECTIVE DATE.** This section is effective January 1, 2027.

52.15 Sec. **[254B.216] RESIDENT RECORD.**

- 52.16 A certified recovery residence must maintain documentation with a resident's signature
52.17 that each resident received the following prior to or on the first day of residency:
- 52.18 (1) the recovery resident bill of rights in section 254B.211, subdivision 3;
- 52.19 (2) the residence's financial obligations and agreements, refund policy, and payments
52.20 from third-party payers for any fees paid on the resident's behalf;
- 52.21 (3) the residence's services provided;
- 52.22 (4) relapse policies;
- 52.23 (5) policies regarding personal property;
- 52.24 (6) orientation to emergency procedures;
- 52.25 (7) orientation to resident rules; and
- 52.26 (8) all other applicable orientation materials identified in sections 254B.21 to 254B.216.
- 52.27 **EFFECTIVE DATE.** This section is effective January 1, 2027."

52.28 Page 116, after line 29, insert:

53.1 "Sec. **RECOVERY RESIDENCE WORKGROUP.**

53.2 (a) The commissioner of human services must convene a workgroup to develop
53.3 recommendations specific to recovery residences. The workgroup must:

53.4 (1) produce a report that examines how other states fund recovery residences, identifying
53.5 best practices and models that could be applicable to Minnesota;

53.6 (2) engage with stakeholders to ensure meaningful collaboration with key external
53.7 stakeholders on the ideas being developed that will inform the final plan and
53.8 recommendations; and

53.9 (3) create an implementable plan addressing housing needs for individuals in outpatient
53.10 substance use disorder treatment that includes:

53.11 (i) clear strategies for aligning housing models with individual treatment needs;

53.12 (ii) an assessment of funding streams, including potential federal funding sources;

53.13 (iii) a timeline for implementation with key milestones and action steps;

53.14 (iv) recommendations for future resource allocation to ensure long-term housing stability
53.15 for individuals in recovery; and

53.16 (v) specific recommendations for policy or legislative changes that may be required to
53.17 support sustainable recovery housing solutions.

53.18 (b) The workgroup must include but is not limited to:

53.19 (1) at least two designees from the Department of Human Services representing: (i)
53.20 behavioral health; and (ii) homelessness and housing and support services;

53.21 (2) the commissioner of health or a designee;

53.22 (3) two people who have experience living in a recovery residence;

53.23 (4) representatives from at least three substance use disorder lodging facilities currently
53.24 operating in Minnesota;

53.25 (5) three representatives from county social services agencies, at least one from inside
53.26 the seven-county metropolitan area and one from outside the seven-county metropolitan
53.27 area;

53.28 (6) a representative from a Tribal social services agency; and

53.29 (7) representatives from national or state organizations specializing in recovery residences
53.30 and substance use disorder treatment.

54.1 (c) The workgroup must meet at least monthly and as necessary to fulfill its
54.2 responsibilities. The commissioner of human services must provide administrative support
54.3 and meeting space for the workgroup. The workgroup may conduct meetings remotely.

54.4 (d) The commissioner of human services must make appointments to the workgroup by
54.5 October 1, 2025, and convene the first meeting of the workgroup by January 15, 2026.

54.6 (e) The workgroup must submit a final report with recommendations to the chairs and
54.7 ranking minority members of the legislative committees with jurisdiction over health and
54.8 human services policy and finance on or before January 1, 2027."

54.9 Page 117, after line 8, insert:

54.10 "(c) Minnesota Statutes 2024, section 254B.181, is repealed."

54.11 Page 117, line 9, delete "and"

54.12 Page 117, line 10, before the period, insert ", and paragraph (c) is effective January 1,
54.13 2027"

54.14 Page 117, after line 12, insert:

54.15 "Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
54.16 read:

54.17 Subd. 1b. **Definitions.** (a) For purposes of this section, the following terms have the
54.18 meanings given.

54.19 (b) "Income" means the adjusted gross income of the natural or adoptive parents
54.20 determined according to the previous year's federal tax form, except taxable capital gains
54.21 to the extent the funds have been used to purchase a home shall not be counted as income.

