

1.1 Stephenson and Torkelson from the Committee on Ways and Means to which was
1.2 referred:

1.3 H. F. No. 2434, A bill for an act relating to human services; modifying provisions relating
1.4 to aging services, disability services, health care services, behavioral health services,
1.5 background studies, Department of Human Services program integrity, direct care and
1.6 treatment services, and housing supports; establishing a patient driven payment model
1.7 phase-in, the Minnesota Caregiver Defined Contribution Retirement Fund Trust, early
1.8 intensive developmental and behavioral intervention provisional licensure, and recovery
1.9 residence certification; adjusting rates for nursing home wage standards; establishing an
1.10 advisory task force and workgroups; creating a civil cause of action; creating grants; requiring
1.11 reports; making forecast adjustments; appropriating money; amending Minnesota Statutes
1.12 2024, sections 13.46, subdivisions 2, 3; 142A.02, subdivision 1; 142A.09, subdivision 1;
1.13 144.0724, subdivisions 2, 11, by adding a subdivision; 179A.54, by adding a subdivision;
1.14 245.095, subdivision 5, by adding a subdivision; 245.4661, subdivisions 2, 6, 7; 245.4871,
1.15 subdivision 5; 245.91, subdivision 4; 245A.03, by adding a subdivision; 245A.04,
1.16 subdivisions 1, 7; 245A.043, by adding a subdivision; 245A.05; 245A.07, subdivision 2;
1.17 245A.10, subdivisions 2, 3, 4, 8; 245C.02, subdivision 7; 245C.03, subdivisions 6, 13, 15;
1.18 245C.04, subdivision 6, by adding a subdivision; 245C.08, subdivision 5; 245C.10, by
1.19 adding a subdivision; 245C.13, subdivision 2; 245C.14, by adding subdivisions; 245C.15,
1.20 subdivisions 1, 4a; 245C.16, subdivision 1; 245C.22, subdivisions 3, 8; 245D.091,
1.21 subdivisions 2, 3; 245G.01, subdivision 13b, by adding subdivisions; 245G.02, subdivision
1.22 2; 245G.07, subdivisions 1, 3, 4, by adding subdivisions; 245G.11, subdivisions 6, 7, by
1.23 adding a subdivision; 245G.22, subdivisions 11, 15; 246.54, subdivisions 1a, 1b; 246B.10;
1.24 246C.091, subdivision 3; 252.27, by adding subdivisions; 254A.19, subdivision 4; 254B.01,
1.25 subdivisions 10, 11; 254B.02, subdivision 5; 254B.03, subdivisions 1, 3, 4; 254B.04,
1.26 subdivisions 1a, 5, 6, 6a; 254B.05, subdivisions 1, 1a, 5, by adding a subdivision; 254B.052,
1.27 by adding a subdivision; 254B.06, subdivision 2, by adding a subdivision; 254B.09,
1.28 subdivision 2; 254B.19, subdivision 1; 256.01, subdivisions 29, 34; 256.043, subdivision
1.29 3; 256.9657, subdivision 1; 256.983, subdivision 4; 256B.051, subdivision 6, by adding a
1.30 subdivision; 256B.0625, subdivision 5m; 256B.0659, subdivisions 17a, 21; 256B.0757,
1.31 subdivision 4c; 256B.0761, subdivision 4; 256B.0911, subdivisions 24, 26, by adding
1.32 subdivisions; 256B.0922, subdivision 1, by adding a subdivision; 256B.0924, subdivision
1.33 6; 256B.0949, subdivisions 15, 16, 16a, by adding a subdivision; 256B.14, subdivision 2;
1.34 256B.19, subdivision 1; 256B.434, subdivision 4k; 256B.4912, subdivision 1; 256B.4914,
1.35 subdivisions 3, 5, 5a, 5b, 6a, 6b, 6c, 8, 9, by adding subdivisions; 256B.766; 256B.85,
1.36 subdivisions 7a, 8, 12, 16; 256B.851, subdivisions 5, 6; 256G.08, subdivisions 1, 2; 256G.09,
1.37 subdivisions 1, 2; 256I.03, subdivision 11a; 256I.04, subdivision 2a; 256I.05, subdivisions
1.38 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l, 1m, 1n, 1p, 1q, 1r, 1s, 1t, 1u, 2; 256R.02, subdivision 19,
1.39 by adding subdivisions; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25;
1.40 260E.14, subdivision 1; 325F.725; 609A.015, subdivision 4; 609A.055, subdivision 3;
1.41 611.43, by adding a subdivision; 611.46, subdivision 1; 611.55, by adding a subdivision;
1.42 626.5572, subdivision 13; Laws 2021, First Special Session chapter 7, article 13, sections

2.1 73; 75, subdivision 4, as amended; Laws 2023, chapter 61, article 1, sections 5; 27; 30; 32;
2.2 47; 61, subdivision 4; 85; article 9, section 2, subdivision 14, as amended; Laws 2024,
2.3 chapter 127, article 53, section 2, subdivision 19; proposing coding for new law in Minnesota
2.4 Statutes, chapters 245A; 245D; 254B; 256; 256K; 256R; repealing Minnesota Statutes 2024,
2.5 sections 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5; 254B.04,
2.6 subdivision 2a; 254B.181; Laws 2021, First Special Session chapter 7, article 13, section
2.7 75, subdivisions 3, as amended, 6, as amended.

2.8 Reported the same back with the following amendments:

2.9 Page 2, delete section 1 and insert:

2.10 "Section 1. Minnesota Statutes 2024, section 256.9657, subdivision 1, is amended to read:

2.11 **Subdivision 1. Nursing home license surcharge.** (a) ~~Effective July 1, 1993, Each~~
2.12 non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner
2.13 an annual surcharge according to the schedule in subdivision 4. The surcharge shall be
2.14 calculated as ~~\$620~~ \$2,815 per licensed bed. If the number of licensed beds is ~~reduced~~
2.15 ~~changed~~, the surcharge shall be based on the number of ~~remaining~~ licensed beds ~~the second~~
2.16 ~~month following the receipt of timely notice by the commissioner of human services that~~
2.17 ~~beds have been delicensed on the first day of the month following the change in number of~~
2.18 ~~licensed beds~~. The nursing home must notify the commissioner of health in writing when
2.19 beds are ~~licensed or delicensed~~. ~~The commissioner of health must notify the commissioner~~
2.20 ~~of human services within ten working days after receiving written notification~~. If the
2.21 ~~notification is received by the commissioner of human services by the 15th of the month,~~
2.22 ~~the invoice for the second following month must be reduced to recognize the delicensing~~
2.23 ~~of beds. Beds on layaway status continue to be subject to the surcharge~~. The commissioner
2.24 of human services must acknowledge a medical care surcharge appeal within ~~30~~ 90 days
2.25 of receipt of the written appeal from the provider.

2.26 (b) ~~Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625~~
2.27 ~~January 1, 2026, or the first day of the month following federal approval, whichever is later,~~
2.28 ~~the surcharge under this subdivision shall be increased to \$5,900.~~

2.29 (c) ~~Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to~~
2.30 ~~\$990.~~

2.31 (d) ~~Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to~~
2.32 ~~\$2,815.~~

2.33 (e) ~~(c) The commissioner may reduce, and may subsequently restore, the surcharge under~~
2.34 ~~paragraph (d) based on the commissioner's determination of a permissible surcharge must~~
2.35 ~~decrease the amount under this subdivision as necessary to remain under the allowable~~
2.36 ~~federal tax percent in Code of Federal Regulations, title 42, part 433.~~

3.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.2 Sec. 2. Minnesota Statutes 2024, section 256.9657, subdivision 7a, is amended to read:

3.3 Subd. 7a. **Withholding.** If any provider obligated to pay an annual surcharge under this
3.4 section is more than two months delinquent in the timely payment of a monthly surcharge
3.5 installment payment, the provisions in paragraphs (a) to (f) apply.

