

184.1

**ARTICLE 7**

184.2

**DEPARTMENT OF DIRECT CARE AND TREATMENT**

142.6

**ARTICLE 6**

142.7

**DEPARTMENT OF DIRECT CARE AND TREATMENT**

142.8 Section 1. Minnesota Statutes 2022, section 15.01, is amended to read:

142.9 **15.01 DEPARTMENTS OF THE STATE.**

142.10 The following agencies are designated as the departments of the state government: the  
 142.11 Department of Administration; the Department of Agriculture; the Department of  
 142.12 Commerce; the Department of Corrections; the Department of Direct Care and Treatment;  
 142.13 the Department of Education; the Department of Employment and Economic Development;  
 142.14 the Department of Health; the Department of Human Rights; the Department of Human  
 142.15 Services; the Department of Information Technology Services; the Department of Iron  
 142.16 Range Resources and Rehabilitation; the Department of Labor and Industry; the Department  
 142.17 of Management and Budget; the Department of Military Affairs; the Department of Natural  
 142.18 Resources; the Department of Public Safety; ~~the Department of Human Services;~~ the  
 142.19 Department of Revenue; the Department of Transportation; the Department of Veterans  
 142.20 Affairs; and their successor departments.

142.21 **EFFECTIVE DATE.** This section is effective January 1, 2025.

142.22 Sec. 2. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

142.23 Subdivision 1. **Applicability.** This section applies to the following departments or  
 142.24 agencies: the Departments of Administration, Agriculture, Commerce, Corrections, Direct  
 142.25 Care and Treatment, Education, Employment and Economic Development, Health, Human  
 142.26 Rights, Human Services, Labor and Industry, Management and Budget, Natural Resources,  
 142.27 Public Safety, ~~Human Services~~, Revenue, Transportation, and Veterans Affairs; the Housing  
 142.28 Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range  
 142.29 Resources and Rehabilitation; the Department of Information Technology Services; the  
 142.30 Bureau of Mediation Services; and their successor departments and agencies. The heads of  
 142.31 the foregoing departments or agencies are "commissioners."

142.32 **EFFECTIVE DATE.** This section is effective January 1, 2025.

143.1 Sec. 3. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

143.2 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following  
 143.3 agencies may designate additional unclassified positions according to this subdivision: the  
 143.4 Departments of Administration; Agriculture; Commerce; Corrections; Direct Care and  
 143.5 Treatment, Education; Employment and Economic Development; Explore Minnesota  
 143.6 Tourism; Management and Budget; Health; Human Rights; Human Services, Labor and  
 143.7 Industry; Natural Resources; Public Safety; ~~Human Services~~; Revenue; Transportation;  
 143.8 and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery;  
 143.9 the State Board of Investment; the Office of Administrative Hearings; the Department of  
 143.10 Information Technology Services; the Offices of the Attorney General, Secretary of State,

143.11 and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of  
 143.12 Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological  
 143.13 Board.

143.14 A position designated by an appointing authority according to this subdivision must  
 143.15 meet the following standards and criteria:

143.16 (1) the designation of the position would not be contrary to other law relating specifically  
 143.17 to that agency;

143.18 (2) the person occupying the position would report directly to the agency head or deputy  
 143.19 agency head and would be designated as part of the agency head's management team;

143.20 (3) the duties of the position would involve significant discretion and substantial  
 143.21 involvement in the development, interpretation, and implementation of agency policy;

143.22 (4) the duties of the position would not require primarily personnel, accounting, or other  
 143.23 technical expertise where continuity in the position would be important;

143.24 (5) there would be a need for the person occupying the position to be accountable to,  
 143.25 loyal to, and compatible with, the governor and the agency head, the employing statutory  
 143.26 board or commission, or the employing constitutional officer;

143.27 (6) the position would be at the level of division or bureau director or assistant to the  
 143.28 agency head; and

143.29 (7) the commissioner has approved the designation as being consistent with the standards  
 143.30 and criteria in this subdivision.

143.31 **EFFECTIVE DATE.** This section is effective January 1, 2025.

184.3 Section 1. Minnesota Statutes 2022, section 246.54, subdivision 1a, is amended to read:

184.4 Subd. 1a. **Anoka-Metro Regional Treatment Center.** (a) A county's payment of the  
 184.5 cost of care provided at Anoka-Metro Regional Treatment Center shall be according to the  
 184.6 following schedule:

184.7 (1) zero percent for the first 30 days;

184.8 (2) 20 percent for days 31 and over if the stay is determined to be clinically appropriate  
 184.9 for the client; and

184.10 (3) 100 percent for each day during the stay, including the day of admission, when the  
 184.11 facility determines that it is clinically appropriate for the client to be discharged. The county  
 184.12 is responsible for 50 percent of the cost of care under this clause for a person committed as  
 184.13 a person who has a mental illness and is dangerous to the public under section 253B.18 and  
 184.14 who is awaiting transfer to another state-operated facility or program.