54.22 (c) "Insurance" means health and accident insurance coverage, or enrollment in a
54.23 nonprofit health service plan, health maintenance organization, self-insured plan, or preferred
54.24 provider organization.

54.25 **EFFECTIVE DATE.** This section is effective January 1, 2026.

54.26 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
54.27 read:

54.28 Subd. 2d. **Parental responsibility.** Parents with household adjusted gross income equal
54.29 to or greater than 675 percent of the federal poverty guidelines are responsible for a portion
54.30 of the cost of services, according to subdivision 2e, when:

55.1 (1) insurance or other health care benefits pay some but not all of the cost of services;
55.2 and

55.3 (2) no insurance or other health care benefits are available.

55.4 **EFFECTIVE DATE.** This section is effective January 1, 2026.

55.5 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
55.6 read:

55.7 Subd. 2e. **Contribution amount.** (a) The natural or adoptive parents of a minor child,
55.8 not including a child determined eligible for medical assistance without consideration of
55.9 parental income under the Tax Equity and Fiscal Responsibility Act (TEFRA) option or a
55.10 child accessing home and community-based waiver services, must contribute to the cost of
55.11 services used by making monthly payments on a sliding scale based on income, unless the
55.12 child is married or has been married, parental rights have been terminated, or the child's
55.13 adoption is subsidized according to chapter 259A or through Title IV-E of the Social Security
55.14 Act. The parental contribution is a partial or full payment for medical services provided for
55.15 diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal
55.16 care services as defined in United States Code, title 26, section 213, needed by the child
55.17 with a chronic illness or disability.

55.18 (b) For households with adjusted gross income equal to or greater than 675 percent of
55.19 federal poverty guidelines, the parental contribution shall be computed by applying the
55.20 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

55.21 (1) if the adjusted gross income is equal to or greater than 675 percent of federal poverty
55.22 guidelines and less than 975 percent of federal poverty guidelines, the parental contribution
55.23 shall be determined using a sliding fee scale established by the commissioner of human
55.24 services which begins at 4.5 percent of adjusted gross income at 675 percent of federal
55.25 poverty guidelines and increases to 5.99 percent of adjusted gross income for those with
55.26 adjusted gross income up to 975 percent of federal poverty guidelines; and

55.27 (2) if the adjusted gross income is equal to or greater than 975 percent of federal poverty
55.28 guidelines, the parental contribution shall be 7.49 percent of adjusted gross income.

55.29 (c) If the child lives with the parent, the annual adjusted gross income is reduced by
55.30 \$2,400 prior to calculating the parental contribution. If the child resides in an institution
55.31 specified in section 256B.35, the parent is responsible for the personal needs allowance
55.32 specified under that section in addition to the parental contribution determined under this

56.1 section. The parental contribution is reduced by any amount required to be paid directly to
56.2 the child pursuant to a court order, but only if actually paid.

56.3 **EFFECTIVE DATE.** This section is effective January 1, 2026.

56.4 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
56.5 read:

56.6 Subd. 2f. **Household size; contribution adjustments.** (a) The household size used in
56.7 determining the amount of contribution under subdivision 2e includes natural and adoptive
56.8 parents and their dependents, including the child receiving services.

56.9 (b) Adjustments in the contribution amount due to annual changes in the federal poverty
56.10 guidelines shall be implemented on the first day of July following publication of the changes.

56.11 **EFFECTIVE DATE.** This section is effective January 1, 2026.

56.12 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
56.13 read:

56.14 Subd. 2g. **Contribution explained in writing.** (a) The contribution shall be explained
56.15 in writing to the parents at the time eligibility for services is determined. The contribution
56.16 shall be made on a monthly basis effective with the first month in which the child receives
56.17 services.