3.6 (a) The department may withhold some or all of the amount of the delinquent surcharge,
3.7 together with any interest and penalties due and owing on those amounts, from any money
3.8 the department owes to the provider. The department may, at its discretion, also withhold
3.9 future surcharge installment payments from any money the department owes the provider
3.10 as those installments become due and owing. The department may continue this withholding
3.11 until the department determines there is no longer any need to do so.

3.12 (b) The department shall give prior notice of the department's intention to withhold by
3.13 mailing or emailing a written notice to the provider at the address to which remittance
3.14 advices are mailed, placing the notice in the provider's MN-ITS mailbox, or faxing a copy
3.15 of the notice to the provider at least ten business days before the date of the first payment
3.16 period for which the withholding begins. The notice may be sent by ordinary or certified
3.17 mail, email, MN-ITS mailbox, or facsimile, and shall be deemed received as of the date of
3.18 mailing or receipt issuance of the facsimile, email, MN-ITS mailbox, or distribution. The
3.19 notice shall:

3.20 (1) state the amount of the delinquent surcharge;

3.21 (2) state the amount of the withholding per payment period;

3.22 (3) state the date on which the withholding is to begin;

3.23 (4) state whether the department intends to withhold future installments of the provider's
3.24 surcharge payments;

3.25 (5) inform the provider of their rights to informally object to the proposed withholding
3.26 and to appeal the withholding as provided for in this subdivision;

3.27 (6) state that the provider may prevent the withholding during the pendency of their
3.28 appeal by posting a bond; and

3.29 (7) state other contents as the department deems appropriate.

3.30 (c) The provider may informally object to the withholding in writing anytime before the
3.31 withholding begins. An informal objection shall not stay or delay the commencement of
3.32 the withholding. The department may postpone the commencement of the withholding as

4.1 deemed appropriate and shall not be required to give another notice at the end of the
4.2 postponement and before commencing the withholding. The provider shall have the right
4.3 to appeal any withholding from remittances by filing an appeal with Ramsey County District
4.4 Court and serving notice of the appeal on the department within 30 days of the date of the
4.5 written notice of the withholding. Notice shall be given and the appeal shall be heard no
4.6 later than 45 days after the appeal is filed. In a hearing of the appeal, the department's action
4.7 shall be sustained if the department proves the amount of the delinquent surcharges or
4.8 overpayment the provider owes, plus any accrued interest and penalties, has not been repaid.
4.9 The department may continue withholding for delinquent and current surcharge installment
4.10 payments during the pendency of an appeal unless the provider posts a bond from a surety
4.11 company licensed to do business in Minnesota in favor of the department in an amount
4.12 equal to two times the provider's total annual surcharge payment for the fiscal year in which
4.13 the appeal is filed with the department.

4.14 (d) The department shall refund any amounts due to the provider under any final
4.15 administrative or judicial order or decree which fully and finally resolves the appeal together
4.16 with interest on those amounts at the rate of three percent per annum simple interest computed
4.17 from the date of each withholding, as soon as practical after entry of the order or decree.

4.18 (e) The commissioner, or the commissioner's designee, may enter into written settlement
4.19 agreements with a provider to resolve disputes and other matters involving unpaid surcharge
4.20 installment payments or future surcharge installment payments.

4.21 (f) Notwithstanding any law to the contrary, all unpaid surcharges, plus any accrued
4.22 interest and penalties, shall be overpayments for purposes of section 256B.0641."

4.23 Page 3, line 17, delete "has dementia" and insert "has a score on the cognitive screening
4.24 tool conducted as part of the MnCHOICES assessment under section 256B.0911 that indicates
4.25 the possible presence of dementia"

4.26 Page 5, line 7, delete "July 1, 2025" and insert "January 1, 2026"

4.27 Page 7, delete section 12 and insert:

4.28 "Sec. 13. Minnesota Statutes 2024, section 256R.25, is amended to read:

4.29 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

4.30 Subdivision 1. Determination of external fixed cost payment rate. (a) The payment
4.31 rate for external fixed costs is the sum of the amounts in paragraphs (b) to (p) subdivisions
4.32 2 to 17.

5.1 **Subd. 2. Provider surcharges.** ~~(b)~~ For a facility licensed as a nursing home, the portion
5.2 related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident
5.3 day. For a facility licensed as both a nursing home and a boarding care home, the portion
5.4 related to the provider surcharge under section 256.9657 is equal to ~~\$8.86~~ \$19.02 per resident
5.5 day multiplied by the result of its number of nursing home beds divided by its total number
5.6 of licensed beds. The commissioner must decrease the portion related to the provider
5.7 surcharge as necessary to conform to decreases in the nursing home license surcharge fee
5.8 under section 256.9657.

5.9 **Subd. 3. Licensure fees.** ~~(e)~~ The portion related to the licensure fee under section 144.122,
5.10 paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

5.11 **Subd. 4. Advisory councils.** ~~(d)~~ The portion related to development and education of
5.12 resident and family advisory councils under section 144A.33 is \$5 per resident day divided
5.13 by 365.

5.14 **Subd. 5. Scholarships.** ~~(e)~~ The portion related to scholarships is determined under section
5.15 256R.37.

5.16 **Subd. 6. Planned closures.** ~~(f)~~ The portion related to planned closure rate adjustments
5.17 is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section
5.18 256B.436.

5.19 **Subd. 7. Consolidations.** ~~(g)~~ The portion related to consolidation rate adjustments shall
5.20 be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and
5.21 (6), and 4d.

5.22 **Subd. 8. Single-bed rooms.** ~~(h)~~ The portion related to single-bed room incentives is as
5.23 determined under section 256R.41.

5.24 **Subd. 9. Taxes.** ~~(i)~~ The portions related to real estate taxes, special assessments, and
5.25 payments made in lieu of real estate taxes directly identified or allocated to the nursing
5.26 facility are the allowable amounts divided by the sum of the facility's resident days. Allowable
5.27 costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu
5.28 of real estate taxes shall not exceed the amount which the nursing facility would have paid
5.29 to a city or township and county for fire, police, sanitation services, and road maintenance
5.30 costs had real estate taxes been levied on that property for those purposes.

5.31 **Subd. 10. Health insurance.** ~~(j)~~ The portion related to employer health insurance costs
5.32 is the calculated as follows:

6.1 (1) multiply the facility's allowable employer health insurance costs ~~divided~~ and the
6.2 known cost change factor; and

6.3 (2) divide the result of clause (1) by the sum of the facility's resident days.

6.4 **Subd. 11. Public employees retirement.** (k) The portion related to the Public Employees
6.5 Retirement Association is the allowable costs divided by the sum of the facility's resident
6.6 days.

6.7 **Subd. 12. Quality improvement incentives.** (l) The portion related to quality
6.8 improvement incentive payment rate adjustments is the amount determined under section
6.9 256R.39.

6.10 **Subd. 13. Performance-based incentives.** (m) The portion related to performance-based
6.11 incentive payments is the amount determined under section 256R.38.

