

# House Research Act Summary

**CHAPTER:** 488, Articles 8-11 only

**SESSION:** 2000 Regular Session

**TOPIC:** Health and Human Services articles of Omnibus Appropriations Bill

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**Article 8: Appropriations**

**Article 9: Health Care**

**Article 10: Human Services Assistance Program Modifications**

**Article 11: Technical Corrections**

**NOTE:**

This  
summary  
incorporates  
the  
technical  
corrections  
to  
provisions  
of Chapter  
488 that are  
contained in  
Laws 2000,  
Chapter 499  
(S.F. 3819).

**Article 8: Appropriations  
Overview**

Article 8 makes appropriations for the departments of human services and health, and for the board of psychology, that are in addition to the appropriations for fiscal years 2000 and 2001 made in the 1999 Omnibus Health and Human Services Appropriations bill (Laws 1999, chapter 245.) This article also appropriates an additional \$100.440 million for fiscal years 2000 and 2001 of the state's federal Temporary Assistance to Needy Families (TANF) block grant funds over the amounts that were appropriated in the 1999 law, and it also set some TANF base level expenditures for various activities for the 2002-2003 biennium.

**1 Health and Human Services appropriations.** Specifies that the total appropriations, for all state funds, made in the article are \$11.744 million in FY 2000 and \$85.644 million in FY 2001.

**2 Commissioner of human services.** Specifies that the total human services appropriations, for all state funds, made in the article are appropriations of \$11.594 million in FY 2000 and \$84.604 million in FY 2001.

Specific appropriations and reductions include:

- deficiency appropriations for the adoption assistance and relative custody assistance programs: \$2.474 million total in fiscal years 2000 and 2001 for adoption assistance; and \$1.368 million total in fiscal years 2000 and 2001 for relative custody assistance
- authorization for the commissioner to apply for a private foundation grant, and dedication of any federal matching funds received for the health care access project funded by the grant
- a requirement that the commissioner provide advance capitation payments of up to \$500,000 each time in June, 2001 and June, 2002 to county-based purchasing sites, and that these advance payments be recovered from the following month's per capita payments
- an appropriation of \$444,000 in fiscal year 2001 for a one-year increase of 10¢ per mile in the mileage reimbursement rates paid by MA and GAMC for special transportation
- a general fund reduction to state operated services programs and activities of \$1.495 million in fiscal year 2001
- an appropriation of \$7,000 for a three percent reimbursement rate increase for the epilepsy living skills training program
- providing base level funding of \$175,000 for the home share program (under M.S. § 256.973) for fiscal year 2002
- an appropriation of \$400,000 in fiscal year 2001 for: (1) grants to organizations in the farm wrap and rural help networks, to be used for mental health services and emergency services for farmers; and (2) mental health counseling support to farm families and business operators through the farm business management program at Central Lakes College and Ridgewater college
- one-time funding of \$248,000 in fiscal year 2001 from the Lottery Prize Fund for the compulsive gambling treatment program; the funding is earmarked for grants to Gamblers Intervention Services, the Minnesota Arrowhead Region Gambling Treatment Alliance, and Gamblers Choice

This section also appropriates additional federal TANF funds to the commissioner for a variety of specified purposes, including:

- \$11.68 million for additional grants to counties to serve hard-to-employ MFIP recipients (\$20.180 million is also provided each year in FY 2002 and FY 2003 for these grants.)
- \$7 million for distribution by the commissioner of health to county public health boards for home visiting programs to serve low-income families (\$7 million is also provided each year in FY 2002 and FY 2003 for these programs.)
- \$1.32 million for other one-time MFIP employment-related initiatives

- \$320,000 (per year for three years, from FY 2001-FY 2003) to train MFIP job counselors
- \$1 million (per year for three years, from FY 2001-FY 2003) for an out of wedlock pregnancy prevention program for eligible youth who are at risk of prostitution
- \$1 million (per year for three years, from FY 2001-FY 2003) for a supportive housing and managed care MFIP pilot project
- \$7.5 million each year in FY 2001 and 2002, which is transferred from the TANF block grant to the state's federal Title XX social services block grant, for counties to increase social services to low-income families with children.

The total amounts of additional federal TANF funds appropriated are \$20 million in FY 2000, and \$68.394 million in FY 2001. Other adjustments to TANF forecasted expenditures, and a transfer to the state's Child Care Development Fund block grant, are also made in this section.

A separate rider in this section establishes a mechanism for legislative oversight of the expenditures that the state must report to meet the federal TANF maintenance of effort (MOE) expenditure requirements. The rider specifies which non-federal expenditures can be used to meet the MOE requirements, and provides for interim review of TANF MOE expenditures by the Legislative Commission on Planning and Fiscal Policy.

A separate rider in this section transfers \$50 million in general fund appropriations to the Minnesota Housing Finance Agency's (MHFA) housing development fund for two new programs. Of this total, \$20 million is for a loan to Habitat for Humanity of Minnesota, to finance mortgages for new homebuyers. The remaining \$30 million is for the affordable rental investment fund program (M.S. § 462A.21, subd. 8b), to finance rental housing units that serve families who are receiving MFIP assistance, or who have left MFIP because of increased earnings or child support collections.

A separate rider in this section provides that the following specified portion of the expenditures under the state's Working Family tax credit program will be made with TANF funds, rather than state general fund dollars: in FY 2000, \$20 million; and in FY 2001, \$40.449 million.