56.18 (b) Annually upon redetermination or at termination of eligibility, if the contribution
56.19 exceeded the cost of services provided, the local agency or the state shall reimburse the
56.20 excess amount to the parents, either by direct reimbursement if the parent is no longer
56.21 required to pay a contribution, or by a reduction in or waiver of parental fees until the excess
56.22 amount is exhausted. All reimbursements must include a notice that the amount reimbursed
56.23 may be taxable income if the parent paid for the parent's fees through an employer's health
56.24 care flexible spending account under the Internal Revenue Code, section 125, and that the
56.25 parent is responsible for paying the taxes owed on the amount reimbursed.

56.26 **EFFECTIVE DATE.** This section is effective January 1, 2026.

56.27 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
56.28 read:

56.29 Subd. 2h. **Annual review; written notice.** (a) The monthly contribution amount must
56.30 be reviewed at least once every 12 months; when there is a change in household size; and
56.31 when there is a loss of or gain in income from one month to another in excess of ten percent.

57.1 (b) The local agency shall mail a written notice 30 days in advance of the effective date
57.2 of a change in the contribution amount. A decrease in the contribution amount is effective
57.3 in the month that the parent verifies a reduction in income or change in household size.

57.4 **EFFECTIVE DATE.** This section is effective January 1, 2026.

57.5 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
57.6 read:

57.7 Subd. 2i. **Parents who do not live with each other; contribution.** Parents of a minor
57.8 child who do not live with each other shall each pay the contribution required under
57.9 subdivision 2e. An amount equal to the annual court-ordered child support payment actually
57.10 paid on behalf of the child receiving services shall be deducted from the adjusted gross
57.11 income of the parent making the payment prior to calculating the parental contribution under
57.12 subdivision 2e.

57.13 **EFFECTIVE DATE.** This section is effective January 1, 2026.

57.14 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
57.15 read:

57.16 Subd. 2j. **Parents with more than one child receiving services; contribution.** Parents
57.17 who have more than one child receiving services shall not be required to pay more than the
57.18 amount for the child with the highest expenditures. The parent shall not be required to pay
57.19 a contribution in excess of the cost of the services provided to the child, not counting
57.20 payments made to school districts for education-related services.

57.21 **EFFECTIVE DATE.** This section is effective January 1, 2026.

57.22 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
57.23 read:

57.24 Subd. 2k. **Insurance coverage.** (a) The contribution under subdivision 2e shall be
57.25 increased by an additional five percent if the local agency determines that insurance coverage
57.26 is available but not obtained for the child.

57.27 (b) For purposes of this subdivision, "available" means insurance that is a benefit of
57.28 employment for a family member at an annual cost of no more than five percent of the
57.29 family's annual income.

57.30 **EFFECTIVE DATE.** This section is effective January 1, 2026.

58.1 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
58.2 read:

58.3 Subd. 2l. **Contribution reduction.** (a) The contribution under subdivision 2e shall be
58.4 reduced by \$300 per fiscal year if, in the 12 months prior to July 1:

58.5 (1) the parent applied for insurance for the child;

58.6 (2) the insurer denied insurance;

58.7 (3) the parents submitted a complaint or appeal, in writing, to the insurer, submitted a
58.8 complaint or appeal, in writing, to the commissioner of health or the commissioner of
58.9 commerce, or litigated the complaint or appeal; and

58.10 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

58.11 (b) A parent who has requested a reduction in the contribution amount under this
58.12 paragraph shall submit proof in the form and manner prescribed by the commissioner or
58.13 local agency, including but not limited to the insurer's denial of insurance, the written letter
58.14 or complaint of the parents, court documents, and the written response of the insurer
58.15 approving insurance. The determinations of the commissioner or local agency under this
58.16 subdivision are not rules subject to chapter 14.

58.17 **EFFECTIVE DATE.** This section is effective January 1, 2026.