6.12 **Subd. 14. Special diets.** (n) The portion related to special dietary needs is the amount
6.13 determined under section 256R.51.

6.14 **Subd. 15. Border city facilities.** (o) The portion related to the rate adjustments for border
6.15 city facilities is the amount determined under section 256R.481.

6.16 **Subd. 16. Critical access facilities.** (p) The portion related to the rate adjustment for
6.17 critical access nursing facilities is the amount determined under section 256R.47.

6.18 **Subd. 17. Nursing home wage standards.** The portion related to the rate adjustment
6.19 for nursing home wage standards is the amount determined under section 256R.495. This
6.20 paragraph expires January 1, 2029.

6.21 **EFFECTIVE DATE.** The amendments to subdivisions 1 and 17 are effective January
6.22 1, 2026, or upon federal approval, whichever is later, and apply retroactively to the rate
6.23 year beginning January 1, 2026. The amendments to subdivision 2 are effective January 1,
6.24 2026, or the first day of the month following federal approval, whichever is later. The
6.25 amendments to subdivision 10 are effective January 1, 2027, or upon federal approval,
6.26 whichever is later, and apply retroactively to the rate year beginning January 1, 2027. The
6.27 commissioner of human services shall notify the revisor of statutes when federal approval
6.28 is obtained."

6.29 Page 13, delete section 15

6.30 Page 18, lines 11, 14, and 16, delete "April" and insert "June"

6.31 Page 18, line 19, delete everything after the period

6.32 Page 18, delete lines 20 to 23

7.1 Page 18, line 31, before the semicolon, insert "pursuant to section 245A.05"

7.2 Page 19, line 16, delete "section" and insert "sections 245A.65, 245A.66, and"

7.3 Page 19, line 18, delete "A provisional license holder" and insert "An EIDBI agency"

7.4 Page 19, delete subdivisions 7 and 8 and insert:

7.5 "Subd. 7. Reconsideration requests and appeals. An applicant or provisional license holder has reconsideration and appeal rights under sections 245A.05, 245A.06, and 245A.07."

7.7 Page 20, delete subdivision 9

7.8 Renumber the subdivisions in sequence

7.9 Page 20, line 7, delete "An EIDBI agency whose application has been denied under"

7.10 and insert "The commissioner shall disenroll an agency from providing EIDBI services"

7.11 under chapter 256B if:"

7.12 Page 20, delete lines 8 and 9 and insert:

7.13 "(1) the agency's application has been suspended or denied under subdivision 2 or the agency's provisional license has been revoked; and

7.15 "(2) when the agency appealed the application suspension or denial or the provisional license revocation, the commissioner has issued a final order on the appeal."

7.17 Page 27, after line 17, insert:

7.18 "Subd. 4. Grant period. The grant period under this section is from July 1, 2025, to

7.19 June 30, 2030."

7.20 Renumber the subdivisions in sequence

7.21 Page 29, after line 20, insert:

7.22 "**EFFECTIVE DATE.** This section is effective January 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."

7.25 Page 30, after line 24, insert:

7.26 "**EFFECTIVE DATE.** This section is effective January 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."

7.29 Page 37, line 21, before "The" insert "(a)"

7.30 Page 38, line 6, strike the period and insert "; and"

8.1 Page 38, after line 6, insert:

8.2 "(5) beginning July 1, 2026, or upon federal approval, whichever is later, 67 percent state funds and 33 percent county funds for the costs of services for all individual waiver recipients who receive rates determined under section 256B.4914, subdivision 14."

8.5 Page 38, line 7, before "For" insert "(b)"

8.6 Page 38, line 13, before "In" insert "(c)"

8.7 Page 38, line 17, delete "; and"

8.8 Page 38, delete lines 18 and 19

8.9 Page 38, line 20, delete the new language

8.10 Page 40, line 8, strike "update" and insert "establish"

8.11 Page 40, line 9, strike "as" and delete "required under"

8.12 Page 40, delete line 10

8.13 Page 40, line 13, reinstate the stricken "on January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics"

8.15 Page 40, line 14, reinstate the stricken "published in March 2022" and after "2022" insert a period

8.17 Page 42, line 30, delete the first comma and insert "under subdivision 5a;"

8.18 Page 42, line 31, delete "5a and" and after "9" insert a semicolon

8.19 Page 43, line 1, delete "four" and insert "eight" and delete "these" and insert "the base wage index," and after "values" insert ", and rates under subdivision 19" and delete "four" and insert "eight"

8.22 Page 43, line 2, delete "four" and insert "eight"

8.23 Page 52, line 17, delete "size and number of"

8.24 Page 52, line 20, delete "commissioner" and insert "lead agency"

8.25 Page 52, line 23, after "assessment" insert "or reassessment under section 256B.0911"

8.26 Page 53, line 1, delete "provider-created"

8.27 Page 53, line 2, delete everything after "exception" and insert ". At a minimum, documentation must include:"

8.29 Page 59, strike lines 1 to 6

9.1 Page 59, line 7, strike the old language and delete the new language

9.2 Page 59, delete lines 8 to 14

9.3 Page 59, line 15, delete "(d)" and insert "(b)"

9.4 Page 59, line 21, delete "paragraph (c)" and insert "subdivision 5a"

9.5 Page 59, line 22, delete "(e)" and insert "(c)"

9.6 Page 60, line 3, delete "paragraph (f)" and insert "subdivision 5b"

9.7 Page 60, delete lines 4 to 16

9.8 Page 60, line 17, delete "(g)" and insert "(d)"

9.9 Page 60, delete lines 21 to 30

9.10 Page 61, delete lines 1 to 5

9.11 Page 61, after line 6, insert:

9.12 "Sec. 36. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision

9.13 to read:

9.14 Subd. 5a. Payment rates; implementation components. Effective January 1, 2026, or

9.15 upon federal approval, whichever is later, for purposes of implementation, the commissioner

9.16 shall use the following implementation components:

9.17 (1) personal care assistance services and CFSS: 92.20 percent;

9.18 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.20

9.19 percent; and

9.20 (3) qualified professional services and CFSS worker training and development: 92.20

9.21 percent.

9.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

9.23 Sec. 37. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision

9.24 to read:

9.25 Subd. 5b. Payment rates; worker retention components. Effective January 1, 2026,

9.26 or upon federal approval, whichever is later, the commissioner shall use the following

9.27 worker retention components:

9.28 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care

9.29 assistance services or CFSS, the worker retention component is zero percent;

10.1 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
10.2 care assistance services or CFSS, the worker retention component is 4.05 percent;

10.3 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal
10.4 care assistance services or CFSS, the worker retention component is 6.24 percent;

10.5 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
10.6 personal care assistance services or CFSS, the worker retention component is 9.23 percent;
10.7 and

10.8 (5) for workers who have provided more than 10,000 cumulative hours in personal care
10.9 assistance services or CFSS, the worker retention component is 12.69 percent.