**3 Commissioner of health.** Specifies that the total health appropriations, for all state funds, made in the article are appropriations of \$1.040 million in FY 2001. Provisions in this section:

Appropriate \$790,000 in one-time funding in FY 2001 for the state poison information centers program

Reduce the general fund base for the state poison information centers program by \$380,000 each year in FY 2002 and FY 2003

Appropriate \$75,000 in FY 2001 for the commissioner to respond to complaints about funeral and preneed services, and require recommendations on whether there is a need for additional funding for ongoing implementation and on a non-general fund source of funding

Appropriate \$175,000 in one-time funding in FY 2001 to expand access to free screening and testing for sexually transmitted infections

**4 Health-related boards.** In subdivision 2, makes a one-time appropriation of \$150,000 in FY 2000 from the state government special revenue fund to the Board of Psychology, for the board's extraordinary legal costs.

**5 Carryover limitation.** Prohibits any of the health and human services funding that is allowed to be carried forward from the first to the second year of the biennium from becoming part of an activity's base level funding, unless specifically directed.

**6 Sunset of uncodified language.** Provides that all uncodified language in this article expires June 30, 2001, unless there is a different expiration date explicit in the language of an uncoded provision.

**7 Effective date.** Provides that the appropriations and reductions for FY 2000 in this article are effective the day following final enactment.

## **Article 9: Health Care**

### **Overview**

This article contains provisions related to health care programs and initiatives administered or regulated by the commissioners of human services and health. The article:

- provides exceptions to the hospital moratorium (section 1) and the nursing home moratorium (section 2);
- allows nursing facilities to place beds on layaway status (sections 3 and 21);
- expands MA coverage of marriage and family therapy services (sections 4 and 16);
- expands eligibility for the senior drug program, by increasing the asset limit and allowing disabled Medicare enrollees under age 65 to enroll (sections 10 and 15);
- provides an additional increase in nursing facility per diem rates of \$1.00 plus an amount of up to \$3.13, for the second year of the biennium (section 19);
- provides rate increases for specific nursing facilities (sections 20 and 22);
- provides an additional rate increase for the second year of the biennium of three percent for ICFs/MR (section 23);
- provides an additional rate increase for the second year of the biennium of three percent for direct care providers (section 29); and
- contains other initiatives and makes other changes related to health care.

- 1 **Restricted construction or modification.** Amends § 144.551, subd. 1. Provides an exception to the hospital moratorium for a construction project involving the addition of up to 31 new beds in an existing nonfederal hospital in Beltrami county.
- 2 **Exceptions for replacement beds.** Amends § 144A.071, subdivision 4a. Creates three new exceptions to the nursing home moratorium: (1) to license and certify a new 44-bed facility in St. Louis County to replace an existing 31-bed facility with safety concerns related to an antiquated elevator; (2) to license and certify four beds in a facility to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992; and (3) to license and certify 72 beds in an existing 80-bed facility in Mille Lacs County as part of a renovation project.
- 3 **Licensed beds on layaway status.** Amends § 144A.071, by adding subd. 4b. Allows nursing facilities to lay away up to 50 percent of their licensed and certified beds, with 60 day written notice to the commissioner of health. Prohibits a facility from discharging a resident in order to lay away a bed. Specifies that beds on layaway have the same status as voluntarily delicensed and decertified beds, and are exempt from license and license surcharge fees. Allows beds to remain on layaway for up to five years, and to be removed from layaway beginning one year after the effective date of the layaway, with 60 day notice to the commissioner of health. Prohibits facilities that remove beds from layaway from placing beds on layaway for one year. Allows the commissioner to approve the immediate removal of beds from layaway, if necessary to provide access.
- 4 **Unlicensed practice prohibited.** Amends § 148B.32, subdivision 1. Strikes language that prohibits marriage and family therapists from being reimbursed under medical assistance unless the services are provided through a community mental health center or under contract with a managed care organization.
- 5 **Olmsted county licensing exemption.** Amends § 252.28, by adding subd. 3b. Authorizes the Commissioner of Human Services to license service sites with up to five beds each to serve residents moving from a 43-bed intermediate care facility for persons with mental retardation located in Olmsted County that is closing. State law governing group residential housing maximum rates applies to the new sites.

