

Subject Health and Children and Family Services Omnibus Finance Bill

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Overview

This bill contains the governor’s recommendations for Department of Human Services finance appropriations related to children and family services, health care, and operations.

Article 1: Child Care

This article makes changes to the child care assistance program (CCAP), including expanding the definition of “family” for purposes of CCAP eligibility, making changes to the basic sliding fee (BSF) program waiting list, centralizing CCAP registration functions within the Department of Human Services (DHS), and changing how legal, nonlicensed (LNL) child care providers interact

with CCAP. It also extends the currently available stabilization grants for child care providers and establishes a new retention payment program for providers. The article directs child care resource and referral agencies to administer a child care one-stop regional assistance network and to provide supports to help economically challenged individuals begin a career in child care.

Section Description - Article 1: Child Care

- 1 Applicant.**
Amends § 119B.011, subd. 2. Changes the definition of “child care fund applicants” to include foster care families, relative custodians, and successor custodians or guardians receiving Northstar kinship assistance. The section is effective August 25, 2024.
- 2 Child care.**
Amends § 119B.011, subd. 5. Changes the definition of “child care” to include care provided by foster care families, relative custodians, and successor custodians or guardians receiving Northstar kinship assistance. The section is effective August 25, 2024.
- 3 Family.**
Amends § 119B.011, subd. 13. Changes the definition of “family” to include care provided by foster care families, relative custodians, and successor custodians or guardians receiving Northstar kinship assistance. The section is effective August 25, 2024.
- 4 Registration.**
Amends § 119B.011, subd. 19a. Changes the definition of “registration” for purposes of CCAP to provide that the registration process is a commissioner-administered process rather than county-administered. Directs the commissioner to create a statewide registration process for CCAP by April 28, 2025.
- 5 Funding priorities.**
Amends § 119B.03, subd. 4a. Makes permanent the temporary changes the 2021 legislature made to the BSF assistance waiting list, which include shifting transition year extension families—those that are receiving MFIP assistance while they are on the waiting list for BSF assistance—from the second priority group to the last priority group and establishing a new priority group for eligible families who are not in any other priority groups. This section is effective July 1, 2023.
- 6 Authorization.**
Amends § 119B.125, subd. 1. Provides that the commissioner, and not a county agency, must authorize child care providers to receive CCAP payments. Strikes CCAP reauthorization requirements for LNL providers from the subdivision.

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- 7 **Background study required.**
Amends § 119B.125, subd. 1a. Specifies background study requirements for LNL providers and provides that the commissioner, not a county agency, is required to perform background studies on LNL providers.
- 8 **Training required.**
Amends § 119B.125, subd. 1b. Provides that an LNL provider must submit training verification and documentation to the DHS commissioner rather than to a county agency. Deletes obsolete language. This section is effective April 28, 2025.
- 9 **Persons who cannot be authorized.**
Amends § 119B.125, subd. 2. Requires child care providers to submit required background study information to the DHS commissioner rather than to a county agency. Modifies the circumstances under which an LNL provider cannot be authorized to receive CCAP payments. This section is effective April 28, 2025.
- 10 **Authorization exception.**
Amends § 119B.125, subd. 3. Provides that the DHS commissioner, rather than a county agency, administers authorization of LNL providers to receive CCAP payments. This section is effective April 28, 2025.
- 11 **Unsafe care.**
Amends § 119B.125, subd. 4. Provides that the commissioner, rather than a county agency, may deny or rescind a provider's authorization to receive CCAP payments when a county or the commissioner determines a provider's care is unsafe for a child. Directs the commissioner to introduce statewide criteria for unsafe care by April 28, 2025. This section is effective April 28, 2025.
- 12 **Record-keeping requirement.**
Amends § 119B.125, subd. 6. Modifies the actions a county agency or the commissioner may take when there is reason to believe that a child care provider has not complied with CCAP record-keeping requirements. This section is effective April 28, 2025.
- 13 **Failure to comply with attendance record requirements.**
Amends § 119B.125, subd. 7. Provides that either the commissioner or a county agency may periodically audit child care providers to determine compliance with attendance record-keeping requirements. This section is effective April 28, 2025.
- 14 **Subsidy restrictions.**
Amends § 119B.13, subd. 1. Increases maximum CCAP rates paid to child care providers and the maximum registration fee paid under the program to the 75th