58.18 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
58.19 read:

58.20 Subd. 3a. **Civil actions.** If the parent fails to make appropriate reimbursement as required
58.21 in subdivisions 2d and 2e, the attorney general, at the request of the commissioner, may
58.22 institute or direct the appropriate county attorney to institute civil action to recover the
58.23 required reimbursement.

58.24 **EFFECTIVE DATE.** This section is effective January 1, 2026.

58.25 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
58.26 read:

58.27 Subd. 4b. **Order of payment.** If the parental contribution is for reimbursement for the
58.28 cost of services to both the local agency and the medical assistance program, the local agency
58.29 shall be reimbursed for its expenses first and the remainder must be deposited in the medical
58.30 assistance account.

58.31 **EFFECTIVE DATE.** This section is effective January 1, 2026.

59.1 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
59.2 read:

59.3 Subd. 5a. **Determination; redetermination; notice.** A determination order and written
59.4 notice of parental fee shall be mailed to the parent at least annually, or more frequently as
59.5 provided in Minnesota Rules, parts 9550.6220 to 9550.6229. The determination order and
59.6 notice shall contain the following information:

59.7 (1) the amount the parent is required to contribute;

59.8 (2) notice of the right to a redetermination and appeal; and

59.9 (3) the telephone number of the division at the Department of Human Services that is
59.10 responsible for redeterminations.

59.11 **EFFECTIVE DATE.** This section is effective January 1, 2026.

59.12 Sec. Minnesota Statutes 2024, section 252.27, is amended by adding a subdivision to
59.13 read:

59.14 Subd. 6a. **Appeals.** (a) A parent may appeal the determination or redetermination of an
59.15 obligation to make a contribution under this section, according to section 256.045. The
59.16 parent must make a request for a hearing in writing within 30 days of the date the
59.17 determination or redetermination order is mailed, or within 90 days of such written notice
59.18 if the parent shows good cause why the request was not submitted within the 30-day time
59.19 limit. The commissioner must provide the parent with a written notice that acknowledges
59.20 receipt of the request and notifies the parent of the date of the hearing. While the appeal is
59.21 pending, the parent has the rights regarding making payment that are provided in Minnesota
59.22 Rules, part 9550.6235.

59.23 (b) If the commissioner's determination or redetermination is affirmed, the parent shall,
59.24 within 90 calendar days after the date an order is issued under section 256.045, subdivision
59.25 5, pay the total amount due from the effective date of the notice of determination or
59.26 redetermination that was appealed by the parent. If the commissioner's order under this
59.27 subdivision results in a decrease in the parental fee amount, any payments made by the
59.28 parent that result in an overpayment shall be credited to the parent as provided in Minnesota
59.29 Rules, part 9550.6235, subpart 3.

59.30 **EFFECTIVE DATE.** This section is effective January 1, 2026."

59.31 Page 117, after line 23, insert:

60.1 "(c) Medicaid providers shall accept electronically signed authorizations to release
60.2 medical records provided by the state medical review team."

60.3 Reletter the paragraphs in sequence

60.4 Page 121, line 5, delete "for medical assistance fee-for-service and January 1, 2027,"

60.5 Page 121, line 6, delete "for prepaid medical assistance,"

60.6 Page 127, after line 10, insert:

60.7 "Sec. Minnesota Statutes 2024, section 256B.14, subdivision 2, is amended to read:

60.8 Subd. 2. **Actions to obtain payment.** (a) The state agency shall promulgate rules to
60.9 determine the ability of responsible relatives to contribute partial or complete payment or
60.10 repayment of medical assistance furnished to recipients for whom they are responsible. All
60.11 medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for
60.12 nonexcluded resources shall be implemented. Above these limits, a contribution of one-third
60.13 of the excess resources shall be required. These rules shall not require payment or repayment
60.14 when payment would cause undue hardship to the responsible relative or that relative's
60.15 immediate family. These rules ~~do not apply to~~ shall be consistent with the requirements of
60.16 section 252.27 for parents of children with household adjusted gross income equal to or
60.17 greater than 675 percent of the federal poverty guidelines whose eligibility for medical
60.18 assistance was determined without deeming of the parents' resources and income under the
60.19 Tax Equity and Fiscal Responsibility Act (TEFRA) option or to ~~parents of children accessing~~
60.20 access home and community-based waiver services. The county agency shall give the
60.21 responsible relative notice of the amount of the payment or repayment. If the state agency
60.22 or county agency finds that notice of the payment obligation was given to the responsible
60.23 relative, but that the relative failed or refused to pay, a cause of action exists against the
60.24 responsible relative for that portion of medical assistance granted after notice was given to
60.25 the responsible relative, which the relative was determined to be able to pay.