- 6 **Specific powers.** Amends § 256.01, subd. 2. Requires prescription drug program rebate agreements for prescription drugs delivered on or after July 1, 2002, to include rebates for covered individuals under age 65. Also makes a conforming change related to expansion of the program.
- 7 **Establishment.** Amends § 256.955, subd. 1. Changes the name of the "senior drug program" to "prescription drug program" and strikes obsolete language.
- 8 **Definitions.** Amends § 256.955, subd. 2. Strikes eligibility criteria for the senior drug program (reinstated elsewhere) and makes conforming changes related to the expansion of the program.
- 9 **Eligibility.** Amends § 256.955, by adding subd. 2a. Reinstates current eligibility criteria for the senior drug program that had been stricken in section 8.
- 10 **Eligibility.** Amends § 256.955, by adding subd. 2b. Effective July 1, 2002, expands eligibility for the senior drug program to include Qualified Medicare Beneficiaries (QMBs) under age 65. (This has the effect of expanding eligibility to include disabled Medicare enrollees with incomes that do not exceed 100 percent of the federal poverty guidelines, which is the QMB income limit.)
- 11 **Application procedures and coordination with medical assistance.** Amends § 256.955, subd. 4. Makes conforming changes related to the expansion of eligibility for the prescription drug program.
- 12 **Report.** Amends § 256.955, subd. 8. Makes conforming changes related to the expansion of eligibility for the prescription drug program.
- 13 **Program limitation.** Amends § 256.955, subd. 9. Strikes language repealing the senior drug program if the federal government approves a waiver to provide drug coverage for qualified Medicare beneficiaries with incomes that do not exceed 150 percent of the federal poverty guidelines. Also makes conforming changes.
- 14 **On-site coordination (OSC) services projects.** Amends § 256.9751. Modifies the congregate housing services statute. Significant changes include:
  - expanding the definition of congregate housing to include nonsubsidized low- and moderate-income multifamily housing that may not have common areas;
  - reducing the minimum age for participation from 60 to 55; and
  - transferring authority for the grant program to the Commissioner of Human Services from the Board on Aging.
- 15 **Qualified Medicare beneficiaries.** Amends § 256B.057, subd. 3. Effective October 1, 2000, increases the asset limit for QMBs to \$10,000 for a single individual and \$18,000 for a married couple or family of two or more (current asset levels are \$4,000 and \$6,000 respectively for these groups). This also has the effect of raising the asset limit for enrollees in the prescription drug program, and Medicare enrollees with incomes that do not exceed 120 percent of the federal poverty guidelines who are eligible for MA payment of Part B premiums, since these two groups of individuals use the QMB asset limits.
- 16 **Mental health professional.** Amends § 256B.0625, by adding subd. 41. Includes licensed marriage and family therapists, who meet the definition of mental health professional in the children and adult mental health acts, in the definition of mental health professional for the purpose of medical assistance reimbursement.
- 17 **Medical assistance reimbursement of case management services.** Amends § 256B.094, subd. 6. Allows payments to tribes for case management services to be made according to a federally approved rate setting methodology.
- 18 **Special provisions for moratorium exceptions.** Amends § 256B.431, subd. 17.

The amendment to paragraph (g) modifies the definition of total replacement, in the statute governing special reimbursement provisions for moratorium exceptions, by expanding the term to include a new building addition to relocate beds from three- and four-bed wards.

The amendment to paragraph (h) provides that the reimbursable per-bed cost limits for a relocation, renovation, upgrading, or conversion authorized by the Commissioner of Health after July 1, 2000, are the same as the per-bed limits for a total replacement.

A new paragraph (j) establishes criteria to govern the total replacement of an 80-bed nursing facility in Redwood County.

- 19 Nursing facility rate increases beginning July 1, 1999, and July 1, 2000.** Amends § 256B.431, subd. 28. For the rate year beginning July 1, 2000, provides nursing facilities with a per diem rate increase of \$1.00 plus an amount up to \$3.13, based upon how each facility's mean operating rate compares to that for other facilities. Requires this increase to be used to increase by an equal dollar amount the per-hour pay rate of employees, except for management fees, the administrator, and central office staff, and to pay for associated costs. Requires this money to be used only for wage increases implemented on or after July 1, 2000. Specifies that this increase, and the compensation increase provided during by the 1999 Legislature, is to be applied to each facility's June 30, 2000 operating payment rate. Clarifies when a negotiated agreement constitutes a facility's compensation plan. Clarifies that the rate increases provided to specific facilities by the 1999 Legislature are to be counted when determining future payment rates.
- 20 Facility rate increases effective July 1, 2000.** Amends § 256B.431, by adding subd. 29. Provides a rate increase ranging from \$1.97 per day for case mix class A residents to \$3.36 per day for case mix class K residents at a 49-bed facility in Roseau County.
- 21 Bed layaway and delicensure.** Amends § 256B.431, by adding subd. 30. (a) For rate years beginning on or after July 1, 2000, excludes layaway beds from being counted when determining capacity days for facilities reimbursed under the cost-based system and adjusts the rental per diem to reflect the reduced number of beds.
- (b) For facilities reimbursed under the alternative payment system that have placed beds on layaway status, adjusts the payment rate to reflect the reduced number of beds.
- (c) If a facility removes a bed from layaway status, requires the commissioner to establish capacity days based on the number of beds not on layaway status and to reduce the facility's property payment rate.
- (d) Allows facilities reimbursed under the alternative payment system to have their property payment rate adjusted when beds are delicensed.
- (e) Requires beds in layaway status to be excluded when determining whether a facility qualifies for payment for leave days. (Under current rule, a facility must maintain an average occupancy rate greater than 93 percent, in order to qualify for payment for leave days.)
- (f) Specifies that the rental rate calculated after placing beds on layaway status cannot be less than the rental rate prior to placing beds on layaway status.
- (g) Requires a nursing facility receiving a rate adjustment to provide residents with 30 day written notice of rate increases.
- (h) Reduces the property rate increase for facilities that do not use the space made available from bed layaways or delicensure to reduce the number of beds per room, provide common space, or perform other activities related to operation of the facility.
- 22 Facility rate increases effective July 1, 2000.** Amends § 256B.434, by adding subd. 4b. Provides rate increases for six specific facilities as follows: (1) a 5.9 percent rate increase for a 290-bed facility in Hennepin County, provided that it closes 70 beds; (2) a rate increase of \$1.54 per day for an 84-bed facility in Goodhue County; (3) a rate increase of \$3.78 for case mix class A and a weighted increase for the other case mix classes for a Rochester nursing facility licensed for 103 beds on January 1, 2000; (4) a rate increase of \$2.03 for a 154-bed facility in Wright County to be used for employee wage and benefit enhancements; (5) a rate increase ranging from \$1.16 for case mix level

A to \$4.76 for case mix level K for a 78-bed facility in Todd County; and (6) a property payment rate increase of \$1.59, for a facility in Pine City that decertified 22 beds during 1999.

