

1.1 A bill for an act  
1.2 relating to human services; providing for recipient protections and continuity of  
1.3 care when a provider is subject to a triggering event; providing for complex  
1.4 transitions; providing for a continuity period and transition payments for complex  
1.5 transitions; amending Minnesota Statutes 2024, sections 256B.0651, subdivision  
1.6 17; 256B.69, by adding a subdivision; 256B.85, subdivision 23a; proposing coding  
1.7 for new law in Minnesota Statutes, chapter 256B.

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

1.9 Section 1. **[256B.045] RECIPIENT PROTECTIONS AND CONTINUITY OF CARE**  
1.10 **WHEN A PROVIDER IS SUBJECT TO A TRIGGERING EVENT.**

1.11 Subdivision 1. **Definition.** (a) For purposes of this section and sections 256B.046 and  
1.12 256B.047, the following terms have the meanings given.

1.13 (b) "Complex transition" means a provider termination, suspension, revocation, or closure  
1.14 event that, without structured transition measures, would likely result in avoidable  
1.15 hospitalization, institutionalization, serious clinical deterioration, or loss of housing or  
1.16 placement.

1.17 (c) "Direct recipient care costs" means costs necessary to furnish covered services,  
1.18 excluding owner distributions, dividends, related party profit, and other noncare financial  
1.19 transfers.

1.20 (d) "Lead agency" means a county, Tribe, or managed care organization.

1.21 (e) "Recipient" means an enrollee, participant, resident, or other individual receiving  
1.22 services under medical assistance.

2.1 (f) "Triggering event" means sanctions or termination actions affecting provider  
2.2 participation or payments under section 256B.064, licensure loss or revocation, insolvency,  
2.3 receivership, bankruptcy, abandonment, or inability to safely operate.

2.4 Subd. 2. **Provider duties.** If a medical assistance service provider determines it is unable  
2.5 to continue to provide services to a recipient due to a triggering event, the provider must:

2.6 (1) when practicable, notify the recipient, the recipient's responsible party, if applicable,  
2.7 the lead agency, and the commissioner 30 days prior to terminating services to the recipient;

2.8 (2) assist the commissioner and lead agency in supporting the recipient in transitioning  
2.9 to another provider of the recipient's choice; and

2.10 (3) when practicable, provide each recipient with a copy of the relevant recipient bill of  
2.11 rights or recipient protections, if applicable, at least 30 days prior to terminating services.

2.12 Subd. 3. **Commissioner's duties.** (a) When a provider is subject to a triggering event,  
2.13 the commissioner or the commissioner's delegate must:

2.14 (1) inform the appropriate ombudsman's office, if applicable, and the lead agency for  
2.15 each recipient currently receiving services; and

2.16 (2) directly notify each recipient who receives services from the provider in order to  
2.17 protect recipient welfare.

2.18 (b) When a medical assistance service provider provides notice to the commissioner  
2.19 under subdivision 2 that it is unable to continue to provide services to a recipient due to a  
2.20 triggering event, the commissioner must assist the provider and the lead agency in supporting  
2.21 the recipient in transitioning to another provider of the recipient's choice.

2.22 (c) The commissioner must ensure a recipient receives continuity of medically necessary  
2.23 services and supports through a safe and orderly transition to appropriate receiving providers  
2.24 when a triggering event is designated as a complex transition under section 256B.046.

2.25 Subd. 4. **Lead agency duties.** When a provider is subject to a triggering event, a lead  
2.26 agency must contact affected service recipients to ensure that each recipient:

2.27 (1) is continuing to receive needed services; and

2.28 (2) has been given free choice of provider if the recipient transfers to another service  
2.29 provider.

3.1 Sec. 2. [256B.046] COMPLEX TRANSITIONS.

3.2 Subdivision 1. Complex transition designation. (a) The commissioner must designate  
3.3 a triggering event as a complex transition when any of the following conditions are present:

3.4 (1) a recipient is receiving long-term services and supports, including home and  
3.5 community-based services;

3.6 (2) a recipient is receiving behavioral health or substance use disorder treatment where  
3.7 abrupt interruption of treatment creates a material risk;

3.8 (3) a recipient is medically fragile and depends on life-sustaining treatment;

3.9 (4) there is limited regional capacity, including limited culturally or linguistically  
3.10 appropriate care; or

3.11 (5) a recipient's placement stability is dependent upon continued service delivery.

3.12 (b) The commissioner may establish objective thresholds to create a presumption of  
3.13 complex transition based on the number of recipients affected by a triggering event, recipient  
3.14 acuity, service type, or unresolved discharge or placement barriers.