60.26 (b) The action may be brought by the state agency or the county agency in the county
60.27 where assistance was granted, for the assistance, together with the costs of disbursements
60.28 incurred due to the action.

60.29 (c) In addition to granting the county or state agency a money judgment, the court may,
60.30 upon a motion or order to show cause, order continuing contributions by a responsible
60.31 relative found able to repay the county or state agency. The order shall be effective only
60.32 for the period of time during which the recipient receives medical assistance from the county
60.33 or state agency.

61.1 **EFFECTIVE DATE.** This section is effective January 1, 2026."

61.2 Page 129, after line 4, insert:

61.3 "Sec. Minnesota Statutes 2024, section 256B.051, subdivision 3, is amended to read:

61.4 Subd. 3. **Eligibility.** An individual with a disability is eligible for housing stabilization
61.5 services if the individual:

61.6 (1) is 18 years of age or older;

61.7 (2) is enrolled in medical assistance;

61.8 (3) has income at or below 150 percent of the federal poverty guidelines;

61.9 ~~(3)~~ (4) has an assessment of functional need that determines a need for services due to
61.10 limitations caused by the individual's disability;

61.11 ~~(4)~~ (5) resides in or plans to transition to a community-based setting as defined in Code
61.12 of Federal Regulations, title 42, section 441.301 (c); and

61.13 ~~(5)~~ (6) has housing instability evidenced by:

61.14 (i) being homeless or at-risk of homelessness;

61.15 (ii) being in the process of transitioning from, or having transitioned in the past six
61.16 months from, an institution or licensed or registered setting;

61.17 (iii) being eligible for waiver services under chapter 256S or section 256B.092 or
61.18 256B.49; or

61.19 (iv) having been identified by a long-term care consultation under section 256B.0911
61.20 as at risk of institutionalization."

61.21 Page 129, line 19, delete "5,225,959,000" and insert "6,033,991,000" and delete
61.22 "5,133,590,000" and insert "5,952,144,000"

61.23 Page 129, line 23, delete "5,204,101,000" and insert "6,004,926,000" and delete
61.24 "5,131,732,000" and insert "5,941,522,000"

61.25 Page 129, line 24, delete "1,733,000" and insert "1,896,000" and delete "1,733,000" and
61.26 insert "1,896,000"

61.27 Page 129, line 26, delete "125,000" and insert "4,103,000" and delete "125,000" and
61.28 insert "4,103,000"

61.29 Page 129, line 28, delete "20,000,000" and insert "20,530,000" and delete "-0-" and
61.30 insert "530,000"

62.1 Page 129, after line 28, insert:

62.2 "Health Care Access
62.3 Fund 2,536,000 4,063,000"

62.4 Page 130, line 26, delete "4,315,000" and insert "277,683,000" and delete "4,836,000"
62.5 and insert "285,388,000"

62.6 Page 130, after line 26, insert:

62.7 "Appropriations by Fund
62.8 2026 2027
62.9 General 149,045,000 153,138,000
62.10 State Government
62.11 Special Revenue 133,000 133,000
62.12 Health Care Access
62.13 Fund 1,595,000 3,122,000
62.14 Paid Family Medical
62.15 Leave 530,000 530,000"