10.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

10.11 Sec. 38. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
10.12 to read:

10.13 **Subd. 5c. Payment rates; enhanced worker retention components.** Effective January
10.14 1, 2027, or upon federal approval, whichever is later, for purposes of implementation, the
10.15 commissioner shall use the following implementation components if a worker has completed
10.16 either the orientation for individual providers offered through the Home Care Orientation
10.17 Trust or an orientation defined and offered by the commissioner:

10.18 (1) for workers who have provided fewer than 1,001 cumulative hours in personal care
10.19 assistance services or CFSS, the worker retention component is 1.88 percent;

10.20 (2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal
10.21 care assistance services or CFSS, the worker retention component is 5.92 percent;

10.22 (3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal
10.23 care assistance services or CFSS, the worker retention component is 8.11 percent;

10.24 (4) for workers who have provided between 6,001 and 10,000 cumulative hours in
10.25 personal care assistance services or CFSS, the worker retention component is 11.10 percent;
10.26 and

10.27 (5) for workers who have provided more than 10,000 cumulative hours in personal care
10.28 assistance services or CFSS, the worker retention component is 14.56 percent.

10.29 **EFFECTIVE DATE.** This section is effective the day following final enactment."

10.30 Page 61, line 29, before the period, insert "or 5a"

10.31 Page 62, line 2, strike "component" and insert "components"

11.1 Page 62, line 3, after "5" insert ", 5b, or 5c"

11.2 Page 62, line 4, strike "paragraph (d)" and insert "5b, or 5c"

11.3 Page 62, delete lines 6 to 11

11.4 Page 62, after line 14, insert:

11.5 "Sec. 40. Minnesota Statutes 2024, section 256B.851, subdivision 7, is amended to read:

11.6 **Subd. 7. Treatment of rate adjustments provided outside of cost components.** Any
11.7 rate adjustments applied to the service rates calculated under this section outside of the cost
11.8 components and rate methodology specified in this section, including but not limited to
11.9 those implemented to enable participant-employers and provider agencies to meet the terms
11.10 and conditions of any collective bargaining agreement negotiated under chapter 179A, shall
11.11 be applied as changes to the value of component values ~~or~~, implementation components,
11.12 or worker retention components in subdivision subdivisions 5 to 5c.

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

11.16 Sec. 41. Minnesota Statutes 2024, section 256B.851, is amended by adding a subdivision
11.17 to read:

11.18 **Subd. 7a. Budget determinations.** The commissioner shall increase the authorized
11.19 amount for the CFSS budget model of those CFSS participant-employers employing
11.20 individual providers who have provided more than 1,000 hours of services as well as
11.21 individual providers who have completed the orientation offered by the Home Care
11.22 Orientation Trust or an orientation defined and offered by the commissioner. The
11.23 commissioner shall determine the amount and method of the authorized amount increase.

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

11.27 Page 64, delete lines 17 to 32 and insert:

11.28 **"(c) The commissioner must develop an individualized budget methodology exception**
11.29 **to support access to self-directed home care nursing services. Lead agencies must submit**
11.30 **budget exception requests to the commissioner in a manner identified by the commissioner.**

12.1 Eligibility for the budget exception in this paragraph is limited to persons meeting all of the
12.2 following criteria in the person's most recent assessment:

12.3 (1) the person is assessed to need the level of care delivered in a hospital setting as
12.4 evidenced by the submission of the Department of Human Services form 7096, primary
12.5 medical provider's documentation of medical monitoring and treatment needs;

12.6 (2) the person is assessed to receive a support range budget of E or H; and

12.7 (3) the person does not receive community residential services, family residential services,
12.8 integrated community supports services, or customized living services.

12.9 (d) Home care nursing services funded through the budget exception developed under
12.10 paragraph (c) must be ordered by a physician, physician assistant, or advanced practice
12.11 registered nurse. If the participant chooses home care nursing, the home care nursing services
12.12 must be performed by a registered nurse or licensed practical nurse practicing within the
12.13 registered nurse's or licensed practical nurse's scope of practice as defined under Minnesota
12.14 Statutes, sections 148.171 to 148.285. If after a person's annual reassessment under Minnesota
12.15 Statutes, section 256B.0911, any requirements of this paragraph or paragraph (c) are no
12.16 longer met, the commissioner must terminate the budget exception."

12.17 Page 70, line 30, delete the comma and insert a period

12.18 Page 70, delete line 31

12.19 Page 71, line 12, delete "exception" and insert "enhancement"

12.20 Page 72, line 27, delete everything after the period and insert "The parental contribution
12.21 is a partial or full payment for provided medical services needed by a child with a chronic
12.22 illness or disability, including diagnosis, therapy, cures, treatment, mitigation, rehabilitation,
12.23 maintenance, and personal care services."

12.24 Page 72, delete lines 28 to 30

12.25 Page 83, after line 4, insert:

12.26 "Section 1. Minnesota Statutes 2024, section 245.462, subdivision 20, is amended to read:

12.27 **Subd. 20. Mental illness.** (a) "Mental illness" means an organic disorder of the brain or
12.28 a clinically significant disorder of thought, mood, perception, orientation, memory, or
12.29 behavior that is detailed in a diagnostic codes list published by the commissioner, and that
12.30 seriously limits a person's capacity to function in primary aspects of daily living such as
12.31 personal relations, living arrangements, work, and recreation.

13.1 (b) An "adult with acute mental illness" means an adult who has a mental illness that is
13.2 serious enough to require prompt intervention.

13.3 (c) For purposes of enrolling in case management and community support services, a
13.4 "person with serious and persistent mental illness" means an adult who has a mental illness
13.5 and meets at least one of the following criteria:

13.6 (1) the adult has undergone ~~two~~ one or more episodes of inpatient, residential, or crisis
13.7 residential care for a mental illness within the preceding ~~24~~ 12 months;

13.8 (2) the adult has experienced a continuous psychiatric hospitalization or residential
13.9 treatment exceeding six months' duration within the preceding 12 months;

13.10 (3) the adult has been treated by a crisis team two or more times within the preceding
13.11 ~~24~~ months;

13.12 (4) the adult:

13.13 (i) has a diagnosis of schizophrenia, bipolar disorder, major depression, schizoaffective
13.14 disorder, post-traumatic stress disorder, or borderline personality disorder;

13.15 (ii) indicates a significant impairment in functioning; and

13.16 (iii) has a written opinion from a mental health professional, in the last three years,
13.17 stating that the adult is reasonably likely to have future episodes requiring inpatient or
13.18 residential treatment, of a frequency described in clause (1) or (2), or the need for in-home
13.19 services to remain in one's home, unless ongoing case management or community support
13.20 services are provided;

13.21 (5) the adult has, in the last ~~three~~ five years, been committed by a court as a person ~~who~~
13.22 ~~is mentally ill with a mental illness~~ under chapter 253B, or the adult's commitment has been
13.23 stayed or continued; or

13.24 (6) the adult ~~(i) was eligible under clauses (1) to (5), but the specified time period has~~
13.25 ~~expired or the adult was eligible as a child under section 245.4871, subdivision 6; and (ii)~~
13.26 ~~has a written opinion from a mental health professional, in the last three years, stating that~~
13.27 ~~the adult is reasonably likely to have future episodes requiring inpatient or residential~~
13.28 ~~treatment, of a frequency described in clause (1) or (2), unless ongoing case management~~
13.29 ~~or community support services are provided; or~~

13.30 (7) (6) the adult was eligible as a child under section 245.4871, subdivision 6, and is
13.31 age 21 or younger.