3.15 Subd. 2. Complex transition operations plan. The commissioner must develop a written  
3.16 complex transition operations plan for each complex transition. The plan must include the  
3.17 following information:

3.18 (1) recipient identification and acuity level;

3.19 (2) stabilization actions to prevent gaps in care for the highest-risk recipients;

3.20 (3) medical record, medication, and treatment plan continuity procedures;

3.21 (4) receiving provider identification and capacity information;

3.22 (5) transition timelines, transportation, and handoff procedures;

3.23 (6) the communication plan for recipients, families, and guardians, including language  
3.24 access; and

3.25 (7) coordination with lead agencies, case managers, and ombudsman offices, when  
3.26 applicable.

3.27 Subd. 3. Complex transition team. The commissioner may convene a complex transition  
3.28 team that includes department staff, lead agencies, and other professionals, as necessary,  
3.29 to ensure the safe transition of recipients from one provider to another provider.

4.1 Subd. 4. **Complex transition; legislative notice.** The commissioner must notify the  
4.2 chairs and ranking minority members of the legislative committees with jurisdiction over  
4.3 human services policy and finance within ten days of designating a complex transition and  
4.4 must provide a report within 90 days of recipient stabilization to identify systemic gaps and  
4.5 make recommendations for systemic improvements.

4.6 Sec. 3. **[256B.047] CONTINUITY PERIOD AND TRANSITION PAYMENTS FOR**  
4.7 **COMPLEX TRANSITIONS.**

4.8 Subdivision 1. **Limited continuity period.** A provider subject to a triggering event that  
4.9 is designated as a complex transition may continue to provide services to high-risk recipients  
4.10 receiving long-term services and supports or hospice care for up to 180 days after the date  
4.11 the triggering event was designated a complex transition. The continuity period under this  
4.12 subdivision does not reinstate provider participation in medical assistance and does not limit  
4.13 the commissioner's sanction, exclusion, recovery, licensing enforcement, or referral authority.

4.14 Subd. 2. **Good cause payment safeguards.** When payment withholds or reductions  
4.15 occur under section 256B.064, the commissioner may find good cause not to suspend  
4.16 payments under Code of Federal Regulations, title 42, section 455.23(e) or (f), in order to  
4.17 provide for continuity of care during complex transitions.

4.18 Subd. 3. **Transition payments.** (a) If the commissioner does not suspend payments to  
4.19 a provider sanctioned under section 256B.064 due to a determination of good cause, the  
4.20 payments must be limited to direct recipient care costs. A provider receiving payments  
4.21 under this section must submit to independent financial monitoring and a prohibition on  
4.22 financial distributions to owners.

4.23 (b) The commissioner shall prioritize payment to alternative medical assistance enrolled  
4.24 providers who are assuming responsibility for service provision, court appointed receivers  
4.25 or interim managers providing services, or substitute providers operating on site under an  
4.26 approved transition plan.

4.27 (c) When permitted by state and federal law, the amount of allowable transition payments  
4.28 paid to a provider under this section are subtracted from the debts the provider owes to the  
4.29 state.

4.30 (d) Nothing in this section requires payments that are prohibited by federal law.

5.1 Sec. 4. Minnesota Statutes 2024, section 256B.0651, subdivision 17, is amended to read:

5.2 Subd. 17. **Recipient protection.** ~~(a) Providers of home care services must provide each~~  
5.3 ~~recipient with a copy of the home care bill of rights under section 144A.44 at least 30 days~~  
5.4 ~~prior to terminating services to a recipient, if the termination results from provider sanctions~~  
5.5 ~~under section 256B.064, such as a payment withhold, a suspension of participation, or a~~  
5.6 ~~termination of participation. If a home care provider determines it is unable to continue~~  
5.7 ~~providing services to a recipient, the provider must notify the recipient, the recipient's~~  
5.8 ~~responsible party, and the commissioner 30 days prior to terminating services to the recipient~~  
5.9 ~~because of an action under section 256B.064, and must assist the commissioner and lead~~  
5.10 ~~agency in supporting the recipient in transitioning to another home care provider of the~~  
5.11 ~~recipient's choice meet the recipient protection requirements under section 256B.045 when~~  
5.12 ~~subject to a triggering event as defined in section 256B.045, subdivision 1.~~