- 23 **ICF/MR rate increases beginning October 1, 1999, and October 1, 2000.** For the rate year beginning October 1, 2000, provides ICFs/MR with an additional rate increase of 3.0 percent for compensation related costs. (The percentage specified, 6.6 percent, also includes the increase of 3.6 percent approved by the 1999 Legislature. This ICF/MR compensation increase was approved by the legislature in 1999 but was left out of the conference committee report.) Requires this additional increase to be used to increase the per-hour pay rate of all employees, except administrative and central office employees, by an equal dollar amount and to pay associated costs. Also requires the increase to be used only for wage increases implemented on or after October 1, 2000.
- 24 **Prospective reimbursement rates.** Amends § 256B.69, subd. 5b. States that the subdivision setting capitation rates for different geographic groups of counties shall not affect nongeographically based risk adjusted rates.
- 25 **Medical education and research fund.** Amends § 256B.69, subd.5c. Excludes the Minnesota Senior Health Options demonstration projects from the required reduction in the PMAP payments for medical education and research. Modifies the MERC reduction in the PMAP rates, to provide no reduction for nonmetropolitan counties until January 1, 2002.
- 26 **Modification of payment dates effective January 1, 2001.** Amends § 256B.69, subdivision 5d. Effective for services provided on or after January 1, 2001, requires capitation payments for the month of June under prepaid medical assistance, prepaid general assistance medical care, and county-based purchasing to be made no earlier than the first day after the month of service.
- 27 **Availability of private insurance.** Amends § 256L.05, subd. 5. Requires information on the availability of private health insurance coverage and the possibility of disenrollment (due to income exceeding the program income limit) to be provided to all families with incomes equal to or greater than 225 percent of the federal poverty guidelines, and all single adults and households without children with incomes equal to or greater than 165 percent of poverty. (Under current law, information on private coverage must be provided to all enrollees with incomes over 200 percent of poverty.) Also requires the commissioner to provide information on the availability of private health insurance coverage in the notice of ineligibility provided to persons whose income exceeds the program income limit.
- 28 **Prescription drug program.** Amends Laws 1997, chapter 225, article 4, section 4. Removes an obsolete reference to funding caps and makes conforming changes.
- 29 **Amends Laws 1999, chapter 245, article 1, section 2.** Provides an additional compensation-related increase of 3.0 percent for direct care providers, for the second year of the biennium. Requires this additional increase to be used to increase the per-hour pay rate of all employees other than the administrator and central office staff by an equal dollar amount, and to pay for associated costs. Makes the grant to DeafBlind Services Minnesota part of base funding for the 2002-2003 biennium only, clarifies language, and provides a June 30, 2003 expiration date.
- 30 **Repealer.** Amends Laws 1999, chapter 245, article 10, section 10. Extends the repealer for the home-sharing grant program by one year, until June 30, 2002.
- 31 **Employer-based health insurance.** Requires the commissioner of human services to determine requirements necessary to obtain federal matching funds for payments to subsidize the employee share of employer-based health care coverage for dependent children with household incomes that do not exceed 200 percent of the federal poverty guidelines, and to report to the legislature by January 15, 2001.
- 32 **Information on prescription drug patient assistance and cost savings programs.** Requires the commissioner of human services to work with the board of medical practice, organizations

representing pharmaceutical manufacturers, and organizations representing pharmacies, to develop a strategy to provide information to physicians and pharmacists on prescription drug patient assistance programs and cost savings opportunities offered by pharmaceutical manufacturers.

- 33 **Task force extended; report.** Extends the day training and habilitation task force to June 15, 2001, and requires the task force to present to the legislature, by January 15, 2001, a report recommending a new payment rate schedule for day training and habilitation services. (Under current law, the task force expires March 15, 2000.)
- 34 **Respite care for family adult foster care providers.** Requires the commissioner of human services, in consultation with affected groups, to develop legislative proposals, including cost projections, to provide 30 days of respite care per year for family adult foster care providers. Requires the commissioner to provide the proposals and cost projections to relevant committee chairs by December 1, 2000.
- 35 **Medical education distribution formula study.** Requires the commissioner of health to convene a group of stakeholders to evaluate the appropriateness of the current distribution formula for money from the medical education and research trust fund, and to consider alternatives for allocating the amount transferred through reducing PMAP and prepaid GAMC payments. Requires the group to report to the legislature by January 15, 2001.
- 36 **Instruction to revisor.** Directs the revisor to change references to the "senior citizen drug program" to "prescription drug program." Also directs the revisor to recodify the congregate housing services statute.
- 37 **Inconsistent amendments.** Provides that the section providing compensation-related increases for ICFs/MR prevails in the event that similar but not identical language in H.F. No. 3557 is enacted.

## **Article 10: Human Services Assistance Program Modifications**

### **Overview**

Article 10 contains provisions related to non-health care assistance programs supervised by the commissioner of human services. Provisions in this article:

- Distribute, or pass-through, all current child support and maintenance collections to MFIP participants. The child support payments are not disregarded by MFIP, but instead are treated as unearned income in calculating MFIP eligibility and benefit amounts. (Sections 1, 4, 7 and 10 to 12)
- Establish a Local Interventions for Self Sufficiency grant program to provide additional funding to counties for hard-to-employ MFIP recipients. (Sections 18 and 22)
- Exempt an MFIP caregiver with a disabled child or adult in the household from the MFIP employment and training requirement, and give a good cause exception if the caregiver misses the MFIP orientation because of a disruption in the health care services provided to the disabled household member. (Sections 14 and 21)
- Make other modifications to the employment and training services component of MFIP. (Sections 16, 17, 19, 20 and 25 to 28)
- Permit a family to receive Diversionary Assistance once every 12 months, and to be eligible for this program when the household income is below 200 percent of poverty. (Section 15)
- Create a child-only TANF program for MFIP cases that do not include a caregiver. (Section 24)
- Create several targeted and pilot programs to serve TANF-eligible populations. (Sections 23, 25, 26, 27 and 29)
- Require the commissioner of human services to use the INS' automated SAVE system to



conduct immigration status verifications of public assistance applicants. Also require the commissioner to report undocumented noncitizens identified through the application process or by self-admission (Sections 2, 9 and 30)