14.1 (d) For purposes of enrolling in case management and community support services, a
14.2 "person with a complex post-traumatic stress disorder" or "person with a C-PTSD" means
14.3 an adult who has a mental illness and meets the following criteria:

14.4 (1) the adult has post-traumatic stress disorder (PTSD) symptoms that significantly
14.5 interfere with daily functioning related to intergenerational trauma, racial trauma, or
14.6 unresolved historical grief; and

14.7 (2) the adult has a written opinion from a mental health professional that includes
14.8 documentation of:

14.9 (i) culturally sensitive assessments or screenings and identification of intergenerational
14.10 trauma, racial trauma, or unresolved historical grief;

14.11 (ii) significant impairment in functioning due to the PTSD symptoms that meet C-PTSD
14.12 condition eligibility; and

14.13 (iii) increasing concerns within the last three years that indicate there is a reasonable
14.14 likelihood the adult will experience significant episodes of PTSD with increased frequency,
14.15 impacting daily functioning, unless mitigated by targeted case management or community
14.16 support services.

14.17 (e) Adults may continue to receive case management or community support services if,
14.18 in the written opinion of a mental health professional, the person needs case management
14.19 or community support services to maintain the person's recovery.

14.20 **EFFECTIVE DATE.** Paragraph (d) is effective upon federal approval. The commissioner
14.21 of human services shall notify the revisor of statutes when federal approval is obtained."

14.22 Page 85, after line 10, insert:

14.23 "Sec. 5. Minnesota Statutes 2024, section 245.467, subdivision 4, is amended to read:

14.24 **Subd. 4. Referral for case management.** Each provider of emergency services, day
14.25 treatment services, outpatient treatment, community support services, residential treatment,
14.26 acute care hospital inpatient treatment, or regional treatment center inpatient treatment must
14.27 inform each of its clients with serious and persistent mental illness or a complex
14.28 post-traumatic stress disorder of the availability and potential benefits to the client of case
14.29 management. If the client consents, the provider must refer the client by notifying the county
14.30 employee designated by the county board to coordinate case management activities of the
14.31 client's name and address and by informing the client of whom to contact to request case

15.1 management. The provider must document compliance with this subdivision in the client's
15.2 record.

15.3 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
15.4 of human services shall notify the revisor of statutes when federal approval is obtained.

15.5 Sec. 6. Minnesota Statutes 2024, section 245.4711, subdivision 1, is amended to read:

15.6 **Subdivision 1. Availability of case management services.** (a) ~~By January 1, 1989,~~ The
15.7 county board shall provide case management services for all adults with serious and persistent
15.8 mental illness or a complex post-traumatic stress disorder who are residents of the county
15.9 and who request or consent to the services and to each adult for whom the court appoints a
15.10 case manager. Staffing ratios must be sufficient to serve the needs of the clients. The case
15.11 manager must meet the requirements in section 245.462, subdivision 4.

15.12 (b) Case management services provided to adults with serious and persistent mental
15.13 illness or a complex post-traumatic stress disorder eligible for medical assistance must be
15.14 billed to the medical assistance program under sections 256B.02, subdivision 8, and
15.15 256B.0625.

15.16 (c) Case management services are eligible for reimbursement under the medical assistance
15.17 program. Costs associated with mentoring, supervision, and continuing education may be
15.18 included in the reimbursement rate methodology used for case management services under
15.19 the medical assistance program.

15.20 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
15.21 of human services shall notify the revisor of statutes when federal approval is obtained.

15.22 Sec. 7. Minnesota Statutes 2024, section 245.4711, subdivision 4, is amended to read:

15.23 **Subd. 4. Individual community support plan.** (a) The case manager must develop an
15.24 individual community support plan for each adult that incorporates the client's individual
15.25 treatment plan. The individual treatment plan may not be a substitute for the development
15.26 of an individual community support plan. The individual community support plan must be
15.27 developed within 30 days of client intake and reviewed at least every 180 days after it is
15.28 developed, unless the case manager receives a written request from the client or the client's
15.29 family for a review of the plan every 90 days after it is developed. The case manager is
15.30 responsible for developing the individual community support plan based on a diagnostic
15.31 assessment and a functional assessment and for implementing and monitoring the delivery
15.32 of services according to the individual community support plan. To the extent possible, the

16.1 adult with serious and persistent mental illness or a complex post-traumatic stress disorder,
16.2 the person's family, advocates, service providers, and significant others must be involved
16.3 in all phases of development and implementation of the individual community support plan.

16.4 (b) The client's individual community support plan must state:

16.5 (1) the goals of each service;

16.6 (2) the activities for accomplishing each goal;

16.7 (3) a schedule for each activity; and

16.8 (4) the frequency of face-to-face contacts by the case manager, as appropriate to client
16.9 need and the implementation of the individual community support plan.

16.10 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
16.11 of human services shall notify the revisor of statutes when federal approval is obtained.

16.12 Sec. 8. Minnesota Statutes 2024, section 245.4712, subdivision 1, is amended to read:

16.13 **Subdivision 1. Availability of community support services.** (a) County boards must
16.14 provide or contract for sufficient community support services within the county to meet the
16.15 needs of adults with serious and persistent mental illness or a complex post-traumatic stress
16.16 disorder who are residents of the county. Adults may be required to pay a fee according to
16.17 section 245.481. The community support services program must be designed to improve
16.18 the ability of adults with serious and persistent mental illness or a complex post-traumatic
16.19 stress disorder to:

16.20 (1) find and maintain competitive employment;

16.21 (2) handle basic activities of daily living;

16.22 (3) participate in leisure time activities;

16.23 (4) set goals and plans; and

16.24 (5) obtain and maintain appropriate living arrangements.

16.25 The community support services program must also be designed to reduce the need for
16.26 and use of more intensive, costly, or restrictive placements both in number of admissions
16.27 and length of stay.

16.28 (b) Community support services are those services that are supportive in nature and not
16.29 necessarily treatment oriented, and include:

17.1 (1) conducting outreach activities such as home visits, health and wellness checks, and
17.2 problem solving;

17.3 (2) connecting people to resources to meet their basic needs;

17.4 (3) finding, securing, and supporting people in their housing;

17.5 (4) attaining and maintaining health insurance benefits;

17.6 (5) assisting with job applications, finding and maintaining employment, and securing
17.7 a stable financial situation;

17.8 (6) fostering social support, including support groups, mentoring, peer support, and other
17.9 efforts to prevent isolation and promote recovery; and

17.10 (7) educating about mental illness, treatment, and recovery.

17.11 (c) Community support services shall use all available funding streams. The county shall
17.12 maintain the level of expenditures for this program, as required under section 245.4835.
17.13 County boards must continue to provide funds for those services not covered by other
17.14 funding streams and to maintain an infrastructure to carry out these services. The county is
17.15 encouraged to fund evidence-based practices such as Individual Placement and Supported
17.16 Employment and Illness Management and Recovery.

17.17 (d) The commissioner shall collect data on community support services programs,
17.18 including, but not limited to, demographic information such as age, sex, race, the number
17.19 of people served, and information related to housing, employment, hospitalization, symptoms,
17.20 and satisfaction with services.

17.21 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
17.22 of human services shall notify the revisor of statutes when federal approval is obtained.

17.23 Sec. 9. Minnesota Statutes 2024, section 245.4712, subdivision 3, is amended to read:

17.24 Subd. 3. **Benefits assistance.** The county board must offer to help adults with serious
17.25 and persistent mental illness or a complex post-traumatic stress disorder in applying for
17.26 state and federal benefits, including Supplemental Security Income, medical assistance,
17.27 Medicare, general assistance, and Minnesota supplemental aid. The help must be offered
17.28 as part of the community support program available to adults with serious and persistent
17.29 mental illness or a complex post-traumatic stress disorder for whom the county is financially
17.30 responsible and who may qualify for these benefits."