5.13 ~~(b) In the event of a payment withhold from a home care provider, a suspension of~~  
5.14 ~~participation, or a termination of participation of a home care provider under section~~  
5.15 ~~256B.064, the commissioner may inform the Office of Ombudsman for Long-Term Care~~  
5.16 ~~and the lead agencies for all recipients with active service agreements with the provider. At~~  
5.17 ~~the commissioner's request, the lead agencies must contact recipients to ensure that the~~  
5.18 ~~recipients are continuing to receive needed care, and that the recipients have been given~~  
5.19 ~~free choice of provider if they transfer to another home care provider. In addition, the~~  
5.20 ~~commissioner or the commissioner's delegate may directly notify recipients who receive~~  
5.21 ~~care from the provider that payments have been or will be withheld or that the provider's~~  
5.22 ~~participation in medical assistance has been or will be suspended or terminated, if the~~  
5.23 ~~commissioner determines that notification is necessary to protect the welfare of the recipients.~~  
5.24 ~~For purposes of this subdivision, "lead agencies" means counties, tribes, and managed care~~  
5.25 ~~organizations.~~

5.26 Sec. 5. Minnesota Statutes 2024, section 256B.69, is amended by adding a subdivision to  
5.27 read:

5.28 Subd. 38. **Duties when a provider is no longer able to provide services.** When a  
5.29 provider is subject to a triggering event under section 256B.045, managed care and  
5.30 county-based purchasing plans must follow the complex transition operations plan developed  
5.31 under section 256B.046, honor existing service authorizations when clinically appropriate  
5.32 for continuity and safe transfer of services, and ensure timely contracting or single case  
5.33 arrangements to prevent service gaps.

6.1 Sec. 6. Minnesota Statutes 2024, section 256B.85, subdivision 23a, is amended to read:

6.2 Subd. 23a. **Sanctions; information for participants upon termination of services.** (a)

6.3 The commissioner may withhold payment from the provider or suspend or terminate the  
6.4 provider enrollment number if the provider fails to comply fully with applicable laws or  
6.5 rules. The provider has the right to appeal the decision of the commissioner under section  
6.6 256B.064.

6.7 (b) Notwithstanding subdivision 13, paragraph (e), if a participant employer fails to  
6.8 comply fully with applicable laws or rules, the commissioner may disenroll the participant  
6.9 from the budget model. A participant may appeal in writing to the department under section  
6.10 256.045, subdivision 3, to contest the department's decision to disenroll the participant from  
6.11 the budget model.

6.12 (c) Agency-providers of CFSS services or FMS providers must ~~provide each participant~~  
6.13 ~~with a copy of participant protections in subdivision 20e at least 30 days prior to terminating~~  
6.14 ~~services to a participant, if the termination results from sanctions under this subdivision or~~  
6.15 ~~section 256B.064, such as a payment withhold or a suspension or termination of the provider~~  
6.16 ~~enrollment number. If a CFSS agency provider, FMS provider, or consultation services~~  
6.17 ~~provider determines it is unable to continue providing services to a participant because of~~  
6.18 ~~an action under this subdivision or section 256B.064, the agency provider, FMS provider,~~  
6.19 ~~or consultation services provider must notify the participant, the participant's representative,~~  
6.20 ~~and the commissioner 30 days prior to terminating services to the participant, and must~~  
6.21 ~~assist the commissioner and lead agency in supporting the participant in transitioning to~~  
6.22 ~~another CFSS agency provider, FMS provider, or consultation services provider of the~~  
6.23 ~~participant's choice~~ meet the recipient protection requirements under section 256B.045 when  
6.24 subject to a triggering event as defined in section 256B.045, subdivision 1.

6.25 (d) ~~In the event the commissioner withholds payment from a CFSS agency provider,~~  
6.26 ~~FMS provider, or consultation services provider, or suspends or terminates a provider~~  
6.27 ~~enrollment number of a CFSS agency provider, FMS provider, or consultation services~~  
6.28 ~~provider under this subdivision or section 256B.064, the commissioner may inform the~~  
6.29 ~~Office of Ombudsman for Long-Term Care and the lead agencies for all participants with~~  
6.30 ~~active service agreements with the agency provider, FMS provider, or consultation services~~  
6.31 ~~provider. At the commissioner's request, the lead agencies must contact participants to~~  
6.32 ~~ensure that the participants are continuing to receive needed care, and that the participants~~  
6.33 ~~have been given free choice of agency provider, FMS provider, or consultation services~~  
6.34 ~~provider if they transfer to another CFSS agency provider, FMS provider, or consultation~~  
6.35 ~~services provider. In addition, the commissioner or the commissioner's delegate may directly~~

- 7.1 ~~notify participants who receive care from the agency provider, EMS provider, or consultation~~
- 7.2 ~~services provider that payments have been or will be withheld or that the provider's~~
- 7.3 ~~participation in medical assistance has been or will be suspended or terminated, if the~~
- 7.4 ~~commissioner determines that the notification is necessary to protect the welfare of the~~
- 7.5 ~~participants.~~