- Delay the implementation date of when the Minnesota Food Assistance Program will be limited to noncitizens who are 50 or older by one year, until July 1, 2002. (Section 5)

- Delay for six more months, until July 1, 2001, the date after which the first \$100 of an MFIP recipient's federal housing subsidy will be counted against the recipient's MFIP grant. (Section 13)

- Delay for two years, until July 1, 2002, the date after which certain specified groups of persons will be ineligible for the state GA, GAMC and GRH programs. Also delay for one year, until July 1, 2001, the date after which noncitizens for whom federal TANF (Temporary Assistance for

- 2 **Immigration status verifications.** Adds new subd. 18 to § 256.01. Regardless of the waiver from the federal requirement to use the INS' SAVE program which the state holds, effective July 1, 2001, requires the commissioner of human services to use the SAVE program to verify the immigration status of all applicants in the following situations:

- (1) when the person is applying for an assistance program that has been defined under federal law as a "federal public benefit" (this includes, for example, both MFIP and medical assistance (MA));

- (2) when the person is applying for food stamps, the food portion of MFIP or Work First benefits, or the Minnesota Food Assistance Program;

- (3) when the person is applying for General Assistance Medical Care (GAMC), except if the assistance is for an emergency medical condition, for immunization, or for testing and treatment of symptoms of a communicable disease; and

- (4) when the person is applying for assistance through the state programs of GA, MSA, MinnesotaCare or GRH, when these programs' benefits would fall under the definition of "federal public benefit" if federal funds were used to pay for these benefits.

Also requires the commissioner to report to the INS all undocumented persons who have been identified either through the application process or by an applicant's self-admission. Specifies that any reports of undocumented persons under this provision must comply with the requirements in the federal welfare reform law for reporting to the INS.

- 3 **Recovery of money; apportionment.** Amends § 256.019. Effective January 1, 2001, adjusts the proportion of the recovery which counties may keep when there is a recovery of monies paid for the AFDC or MFIP welfare programs. For these programs, which are funded in whole or in part with federal dollars, the county keeps half of the nonfederal share, or one-quarter of the amount recovered. Also specifies that for recoveries of the solely state-funded food portion of MFIP, the county keeps one-quarter of the amount recovered.
- 4 **Child support distribution.** Adds subd. 15 to § 256.741. Requires the state to distribute, or pass-through, to MFIP participants all current child support and maintenance assigned to the state. (This section is effective January 1, 2001.)
- 5 **Program established.** Amends § 256D.053, subd. 1. Delays the implementation date of when the Minnesota food assistance program will be limited to noncitizens who are 50 years old or older, from July 1 of this year to July 1, 2002.
- 6 **Use of money.** Amends § 256J.02, subd. 2. Adds six permitted uses of federal TANF (Temporary Assistance for Needy Families) and state appropriations: welfare-to-work transportation; payment to the federal government for child support passed-through to a custodial parent (this clause is effective January 1, 2001.); reimbursements for the working family credit program; intensive ESL grants; transitional housing; and programs and pilot projects in chapter 256K.

- 7 **Unearned income.** (Amends § 256J.08, subd. 86) Provides that for purposes of MFIP, "unearned income" includes child support and maintenance payments. (This section is effective January 1, 2001.)
- 8 **Income exclusions.** Amends § 256J.21, subd. 2. Adds two specific types of resources to the provision that excludes resources for disabled household members from being counted as income for the purpose of determining MFIP eligibility: consumer support grant funds; and resources and services under any of the MA home and community-based waiver services programs.
- 9 **Requirement to report to immigration and naturalization services.** Adds new subd. 7a to § 256J.32. Notwithstanding the procedures in the protocols for reporting undocumented MFIP applicants to the INS that are in current law, effective July 1, 2001, requires the commissioner to report to the INS all undocumented persons who have been identified either through MFIP application process or by an applicant's self-admission. Specifies that any reports of undocumented persons under this provision must comply with the requirements in the federal welfare reform law for reporting to the INS.
- 10 **Monthly income test.** Amends § 256J.33, subd. 4. For purposes of determining monthly income under MFIP, deletes requirement that child support and maintenance "anticipated to be received" by a family be considered. (This section is effective January 1, 2001.)
- 11 **Prospective budgeting.** Amends § 256J.34, subd. 1. Deletes references to how child support is treated for the first two months an individual receives MFIP. Treatment of child support would instead be regulated by other sections of this article. (This section is effective January 1, 2001.)
- 12 **Significant change in gross income.** Amends § 256J.34, subd. 4. Deletes reference to supplementary assistance payments and the forwarding of child support, because under the plan in this article child support would no longer be forwarded. (This section is effective January 1, 2001.)
- 13 **Unearned income.** Amends § 256J.37, subd. 9. Amends paragraph (b) to delay for six months, from January 1, 2001 to July 1, 2001, the effective date for when the first \$100 of a federal housing subsidy will be counted as unearned income for the purpose of determining an assistance unit's MFIP grant.
- 14 **Good cause exemption for not attending orientation.** Amends § 256J.45, subd. 3. Specifies that a caregiver with a child or adult in the household who meets one of the specified disability criteria, including disabilities from mental illness, has a good cause exemption for failing to attend the MFIP orientation if the caregiver is prevented from attending the orientation because the health care services for the disabled household member are not provided.
- 15 **Eligibility.** Amends § 256J.47, subd. 1. Loosens the eligibility standards for the diversionary assistance (DA) program, by permitting a family to receive DA once every 12 months, rather than once every 36 months as in current law. Also raises the income eligibility threshold for DA, from below 140 percent to below 200 percent of the federal poverty guidelines.
- 16 **Work activity.** Amends § 256J.49, subd. 13. Specifies that the inclusion of English as a second language (ESL) classes as an approved work activity is limited by other provisions in sections 19 and 20 of this article.
- 17 **Participation requirements for all cases.** Amends § 256J.50, subd. 5. Effective July 1, 2000, requires single-parent MFIP cases to participate in employment and training services within one month of receiving MFIP. (Under current law, each county can choose when in the first six months of MFIP eligibility it requires its single-parent cases to participate in employment services.) Makes an exception from this requirement for Blue Earth and Nicollet counties until January 1, 2001. (Note: This exception is to enable those counties to continue to provide a comparison group to the Work First pilot project that operates in Carver and Clay counties.)
- 18 **Local service unit plan.** Amends § 256J.50, subd. 7. In paragraph (b), requires counties to describe