17.31 Page 85, line 14, delete "as defined in section 245.2875, subdivision 8" and insert "under
17.32 section 245.4881"

18.1 Page 89, delete section 14

18.2 Page 92, after line 26, insert:

18.3 "(4) assisting clients in navigating economic assistance and Minnesota health care

18.4 programs under chapters 256B and 256L;"

18.5 Rerumber the clauses in sequence

18.6 Page 93, after line 4, insert:

18.7 "**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,

18.8 whichever is later. The commissioner of human services shall notify the revisor of statutes

18.9 when federal approval is obtained."

18.10 Page 96, lines 18 and 19, delete the new language

18.11 Page 96, delete section 21

18.12 Page 98, lines 24 and 26, strike "50 consecutive minutes" and insert "four units"

18.13 Page 98, line 27, strike everything after the period

18.14 Page 98, strike lines 28 and 29

18.15 Page 98, line 30, strike everything before "The"

18.16 Page 99, line 12, delete "January 1, 2027" and insert "July 1, 2026"

18.17 Page 100, line 12, delete "January" and insert "July"

18.18 Page 101, line 5, delete "January 1, 2027" and insert "July 1, 2026"

18.19 Page 101, line 11, delete "January" and insert "July"

18.20 Page 103, line 18, delete "This section is effective January 1, 2027." and insert "Paragraph

18.21 (d) is effective July 1, 2025. Paragraphs (b), (g), and (j) are effective July 1, 2026."

18.22 Page 103, line 24, delete "January 1, 2027" and insert "July 1, 2026"

18.23 Page 105, lines 13 and 21, delete "January 1, 2027" and insert "July 1, 2026"

18.24 Page 109, after line 3, insert:

18.25 "**EFFECTIVE DATE.** This section is effective July 1, 2026, or upon federal approval,

18.26 whichever is later. The commissioner of human services shall notify the revisor of statutes

18.27 when federal approval is obtained."

18.28 Page 115, after line 17, insert:

19.1 "(c) Notwithstanding paragraph (a), the commissioner must not implement a base payment
19.2 rate for a substance use disorder treatment service that is lower than the rate in effect for
19.3 the service on December 31, 2025."

19.4 Page 116, line 25, delete "January" and insert "July"

19.5 Page 118, line 19, delete "January 1, 2027" and insert "July 1, 2026, or upon federal
19.6 approval, whichever is later. The commissioner of human services shall notify the revisor
19.7 of statutes when federal approval is obtained"

19.8 Page 118, delete subdivision 5

19.9 Rerumber the subdivisions in sequence

19.10 Page 119, line 12, delete "recovery-certified" and insert "certified recovery"

19.11 Page 119, line 23, delete everything after "disorder"" and insert "has the meaning given
19.12 in the most recent"

19.13 Page 119, delete line 24

19.14 Page 119, line 25, delete "in the latest"

19.15 Page 122, line 16, delete "certifying designated state affiliate" and insert "commissioner"

19.16 Page 123, line 25, delete "the National Alliance"

19.17 Page 123, line 26, delete "for Recovery Residences standards" and insert "best practices
19.18 as outlined by the American Society for Addiction Medicine and the Substance Abuse and
19.19 Mental Health Services Administration"

19.20 Page 124, line 18, after "A" insert "certified"

19.21 Page 124, line 20, delete "Nontransferrability" and insert "Nontransferability"

19.22 Page 127, line 8, after "commissioner" insert ", in a manner approved by the
19.23 commissioner,"

19.24 Page 127, line 26, before "The" insert "(a)"

19.25 Page 127, after line 31, insert:

19.26 "(b) Staff of a level-one certified recovery residence must not provide billable peer
19.27 recovery support services to residents of the recovery residence."

19.28 Page 128, line 26, delete "the residence's" and insert "a description of the" and after
19.29 "provided" insert "by the recovery residence"

19.30 Page 134, after line 8, insert:

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

20.4 Page 134, before line 9, insert:

20.5 "Sec. 59. Minnesota Statutes 2024, section 256B.0625, subdivision 20, is amended to
20.6 read:

20.7 **Subd. 20. Mental health case management.** (a) To the extent authorized by rule of the
20.8 state agency, medical assistance covers case management services to persons with serious
20.9 and persistent mental illness, persons with a complex post-traumatic stress disorder, and
20.10 children with severe emotional disturbance. Services provided under this section must meet
20.11 the relevant standards in sections 245.461 to 245.4887, the Comprehensive Adult and
20.12 Children's Mental Health Acts, Minnesota Rules, parts 9520.0900 to 9520.0926, and
20.13 9505.0322, excluding subpart 10.

20.14 (b) Entities meeting program standards set out in rules governing family community
20.15 support services as defined in section 245.4871, subdivision 17, are eligible for medical
20.16 assistance reimbursement for case management services for children with severe emotional
20.17 disturbance when these services meet the program standards in Minnesota Rules, parts
20.18 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

20.19 (c) Medical assistance and MinnesotaCare payment for mental health case management
20.20 shall be made on a monthly basis. In order to receive payment for an eligible child, the
20.21 provider must document at least a face-to-face contact either in person or by interactive
20.22 video that meets the requirements of subdivision 20b with the child, the child's parents, or
20.23 the child's legal representative. To receive payment for an eligible adult, the provider must
20.24 document:

20.25 (1) at least a face-to-face contact with the adult or the adult's legal representative either
20.26 in person or by interactive video that meets the requirements of subdivision 20b; or

20.27 (2) at least a telephone contact with the adult or the adult's legal representative and
20.28 document a face-to-face contact either in person or by interactive video that meets the
20.29 requirements of subdivision 20b with the adult or the adult's legal representative within the
20.30 preceding two months.

20.31 (d) Payment for mental health case management provided by county or state staff shall
20.32 be based on the monthly rate methodology under section 256B.094, subdivision 6, paragraph

21.1 (b), with separate rates calculated for child welfare and mental health, and within mental
21.2 health, separate rates for children and adults.

21.3 (e) Payment for mental health case management provided by Indian health services or
21.4 by agencies operated by Indian tribes may be made according to this section or other relevant
21.5 federally approved rate setting methodology.

21.6 (f) Payment for mental health case management provided by vendors who contract with
21.7 a county must be calculated in accordance with section 256B.076, subdivision 2. Payment
21.8 for mental health case management provided by vendors who contract with a Tribe must
21.9 be based on a monthly rate negotiated by the Tribe. The rate must not exceed the rate charged
21.10 by the vendor for the same service to other payers. If the service is provided by a team of
21.11 contracted vendors, the team shall determine how to distribute the rate among its members.
21.12 No reimbursement received by contracted vendors shall be returned to the county or tribe,
21.13 except to reimburse the county or tribe for advance funding provided by the county or tribe
21.14 to the vendor.

21.15 (g) If the service is provided by a team which includes contracted vendors, tribal staff,
21.16 and county or state staff, the costs for county or state staff participation in the team shall be
21.17 included in the rate for county-provided services. In this case, the contracted vendor, the
21.18 tribal agency, and the county may each receive separate payment for services provided by
21.19 each entity in the same month. In order to prevent duplication of services, each entity must
21.20 document, in the recipient's file, the need for team case management and a description of
21.21 the roles of the team members.