Section Description - Article 1: Child Care

- percentile of the most recent child care provider rate survey, beginning October 30, 2023.
- 15 **Provider payments.**
Amends § 119B.13, subd. 6. Makes conforming changes related to the commissioner, rather than county agencies, administering CCAP authorization for child care providers. This section is effective April 28, 2025.
- 16 **Notice to providers.**
Amends § 119B.16, subd. 1c. Makes technical changes related to the department's or a county agency's notification to a provider regarding action taken against the provider. This section is effective April 28, 2025.
- 17 **Fair hearing stayed.**
Amends § 119B.16, subd. 3. Makes conforming changes related to the commissioner, rather than a county agency, administering CCAP authorization for child care providers. This section is effective April 28, 2025.
- 18 **Notice.**
Amends § 119B.161, subd. 2. Provides that the commissioner, and not a county agency, must mail written notice to a child care provider regarding the right to an administrative review under specified circumstances. This section is effective April 28, 2025.
- 19 **Duration.**
Amends § 119B.161, subd. 3. Provides that the commissioner, and not a county agency, has a role in determining whether to pursue specified action against a provider.
- 20 **Child care resource and referral programs.**
Amends § 119B.19, subd. 7. Directs child care resource and referral programs to administer the child care one-stop regional assistance network for child care providers and to provide supports to help economically challenged individuals begin a career in child care.
- 21 **Child care retention program.**
Creates § 119B.27.
- Subd. 1. Establishment.** Directs the commissioner to establish a child care retention program to provide payments to eligible child care programs.

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Subd. 2. Eligible programs. Identifies the following programs as eligible for payments: licensed family and group family child care providers; licensed child care centers; certified, license-exempt child care centers; Tribally licensed programs; and other programs determined by the commissioner. Provides that programs are not eligible if they are the subject of a finding of fraud; the subject of suspended, denied, or terminated payment; prohibited from receiving public funds; or under license revocation, suspension, temporary immediate suspension, or decertification.

Subd. 3. Requirements. Identifies the requirements with which eligible programs receiving payments under this section must comply.

Subd. 4. Payments. Directs the commissioner to provide payments under this section to all eligible programs on a noncompetitive basis and provides that the payment amounts are based on the number of full-time equivalent staff who regularly care for children in the program. Defines full-time equivalent staff as an individual caring for children 32 hours per week.

Provides that payments must be increased by 25 percent for providers who accept child care assistance or early learning scholarships or are in “child care access equity areas,” which are areas with low access to child care, high poverty rates, high unemployment rates, low home-ownership rates, and low median household incomes. Directs the commissioner to develop a method for establishing child care access equity areas.

Subd. 5. Eligible uses of money. Describes how eligible programs may use the retention payments.

Subd. 6. Legal nonlicensed child care provider payments. Allows an LNL provider to apply for a payment of up to \$500 for costs incurred prior to the first month the provider receives a CCAP payment.

Subd. 7. Carryforward authority. Provides that money appropriated for this section is available until expended.

Subd. 8. Report. Requires the commissioner to report to the legislature on the retention program by January 1 of each year and makes the reporting requirement expire on January 31, 2033.

22 **Shared services grants.**

Creates § 119B.28. Establishes a grant program to provide money to organizations to operate shared services alliances for family child care providers. Defines “shared

Section Description - Article 1: Child Care

- services alliances” to mean networks of licensed family child care providers that share services to reduce costs and achieve efficiencies.
- 23 **Child care provider access to technology grants.**
Creates § 119B.29. Directs the commissioner to award grants to one or more organizations to offer grants or other supports to child care providers for technology intended to improve the providers’ business practices.
- 24 **Licensed programs; other child care programs.**
Amends § 245C.04, subd. 1. Specifies background study requirements for LNL providers at reauthorization or when a new study is needed for CCAP. This section is effective April 28, 2025.
- 25 **Electronic transmission.**
Amends § 245C.05, subd. 4. Deletes a reference to LNL providers for purposes of DHS submitting background study results to county agencies. This section is effective April 28, 2025.
- 26 **Notice to county agency.**
Amends § 245C.17, subd. 6. Deletes a reference to LNL providers for purposes of DHS providing a notice of background study results to county agencies. This section is effective April 28, 2025.
- 27 **Commissioner’s notice of disqualification that is not set aside.**
Amends § 245C.23, subd. 2. Deletes a reference to legal, nonlicensed child care providers for purposes of DHS notifying a county agency about the results of a reconsidered background study. This section is effective April 28, 2025.
- 28 **Administrative disqualification of child care providers caring for children receiving child care assistance.**
Amends § 256.046, subd. 3. Provides that DHS, and not a local agency, can pursue an administrative disqualification of a child care provider receiving CCAP payments. This section is effective April 28, 2025.
- 29 **Child care providers; financial misconduct.**
Amends § 256.983, subd. 5. Provides that a county or Tribal agency may recommend that the commissioner take specified actions rather than the county or Tribal agency taking the actions. This section is effective April 28, 2025.