184.15 Notwithstanding any law to the contrary, the client is not responsible for payment of the  
 184.16 cost of care under this subdivision.

184.17 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80 percent  
 184.18 of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause  
 184.19 (2), the county shall be responsible for paying the state only the remaining amount. The  
 184.20 county shall not be entitled to reimbursement from the client, the client's estate, or from the  
 184.21 client's relatives, except as provided in section 246.53.

184.22 Sec. 2. Minnesota Statutes 2022, section 246.54, subdivision 1b, is amended to read:

184.23 Subd. 1b. **Community behavioral health hospitals.** (a) A county's payment of the cost  
 184.24 of care provided at state-operated community-based behavioral health hospitals for adults  
 184.25 and children shall be according to the following schedule:

184.26 (1) 100 percent for each day during the stay, including the day of admission, when the  
 184.27 facility determines that it is clinically appropriate for the client to be discharged except as  
 184.28 provided under paragraph (b); and

184.29 (2) the county shall not be entitled to reimbursement from the client, the client's estate,  
 184.30 or from the client's relatives, except as provided in section 246.53.

185.1 (b) The county is responsible for 50 percent of the cost of care under paragraph (a),  
 185.2 clause (1), for a person committed as a person who has a mental illness and is dangerous  
 185.3 to the public under section 253B.18 and who is awaiting transfer to another state-operated  
 185.4 facility or program.

185.5 (c) Notwithstanding any law to the contrary, the client is not responsible for payment  
 185.6 of the cost of care under this subdivision.

144.1 Sec. 4. **[246C.01] TITLE.**

144.2 This chapter may be cited as the "Department of Direct Care & Treatment Act."

144.3 Sec. 5. **[246C.02] DEPARTMENT OF DIRECT CARE AND TREATMENT;**  
 144.4 **ESTABLISHMENT.**

144.5 (a) The Department of Direct Care and Treatment is created. An executive board shall  
 144.6 head the Department of Direct Care and Treatment. The executive board shall develop and  
 144.7 maintain direct care and treatment in a manner consistent with applicable law, including  
 144.8 chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256. The  
 144.9 Department of Direct Care and Treatment shall provide direct care and treatment services  
 144.10 in coordination with counties and other vendors. Direct care and treatment services shall  
 144.11 include specialized inpatient programs at secure treatment facilities as defined in sections  
 144.12 253B.02, subdivision 18a, and 253D.02, subdivision 13; community preparation services;  
 144.13 regional treatment centers; enterprise services; consultative services; aftercare services;

- 144.14 community-based services and programs; transition services; nursing home services; and  
144.15 other services consistent with the mission of the Department of Direct Care and Treatment.
- 144.16 (b) "Community preparation services" means specialized inpatient or outpatient services  
144.17 or programs operated outside of a secure environment but administered by a secure treatment  
144.18 facility.
- 144.19 **EFFECTIVE DATE.** This section is effective January 1, 2025.
- 144.20 **Sec. 6. [246C.03] TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.**
- 144.21 Subdivision 1. Authority until board is developed and powers defined. Upon the  
144.22 effective date of this act, the commissioner of human services shall continue to exercise all  
144.23 authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C,  
144.24 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of  
144.25 Direct Care and Treatment executive board and defines the responsibilities and powers of  
144.26 the Department of Direct Care and Treatment and its executive board.
- 144.27 **Subd. 2. Development of Department of Direct Care and Treatment Board.** (a) The  
144.28 commissioner of human services shall prepare legislation for introduction during the 2024  
144.29 legislative session, with input from stakeholders the commissioner deems necessary,  
144.30 proposing legislation for the creation and implementation of the Direct Care and Treatment  
144.31 executive board and defining the responsibilities, powers, and function of the Department  
144.32 of Direct Care and Treatment executive board.
- 145.1 (b) The Department of Direct Care and Treatment executive board shall consist of no  
145.2 more than five members, all appointed by the governor.
- 145.3 (c) An executive board member's qualifications must be appropriate for overseeing a  
145.4 complex behavioral health system, such as experience serving on a hospital or non-profit  
145.5 board or working as a licensed health care provider, in an allied health profession, or in  
145.6 health care administration.
- 145.7 **EFFECTIVE DATE.** This section is effective July 1, 2023.
- 145.8 **Sec. 7. [246C.04] TRANSFER OF DUTIES.**
- 145.9 (a) Section 15.039 applies to the transfer of duties required by this chapter.
- 145.10 (b) The commissioner of administration, with the governor's approval, shall issue  
145.11 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties  
145.12 required by section 246C.03. The provision of section 16B.37, subdivision 1, stating that  
145.13 transfers under section 16B.37 may only be to an agency that has existed for at least one  
145.14 year does not apply to transfers to an agency created by this chapter.
- 145.15 (c) The initial salary for the health systems chief executive officer of the Department of  
145.16 Direct Care and Treatment is the same as the salary for the health systems chief executive