21.22 (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of costs for
21.23 mental health case management shall be provided by the recipient's county of responsibility,
21.24 as defined in sections 256G.01 to 256G.12, from sources other than federal funds or funds
21.25 used to match other federal funds. If the service is provided by a tribal agency, the nonfederal
21.26 share, if any, shall be provided by the recipient's tribe. When this service is paid by the state
21.27 without a federal share through fee-for-service, 50 percent of the cost shall be provided by
21.28 the recipient's county of responsibility.

21.29 (i) Notwithstanding any administrative rule to the contrary, prepaid medical assistance
21.30 and MinnesotaCare include mental health case management. When the service is provided
21.31 through prepaid capitation, the nonfederal share is paid by the state and the county pays no
21.32 share.

21.33 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a provider
21.34 that does not meet the reporting or other requirements of this section. The county of

22.1 responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal agency,
22.2 is responsible for any federal disallowances. The county or tribe may share this responsibility
22.3 with its contracted vendors.

22.4 (k) The commissioner shall set aside a portion of the federal funds earned for county
22.5 expenditures under this section to repay the special revenue maximization account under
22.6 section 256.01, subdivision 2, paragraph (n). The repayment is limited to:

22.7 (1) the costs of developing and implementing this section; and

22.8 (2) programming the information systems.

22.9 (l) Payments to counties and tribal agencies for case management expenditures under
22.10 this section shall only be made from federal earnings from services provided under this
22.11 section. When this service is paid by the state without a federal share through fee-for-service,
22.12 50 percent of the cost shall be provided by the state. Payments to county-contracted vendors
22.13 shall include the federal earnings, the state share, and the county share.

22.14 (m) Case management services under this subdivision do not include therapy, treatment,
22.15 legal, or outreach services.

22.16 (n) If the recipient is a resident of a nursing facility, intermediate care facility, or hospital,
22.17 and the recipient's institutional care is paid by medical assistance, payment for case
22.18 management services under this subdivision is limited to the lesser of:

22.19 (1) the last 180 days of the recipient's residency in that facility and may not exceed more
22.20 than six months in a calendar year; or

22.21 (2) the limits and conditions which apply to federal Medicaid funding for this service.

22.22 (o) Payment for case management services under this subdivision shall not duplicate
22.23 payments made under other program authorities for the same purpose.

22.24 (p) If the recipient is receiving care in a hospital, nursing facility, or residential setting
22.25 licensed under chapter 245A or 245D that is staffed 24 hours a day, seven days a week,
22.26 mental health targeted case management services must actively support identification of
22.27 community alternatives for the recipient and discharge planning.

22.28 **EFFECTIVE DATE.** This section is effective upon federal approval. The commissioner
22.29 **of human services shall notify the revisor of statutes when federal approval is obtained."**

22.30 Page 135, after line 4, insert:

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

23.4 Page 138, line 8, delete "and"

23.5 Page 138, line 17, delete the period and insert ", including challenges faced by recovery
23.6 residences resulting from state and local housing regulations and ordinances; and"

23.7 Page 138, after line 17, insert:

23.8 "(vi) recommendations for potentially delegating the commissioner's recovery residence
23.9 certification duties under Minnesota Statutes, sections 254B.21 to 254B.216 to a third-party
23.10 organization."

23.11 Page 138, line 29, delete everything after "from" and insert "the state affiliate of the
23.12 National Alliance for Recovery Residences"

23.13 Page 138, line 30, delete everything before the semicolon

23.14 Page 139, line 11, delete "CARE" and insert "TREATMENT"

23.15 Page 139, lines 14 and 31, delete "care" and insert "treatment"

23.16 Page 164, line 13, after the period, insert "The determined need for service capacity may
23.17 be limited to a specific region, service focus, or other factors as determined by the
23.18 commissioner."

23.19 Page 186, line 28, delete "2027" and insert "2029"

23.20 Page 187, lines 6, 22, and 31, delete "2027" and insert "2029"

23.21 Page 203, line 26, delete "\$300,000" and insert "\$500,000"

23.22 Page 206, after line 14, insert:

23.23 "Sec. 2. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision
23.24 to read:

23.25 **Subd. 5. Technical assistance and legal referrals required.** If requested by a license
23.26 holder that is subject to an enforcement action under section 245A.06 or 245A.07 and
23.27 operating a program licensed under this chapter and chapter 245D, the commissioner must
23.28 provide the license holder with requested technical assistance or must comply with a request
23.29 for a referral to legal assistance."

23.30 Page 207, line 9, delete "53,115,000" and insert "119,927,000"

24.1 Page 207, line 12, delete "75,025,000" and insert "136,895,000"

24.2 Page 207, line 13, delete "(16,182,000)" and insert "(16,968,000)"

24.3 Page 207, line 29, delete "(16,182,000)" and insert "(16,525,000)"

24.4 Page 208, line 1, delete "(1,735,000)" and insert "59,692,000"

24.5 Page 208, line 20, delete "8,836,144,000" and insert "8,836,150,000" and delete
"8,882,498,000" and insert "8,878,188,000"

24.6 Page 208, line 24, delete "8,782,786,000" and insert "8,782,674,000" and delete
"8,829,140,000" and insert "8,824,712,000"

24.7 Page 208, line 25, delete "163,000" and insert "336,000" and delete "163,000" and insert
"336,000"

24.8 Page 208, line 27, delete "4,273,000" and insert "4,218,000" and delete "4,273,000" and
insert "4,218,000"

24.9 Page 209, line 29, delete "176,228,000" and insert "176,857,000" and delete
"180,071,000" and insert "181,505,000"

24.10 Page 209, line 32, delete "156,167,000" and insert "156,796,000" and delete
"160,010,000" and insert "161,444,000"

24.11 Page 210, line 6, delete "\$156,589,000" and insert "\$159,091,000"

24.12 Page 210, line 7, delete "\$156,879,000" and insert "\$158,483,000"

24.13 Page 210, line 8, delete "72,312,000" and insert "66,861,000" and delete "68,980,000"
and insert "62,728,000"

24.14 Page 210, line 11, delete "44,144,000" and insert "38,693,000" and delete "40,812,000"
and insert "34,560,000"

24.15 Page 210, line 15, delete "54,438,000" and insert "54,136,000" and delete "53,025,000"
and insert "52,670,000"

24.16 Page 210, line 19, delete "54,313,000" and insert "54,011,000" and delete "52,900,000"
and insert "52,545,000"

24.17 Page 210, line 20, delete "Health Care Access"

24.18 Page 210, line 21, delete "Fund" and insert "State Government Special Revenue"

24.19 Page 210, line 24, delete "\$51,632,000" and insert "\$51,279,000"

24.20 Page 210, line 25, delete "\$51,432,000" and insert "\$51,079,000"

25.1 Page 210, line 27, delete "24,728,000" and insert "23,720,000" and delete "24,358,000"
25.2 and insert "24,144,000"

25.3 Page 210, line 30, delete "24,565,000" and insert "23,557,000" and delete "24,195,000"
25.4 and insert "23,981,000"

25.5 Page 210, lines 33 and 34, delete "\$24,018,000" and insert "\$24,046,000"

25.6 Page 210, line 36, delete "6,692,000" and insert "6,980,000"

25.7 Page 211, line 5, delete "43,786,000" and insert "43,731,000" and delete "47,100,000"
25.8 and insert "46,139,000"

25.9 Page 211, line 8, delete "42,259,000" and insert "41,353,000"

25.10 Page 211, line 10, delete "3,900,000" and insert "3,845,000" and delete "3,900,000" and
25.11 insert "3,845,000"

25.12 Page 211, line 14, delete "\$42,202,000" and insert "\$41,150,000"

25.13 Page 211, line 15, delete "\$42,148,000" and insert "\$41,096,000"

25.14 Page 211, line 24, delete "7,466,424,000" and insert "7,466,606,000" and delete
25.15 "7,574,388,000" and insert "7,574,281,000"