in their local service unit plan for providing employment and training services how projects funded under the local intervention grants for self-sufficiency (created in section 22) would operate within the local service unit. This description must include information on the target population of hard-to-employ recipients and working participants needing job retention and wage advancement services; which services will be provided; projected expenditures by activity; anticipated program outcomes; and a description of services for participants with chemical dependency, mental health, learning disabilities or family violence issues.

Also requires the plan to demonstrate how the county or tribe is working within its organization or with other organizations to serve hard-to-employ populations, and how community organizations were involved in the planning, services other entities will provide under the plan, and whether multicounty or regional strategies are part of the plan.

In paragraph (c), requires the activities and expenditures in the plan be in addition to, and not instead of, a county or tribe's existing activities and expenditures. Specifies three exceptions to this "no supplantation" requirement.

In paragraph (d), requires the plan under paragraph (b) to be approved before the county or tribe is eligible for local interventions grant funds under section 22.

- 19 Job search; job search support plan.** Amends § 256J.52, subd. 3. In paragraph (a), specifies that adult basic education activities or ESL classes must be included in a job search support plan for no more than half of the required 30 hours per week of job search, if the activities are approved by the job counselor.

In paragraph (d), limits the approval of ESL activities in a job search support plan to participants who are at or below a spoken language proficiency level of SPL5 or its equivalent. Limits ESL activities to a total of 24 months. Requires the job counselor to give preference to an intensive ESL program if one is available. If an intensive ESL program is approved, specifies how that program hourly requirements are reconciled with the hourly limitations on job search in paragraph (a).

- 20 Employment plan; contents.** Amends § 256.52, subd. 5. In a new paragraph (c), places the same limitations on ESL activities in an employment plan as the previous section placed on the job search support plan.
- 21 Employment and training services component; exemptions.** Amends § 256J.56. Adds an exemption category for caregivers with a child or adult in the household who meets one of the specified disability criteria, including disabilities from mental illness. Specifies that caregivers in this category are presumed to be prevented from obtaining or retaining employment.
- 22 Local intervention grants for self-sufficiency.** Creates new § 256J.625.

**Subd. 1. Establishment; guaranteed minimum allocation.** In paragraph (a), requires the commissioner to make grants to county and tribal TANF programs to more effectively serve hard-to-employ MFIP participants. Requires grant funds to be allocated as specified this subdivision, and in subdivisions 2 and 3. Requires a county or tribe to have an approved local service unit plan (see section 18) in order to receive and expend funds under subdivisions 2 and 3.

In paragraph (b), specifies that each county or tribal program must first receive a guaranteed minimum annual allocation of \$25,000.

**Subd. 2. Set-aside funds.** In paragraph (a), specifies that after the guaranteed minimum allocation is made, 20% of the remaining funds appropriated for these grants are held by the commissioner, and awarded to counties or tribes whose plans demonstrate additional need, strong anticipated outcomes and effective performance monitoring, or use of a multicounty or regional approach to serve the target populations identified in the approved plan. Requires the commissioner to achieve geographic balance in distributing the set-aside funds. Permits the commissioner to award set-aside funds to other public, private or nonprofit entities in a county or region, if specified requirements are met.

In paragraph (b), for fiscal year 2001 only, earmarks \$500,000 of the set-aside funds for an intensive intervention transitional employment training project (as specified in a rider in article 1, section 2, subdivision 7), and \$500,000 for nontraditional career assistance and training programs under section 26 of this article.

**Subd. 2a. Alternative distribution formula.** In paragraph (a), requires the commissioner to develop an alternative distribution formula to the formula allocation specified in subdivision 3. This alternative formula must be developed and presented to the appropriate legislative committees by January 31, 2001. The proposed alternative formula must be for FY 2002 and FY 2003, and must target hard-to-employ MFIP participants, and must include an incentive-based component to encourage counties and tribes to effectively serve hard-to-employ participants.

In paragraph (b), provides that if the commissioner does not have an alternative distribution formula as required in paragraph (a), the set-aside funds for FY 2002 and FY 2003 that would otherwise be distributed according to subdivision 2 must instead be allocated in equal amounts to each county and tribal program.