145.17 officer of direct care and treatment at the Department of Human Services immediately before  
145.18 July 1, 2024.

145.19 Sec. 8. **[246C.05] EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW**  
145.20 **DEPARTMENT OF DIRECT CARE AND TREATMENT.**

145.21 (a) Personnel whose duties relate to the functions assigned to the Department of Direct  
145.22 Care and Treatment executive board in section 246C.03 are transferred to the Department  
145.23 of Direct Care and Treatment effective 30 days after approval by the commissioner of direct  
145.24 care and treatment.

145.25 (b) Before the Department of Direct Care and Treatment executive board is appointed,  
145.26 personnel whose duties relate to the functions in this section may be transferred beginning  
145.27 July 1, 2024, with 30 days' notice from the commissioner of management and budget.

145.28 (c) The following protections shall apply to employees who are transferred from the  
145.29 Department of Human Services to the Department of Direct Care and Treatment:

145.30 (1) No transferred employee shall have their employment status and job classification  
145.31 altered as a result of the transfer.

146.1 (2) Transferred employees who were represented by an exclusive representative prior  
146.2 to the transfer shall continue to be represented by the same exclusive representative after  
146.3 the transfer.

146.4 (3) The applicable collective bargaining agreements with exclusive representatives shall  
146.5 continue in full force and effect for such transferred employees after the transfer.

146.6 (4) The state shall have the obligation to meet and negotiate with the exclusive  
146.7 representatives of the transferred employees about any proposed changes affecting or relating  
146.8 to the transferred employees' terms and conditions of employment to the extent such changes  
146.9 are not addressed in the applicable collective bargaining agreement.

146.10 (5) When an employee in a temporary unclassified position is transferred to the  
146.11 Department of Direct Care and Treatment, the total length of time that the employee has  
146.12 served in the appointment shall include all time served in the appointment at the transferring  
146.13 agency and the time served in the appointment at the Department of Direct Care and  
146.14 Treatment. An employee in a temporary unclassified position who was hired by a transferring  
146.15 agency through an open competitive selection process in accordance with a policy enacted  
146.16 by Minnesota Management and Budget shall be considered to have been hired through such  
146.17 process after the transfer.

146.18 (6) In the event that the state transfers ownership or control of any of the facilities,  
146.19 services, or operations of the Department of Direct Care and Treatment to another entity,  
146.20 whether private or public, by subcontracting, sale, assignment, lease, or other transfer, the  
146.21 state shall require as a written condition of such transfer of ownership or control the following  
146.22 provisions:

146.23 (i) Employees who perform work in transferred facilities, services, or operations must  
146.24 be offered employment with the entity acquiring ownership or control before the entity  
146.25 offers employment to any individual who was not employed by the transferring agency at  
146.26 the time of the transfer.

146.27 (ii) The wage and benefit standards of such transferred employees must not be reduced  
146.28 by the entity acquiring ownership or control through the expiration of the collective  
146.29 bargaining agreement in effect at the time of the transfer or for a period of two years after  
146.30 the transfer, whichever is longer.

146.31 (d) There is no liability on the part of, and no cause of action arises against, the state of  
146.32 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership  
146.33 or control of any facilities, services, or operations of the Department of Direct Care and  
146.34 Treatment.

147.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

147.2 Sec. 9. **REVISOR INSTRUCTION.**

147.3 The revisor of statutes, in consultation with staff from the House Research Department;  
147.4 House Fiscal Analysis; the Office of Senate Counsel, Research and Fiscal Analysis; and  
147.5 the respective departments shall prepare legislation for introduction in the 2024 legislative  
147.6 session proposing the statutory changes necessary to implement the transfers of duties that  
147.7 this article requires.

147.8 **EFFECTIVE DATE.** This section is effective July 1, 2023.