25.16 Page 211, line 26, delete "55,694,000" and insert "55,757,000" and delete "56,312,000"
25.17 and insert "56,900,000"

25.18 Page 211, line 32, delete "136,578,000" and insert "136,788,000" and delete
25.19 "115,673,000" and insert "116,230,000"

25.20 Page 211, after line 32, insert:

25.21 "Appropriations by Fund"

	<u>2026</u>	<u>2027</u>
25.22 <u>General</u>	<u>136,615,000</u>	<u>116,057,000</u>
25.23 <u>Lottery</u>	<u>173,000</u>	<u>173,000</u> "

25.25 Page 211, after line 36, insert:

25.26 "This amount is subtracted from direct
25.27 appropriations for this budget activity made
25.28 by the 94th Legislature."

25.29 Page 212, line 3, before "Supported-decision-making" insert "(a)"

25.30 Page 212, after line 9, insert:

26.1 **(b) Base level adjustment.** The general fund
26.2 base for this appropriation is \$1,925,000 in
26.3 fiscal year 2028 and \$1,925,000 in fiscal year
26.4 2029."

26.5 Page 212, line 31, delete "66,580,000" and insert "64,530,000"

26.6 Page 214, delete subdivisions 6 and 8

26.7 Renumber the subdivisions in sequence

26.8 Page 215, line 7, delete "for the"

26.9 Page 215, delete lines 8 to 10

26.10 Page 215, line 11, delete "used"

26.11 Page 216, line 10, delete "110,852,000" and insert "112,352,000"

26.12 Page 216, delete lines 11 to 19 and insert:

26.13 **"Subdivision 1. Mobile Crisis Grants**

26.14 \$1,620,000 in fiscal year 2026 is for mobile
26.15 crisis grants under Minnesota Statutes, section
26.16 245.4661, subdivision 9, paragraph (b), clause
26.17 (15). Money may be used by mobile crisis
26.18 teams to purchase and renovate vehicles to
26.19 provide protected transport under Minnesota
26.20 Statutes, section 256B.0625, subdivision 17,
26.21 paragraph (l), clause (6). This is a onetime
26.22 appropriation.

26.23 **Subd. 2. Intensive Residential Treatment**
26.24 **Services; Hennepin County**

26.25 \$1,500,000 in fiscal year 2026 is for a grant
26.26 to the city of Brooklyn Park as start-up
26.27 funding for an intensive residential treatment
26.28 services and residential crisis stabilization
26.29 services facility. This is a onetime
26.30 appropriation and is available until June 30,
26.31 2027."

26.32 Page 217, line 10, delete "2,220,000" and insert "8,220,000"

27.1 Page 217, after line 10, insert:

27.2 **"HIV/AIDS Supportive Services. \$6,000,000**
27.3 in fiscal year 2026 is from the general fund to
27.4 the commissioner of human services for grants
27.5 to community-based HIV/AIDS supportive
27.6 services providers as defined in Minnesota
27.7 Statutes, section 256.01, subdivision 19, and
27.8 for payment of allowed health care costs as
27.9 defined in Minnesota Statutes, section
27.10 256.9365. This is a onetime appropriation and
27.11 is available until June 30, 2027."

27.12 Page 219, delete lines 16 to 21 and insert:

27.13 "Subd. 3. State government special revenue fund. The amounts below for the fiscal
27.14 years indicated are transferred from the state government special revenue fund to the general
27.15 fund:

27.16 (1) \$6,175,000 in fiscal year 2025;
27.17 (2) \$12,349,000 in fiscal year 2026;
27.18 (3) \$12,349,000 in fiscal year 2027; and
27.19 (4) \$12,349,000 in fiscal year 2028."

27.20 Page 220, line 30, delete "589,928,000" and insert "594,090,000" and delete
27.21 "614,521,000" and insert "617,483,000"

27.22 Page 221, line 6, delete "97,951,000" and insert "102,113,000" and delete "110,066,000"
27.23 and insert "113,028,000"

27.24 Page 221, delete lines 7 to 30 and insert:

27.25 **"Subdivision 1. Locked Psychiatric Residential**
27.26 **Treatment Facility Report**

27.27 \$100,000 in fiscal year 2026 is for planning a
27.28 build-out of a locked psychiatric residential
27.29 treatment facility (PRTF) operated by Direct
27.30 Care and Treatment. This is a onetime
27.31 appropriation and is available until June 30,
27.32 2027. By March 1, 2026, the Direct Care and

28.1 Treatment executive board must report to the
28.2 chairs and ranking minority members of the
28.3 legislative committees with jurisdiction over
28.4 human services finance and policy on the plan
28.5 developed under this section. The report must
28.6 include but not be limited to:

28.7 (1) the risks and benefits of locating the locked
28.8 PRTF in a metropolitan or rural location;

28.9 (2) the estimated cost for the build-out of the
28.10 locked PRTF;

28.11 (3) the estimated ongoing cost of maintaining
28.12 the locked PRTF; and

28.13 (4) the estimated amount of costs that can be
28.14 recouped from medical assistance,
28.15 MinnesotaCare, and private insurance
28.16 payments.

28.17 **Subd. 2. Miller Building**

28.18 \$1,200,000 in fiscal year 2026 is to demolish
28.19 the Miller Building and ancillary structures
28.20 and to prepare the site for future construction
28.21 on the Anoka-Metro Regional Treatment
28.22 Center campus.

28.23 **Subd. 3. Base Level Adjustment**

28.24 The general fund base for this section is
28.25 \$114,420,000 in fiscal year 2028 and
28.26 \$114,420,000 in fiscal year 2029."

28.27 Page 222, line 22, delete "2026" and insert "2027"

28.28 Page 222, after line 26, insert:

28.29 **"EFFECTIVE DATE. This section is effective the day following final enactment."**

28.30 Page 222, line 33, delete "facilities management," and delete the comma

28.31 Page 222, after line 34, insert:

29.1 "(c) The Direct Care and Treatment executive board, with the approval of the
29.2 commissioner of management and budget, may transfer money appropriated for Direct Care
29.3 and Treatment into the special revenue account for facilities management."

29.4 Page 223, line 1, delete "(c)" and insert "(d)"

29.5 Page 223, after line 32, insert:

29.6 "Sec. 5. **PROPERTY RATE INCREASE FOR CERTAIN NURSING FACILITIES;**
29.7 **MORATORIUM EXCEPTION FUNDING.**

29.8 Notwithstanding any other law to the contrary, the commissioner of health shall consider
29.9 the property rate increases for certain nursing facilities under Minnesota Statutes, section
29.10 256B.434, subdivision 4k, as moratorium exceptions and fund the rate increases with
29.11 moratorium exception funding under Minnesota Statutes, section 144A.073, subdivision
29.12 17."

29.13 Rerumber the sections in sequence and correct the internal references

29.14 Correct the title numbers accordingly

29.15 With the recommendation that when so amended the bill be placed on the General

29.16 Register.

29.17 This Committee action taken April 29, 2025

29.18 Co-Chair

29.19 Co-Chair