**Subd. 3. Formula allocation.** Specifies that of the remaining grant funds after the guaranteed minimum allocation and set-aside requirements are met, 85 percent be allocated based on the proportion of single-parent MFIP cases who have received MFIP for at least 25 months, and that 15 percent be allocated based on the proportion of two-parent MFIP cases who have received MFIP for at least 25 months. Cases with caregivers who are over age 60 are excluded from the caseload for purposes of these allocations.

**Subd. 4. Use of funds.** In paragraph (a), permits grant funds to be used to provide services to hard-to-employ participants and their families. Requires that services provided be intended to reduce the number of MFIP participants who are expected to reach their 60-month time limit. Requires counties, tribes and other entities receiving set-aside or formula allocation funds to submit semiannual progress reports detailing program outcomes.

In paragraph (b), prohibits grant funds from being used to provide benefits that meet the federal definition of "assistance," and which therefore count towards a recipient's 60-month limit on assistance, to an assistance unit that is only receiving the food portion of MFIP. (Note: Receiving only the food portion of MFIP benefits does not count towards a recipient's 60-month limit on assistance.)

In paragraph (c), permits a county to use grant funds as matching funds for federal access to jobs transportation funds. Also permits a county to use grant funds to enhance transportation choices for eligible recipients with household income that is up to 150% of the federal poverty guidelines.

**Subd. 5. Sunset.** Sunsets the local intervention grants program on June 30, 2003.

- 23 **Nontraditional career assistance and training.** Adds new § 256J.655. With the job counselor's approval, permits a female MFIP participant to enroll and participate in a nontraditional career assistance and training program (authorized in section 26) as an approved work activity. Specifies that an MFIP recipient who is participating in one of these programs is also eligible for MFIP employment and training services, including child care and transportation.
- 24 **Child only TANF program.** Adds new § 256J.88. Creates a child-only TANF program for MFIP cases that do not include a caregiver. By doing so, child-only cases will not be counted in the overall MFIP caseload. (This change will have the effect of reducing the size of the state's reported MFIP caseload.)
- 25 **Supportive housing and managed care pilot project.** (Adds new § 256K.25) This section codifies the original 1999 session law that authorized, but did not provide funding for, a supportive housing and managed care pilot project for homeless individuals. This section requires the commissioner of

human services to establish the pilot project in two counties.

**Subd. 1. Establishment and purpose.** In paragraph (a), requires the commissioner to establish a supportive housing and managed care pilot project in one county in the Twin Cities metropolitan area and in one county outside of that metropolitan area. The purpose of the pilot project is to determine whether the integrated delivery of employment services, supportive services, housing and health care will be an effective way to provide services to and increase the employment rates of homeless families and individuals.

In paragraph (b), requires the commissioner to create a program for this pilot project. Also requires the commissioner, in cooperation with counties and their nonprofit partners to develop minimum project and application requirements.

In paragraph (c), requires services provided under the project to be coordinated with each eligible participant's available health care services.

**Subd. 2. Definition.** Defines the term "homeless" for purposes of this pilot project.

**Subd. 3. County eligibility.** Specifies that in order to request funding under this project, a county must agree to develop or contract with a pilot project that integrates the delivery of employment services, supportive services, housing and health care. Also specifies that for project participants who are also MFIP recipients, the county must ensure that services provided under this project are closely coordinated with the services provided under MFIP. Also requires the county to develop a method to evaluate the quality of integrated services provided, and to evaluate the amount of any resulting cost savings.

**Subd. 4. Participant eligibility.** In paragraph (a), specifies that an eligible participant must: be homeless or at risk of homelessness; have a mental illness, a history of substance abuse, or HIV; and, if a family, meet the criteria in paragraph (b), or if an individual, meet the criteria in paragraph (c).

In paragraph (b), requires an eligible family to include a minor child or pregnant woman and: be receiving or be eligible for MFIP; or include an adult caregiver who is employed or is receiving employment services and whose household income is below the MFIP exit level.

In paragraph (c), requires an eligible individual to: be eligible for the group residential housing (GRH) program; or be a noncustodial parent who is employed or is receiving employment services and whose household income is below the MFIP exit level.

**Subd. 5. Funding.** Authorizes a county to request funding for a specified number of TANF-eligible project participants. Requires the commissioner to review the funding request, and authorizes the commissioner to approve or disapprove the request. If other funds are available, authorizes the commissioner to allocate funding to serve individuals who are not otherwise TANF-eligible.

**Subd. 6. Report.** Beginning December 1, 2001, requires the participating counties and the commissioner to issue an annual report on the pilot project to the chairs of the appropriate legislative committees. The report must cover the pilot project's use of public resources, the employment and housing status of the project's participants, and the cost-effectiveness of the project. The report must also evaluate the pilot project with respect to the specified project goals. Requires the commissioner to provide data needed to evaluate the project to a participating county that requests the data.

**Subd. 7. Sunset.** Specifies that the pilot project sunsets on June 30, 2006.

**26 Grants for nontraditional career assistance and training programs.** Adds new § 256K.30.

Requires the commissioner to establish a program of reimbursement-based grants to nonprofit organizations to provide nontraditional career assistance and training programs, which encourage and assist low-income women with minor children to enter nontraditional careers in the trades, and in manual and technical operations.

Specifies the requirements that must be met in order to receive funding under this program. Permits an NCAT program to include an outreach component, and requires it to include a career assistance

component. Requires approved NCAT programs to be accessible to women who are MFIP participants.