62.16 Page 130, line 28, delete "\$3,196,000" and insert "\$150,183,000" and delete "\$3,010,000"
62.17 and insert "\$150,022,000"

62.18 Page 131, line 15, delete "735,000" and insert "22,922,000" and delete "686,000" and
62.19 insert "22,846,000"

62.20 Page 131, after line 15, insert:

62.21 "Appropriations by Fund
62.22 2026 2027
62.23 General 22,759,000 22,682,000
62.24 Lottery Prize 163,000 163,000"

62.25 Page 131, line 21, delete "-0-" and insert "6,932,000" and delete "276,000" and insert
62.26 "6,697,000"

62.27 Page 131, line 23, delete "\$321,000" and insert "\$6,742,000" and delete "\$321,000" and
62.28 insert "\$6,742,000"

62.29 Page 131, line 26, delete "8,883,000" and insert "40,658,000" and delete "11,330,000"
62.30 and insert "43,554,000"

62.31 Page 131, after line 26, insert:

62.32 "Appropriations by Fund
62.33 2026 2027
62.34 General 35,872,000 38,768,000

63.1 State Government

63.2 Special Revenue 3,845,000 3,845,000

63.3 Health Care Access

63.4 Fund 941,000 941,000"

63.5 Page 131, line 28, delete "\$11,476,000" and insert "\$38,970,000"

63.6 Page 131, line 29, delete "\$11,476,000" and insert "\$38,916,000"

63.7 Page 131, line 31, delete "-0-" and insert "269,258,000" and delete "1,800,000" and

63.8 insert "281,503,000"

63.9 Page 131, line 33, delete "4,766,244,000" and insert "4,854,736,000" and delete

63.10 "4,734,694,000" and insert "4,836,483,000"

63.11 Page 131, line 35, delete "74,000" and insert "55,694,000" and delete "186,000" and

63.12 insert "56,312,000"

63.13 Page 132, line 6, delete "114,251,000" and insert "135,636,000" and delete "107,822,000"

63.14 and insert "112,142,000"

63.15 Page 132, after line 6, insert:

63.16 "Sec. 13. FORECASTED PROGRAMS;

63.17 GENERAL ASSISTANCE GRANTS \$ 84,138,000 \$ 86,462,000

63.18 Sec. 14. FORECASTED PROGRAMS;

63.19 MINNESOTA SUPPLEMENTAL AID

63.20 GRANTS \$ 67,113,000 \$ 69,089,000"

63.21 Page 134, after line 25, insert:

63.22 "HIV/AIDS Supportive Services. \$6,000,000

63.23 in fiscal year 2026 from the general fund to

63.24 the commissioner of human services for grants

63.25 to community-based HIV/AIDS supportive

63.26 services providers as defined in Minnesota

63.27 Statutes, section 256.01, subdivision 19, and

63.28 for payment of allowed health care costs as

63.29 defined in Minnesota Statutes, section

63.30 256.9365. This is a onetime appropriation and

63.31 is available until June 30, 2027."

63.32 Page 136, line 9, delete "administration" and after "for" insert "facilities management,"

63.33 and after "systems" insert a comma

63.34 Page 136, after line 14, insert:

- 64.1"Sec. Laws 2024, chapter 127, article 53, section 2, subdivision 19, is amended to read:
- 64.2Subd. 19. **Direct Care and Treatment - Forensic**
- 64.3**Services**

-0-7,752,000
- 64.4(a) **Employee incentives.** \$1,000,000 in fiscal
- 64.5year 2025 is for incentives related to the
- 64.6transition of CARE St. Peter to the forensic
- 64.7mental health program. This is a onetime
- 64.8appropriation and is available until June 30,
- 64.92027.
- 64.10(b) **Base Level Adjustment.** The general fund
- 64.11base is increased by \$6,612,000 in fiscal year
- 64.122026 and increased by \$6,612,000 in fiscal
- 64.13year 2027."
- 64.14Renumber the sections in sequence and correct the internal references
- 64.15Amend the title accordingly