**27 At-risk youth out of wedlock pregnancy prevention program.** Adds new § 256K.35.

**Subd. 1. Establishment and purpose.** Establishes a statewide grant program to reduce the incidence of out of wedlock pregnancies among youth who are at risk of being prostituted or currently being used in prostitution. The program's goal is to increase the number of short-term shelter beds for these youth in the state, so that the number of youth at risk of being sexually exploited or being sexually exploited and thus at risk of an out of wedlock pregnancy is reduced.

**Subd. 2. Funds available.** Requires the commissioner to make funds available to nonprofit corporations or government agencies to provide supportive services for emergency shelter and transitional housing for youth. Requires the commissioner to give priority to applicants who offer 24-hour emergency facilities.

**Subd. 3. Application; eligibility.** Specifies criteria that an applicant for funding must meet.

**Subd. 4. Uses of funds.** Requires funds to be used for street outreach and supportive services for emergency shelter and transitional housing for homeless, runaway and thrown-away youth. Permits grant funds to be used for supportive services to reduce the risk of out of wedlock pregnancy among the youth served. Requires federal TANF funds to be used to serve youth and their families with household income below 200% of the poverty level. Permits other funds to be used to serve youth outside of their family context. Prohibits grant funds from being used to conduct general education or awareness programs that are unrelated to the operation of an emergency shelter or transitional housing.

**28 Amends Laws 1997, ch. 203, art. 9, sec. 21, as amended by Laws 1998, ch. 407, art. 6, sec. 111.**

Delays the effective dates for when certain specified groups of persons are ineligible for various public assistance programs:

Delays for two years, until July 1, 2002, a provision that makes persons ineligible for the GA, GAMC or GRH programs who are terminated or denied from the federal Supplemental Security Income (SSI) program because their alcohol or drug addiction is a material factor contributing to their disability.

Delays for two years, until July 1, 2002, a provision that makes legal noncitizens ineligible for the GA, GAMC or GRH programs who are ineligible for the federal Supplemental Security Income (SSI) program because of their noncitizen status.

Delays for one year, until July 1, 2001, a provision that makes legal noncitizens ineligible for state-funded MFIP benefits.

**29 Pilot projects for MFIP eligible families.** Requires the commissioner to authorize Dakota county and four other counties to test alternative approaches to improve the employability and self-sufficiency outcomes for MFIP-eligible families. The approaches tested by the pilot projects may include diversion, as well as case closure of noncompliant participants. The pilot projects' effectiveness will be evaluated, and the commissioner and the county agencies will report the evaluation findings to the legislative health and human services committees by February 1, 2002.

**30 Reports on SAVE implementation.** Requires the commissioner to report to the chairs of the legislative committees that deal with human services policy issues about the usage and costs of the SAVE program during its first two years of implementation.

**31 Report on effect of eligibility sunset delay.** Requires staff of the DHS health care division to conduct a study to identify the characteristics of the GA, GAMC and GRH recipients for whom program eligibility has been extended for two years by the provision in section 28. Specifies the information that must be collected and reported, and prohibits the report from containing any uniquely identifying information about recipients. Also requires the report to contain information

about the cost of the eligibility extension. Requires that the report be submitted to the chairs of the legislative committees with jurisdiction over these programs by January 15, 2001.

- 32 **Repealer.** Repeals Laws 1999, chapter 245, article 5, section 24, which was the original session law authorizing the supportive housing and managed care pilot project in section 25.

## **Article 11: Technical Corrections**

### **Overview**

This article corrects technical errors and omissions in the 1999 Health and Human Services Omnibus Appropriations bill.

- 1 **Compliance.** Amends § 62J.535, subd. 2. Clarifies the date by which health care providers must comply with uniform billing requirements.
- 2 **Eligibility.** Amends § 125A.74, subd. 1. Requires school districts that are providers to pay the nonfederal share of MA services in order to receive MA payments.
- 3 **Funding.** Amends § 125A.74, subd. 2. Strikes language stating that school districts are not required to provide matching funds or pay part of the cost of services, when a school district provides a covered service.
- 4 **Sunset.** Amends § 144.395, by adding subd. 3. Moves existing language that sunsets the tobacco use prevention and local public health endowment fund to the correct place in statute.
- 5 **Audits required.** Amends § 144.396, subd. 11. Clarifies existing language that requires the legislative auditor to audit endowment fund expenditures, by specifying that it is the tobacco use prevention and local public health endowment fund that must be audited.
- 6 **Endowment fund not to supplant existing funding.** Amends § 144.396, subd. 12. Corrects a reference to the tobacco use prevention and local public health endowment fund.
- 7 **Reduction of waiting list.** Amends § 256B.0916, subd. 1. Specifies that the requirement that MR/RC waiver funding be increased to add 100 additional eligible persons each year applies to the period July 1, 1999 to June 30, 2003 (this conforms the law to the level of funding adopted).
- 8 **General assistance medical care; services.** Amends § 256D.03, subd. 4. Strikes outdated language on GAMC rateable reductions and makes a technical change.
- 9 **Community dental clinics.** Amends Laws 1999, chapter 245, article 1, section 2, subd. 5, paragraph (b). Corrects a cross-reference.
- 10 **Costs related to facility certification.** Amends Laws 1999, chapter 245, article 1, section 2, subd. 8, paragraphs (h) and (j). The amendment to paragraph (h) corrects an internal reference. The amendment to paragraph (j) corrects a statutory reference.
- 11 **Effective date.** Amends Laws 1999, chapter 245, article 4, section 121. Corrects effective dates.
- 12 **Repealer.** Repeals the existing sunset provision for the tobacco use prevention and local public health endowment fund (this provision is reinstated in statute in another location). Also repeals obsolete language related to the expansion of the MR/RC waiver.