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- 30 **Direction to commissioner; transition child care stabilization grants.**
Extends the child care stabilization grants to eligible programs through September 30, 2023. Under current law, the grants expire June 30, 2023.
- 31 **Direction to commissioner; increase for maximum child care assistance rates.**
Directs the commissioner to allocate additional basic sliding fee money for calendar year 2024 to counties for updated maximum CCAP rates. Specifies factors the commissioner must consider when allocating the money among counties.
- 32 **Direction to commissioner; allocating basic sliding fee funds.**
Directs the commissioner to allocate additional basic sliding fee money for calendar year 2025 to counties and Tribes to account for the change in the definition of “family” for purposes of the program. Specifies factors the commissioner must consider when allocating the money among counties and Tribes.
- 33 **Repealer.**
Repeals § 119B.03, subdivision 4 (funding priorities for the basic sliding fee program), effective July 1, 2023, and repeals § 245C.11, subdivision 3 (criminal history data for legal, nonlicensed child care providers), effective April 28, 2025.

Article 4: Economic Assistance

This article makes changes to economic assistance programs to modify reporting periods to go from monthly reporting to six-month reporting, modify program budgeting to go from retrospective budgeting to prospective budgeting, modify the FAIM program, establish an American Indian food sovereignty funding program, and provide for SNAP outreach.

Section Description - Article 4: Economic Assistance

- 1 **Changes in eligibility.**
Amends § 119B.025, subd. 4. Clarifies a cross-reference.

Provides a March 1, 2025, effective date.
- 2 **Budgeting and reporting.**
Amends § 256D.03, by adding subd. 2b. Requires county agencies to determine eligibility and calculate benefit amounts for general assistance according to the chapter of statutes governing economic assistance program eligibility and verification.

Section Description - Article 4: Economic Assistance

Provides a March 1, 2025, effective date.

3 SNAP reporting requirements.

Amends § 256D.0516, subd. 2. Removes an exception to SNAP simplified reporting requirements for households receiving food benefits under MFIP.

Provides a March 1, 2025, effective date.

4 Supplemental nutrition assistance outreach program.

Creates § 256D.65.

Subd. 1. SNAP outreach program. Requires the commissioner of human services to implement a SNAP outreach program that meets USDA requirements to inform low-income households about the availability and benefits of SNAP.

Subd. 2. Duties of commissioner. Lists the duties of the commissioner in administering the SNAP outreach program.

Subd. 3. Program funding. Requires grantees to submit allowable costs for approved SNAP outreach activities to the commissioner to receive federal reimbursement. Requires the commissioner to disburse federal reimbursement funds for allowable costs for approved SNAP outreach activities to the state agency or grantee that incurred the costs being reimbursed.

5 Use of money.

Amends § 256E.34, subd. 4. Allows money distributed to food shelf programs to be used to purchase personal hygiene products including diapers and toilet paper.

6 American Indian food sovereignty funding program.

Creates § 256E.341.

Subd. 1. Establishment. Establishes the American Indian food sovereignty funding program to improve access and equity to food security programs within Tribal and urban American Indian communities. Requires the commissioner of human services to administer the program and provide outreach, technical assistance, and program development support to increase food security for American Indians.

Subd. 2. Distribution of funding. Requires the commissioner to: (1) provide funding to support food system changes and equitable access to existing and new methods of food support for American Indians; and (2) determine the funding formula, timing, and form of the application for the program. Lists eligible funding recipients.

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Subd. 3. Allowable uses of funds. Lists allowable uses of funds.

Subd. 4. Reporting. Requires funding recipients to report to the commissioner annually on the use of American Indian food sovereignty funding. Lists the information that must be included in the report. Requires the commissioner to determine the form required for reports and allows the commissioner to specify additional reporting requirements.

7 Establishment.

Amends § 256E.35, subd. 1. Allows family assets for independence (FAIM) to be accrued for emergencies.

8 Definitions.

Amends § 256E.35, subd. 2. Modifies the definition of “fiduciary organization” under FAIM to include a federally recognized Tribal Nation or a nonprofit organization and modifies the definition of “permissible use” to include contributions to an emergency savings account or a Minnesota 529 savings plan.

9 Grants awarded.

Amends § 256E.35, subd. 5. Allows a portion of funds appropriated for FAIM to be used on evaluating the initiative.

10 Financial coaching.

Amends § 256E.35, subd. 4a. Makes conforming changes.

11 Withdrawal; matching; permissible uses.

Amends § 256E.35, subd. 6. Increases the maximum FAIM match from \$6,000 to \$12,000 and makes conforming changes.

12 Program reporting.

Amends § 256E.35, subd. 7. Makes conforming changes to FAIM reporting requirements related to the additional permissible uses of FAIM savings.

13 Prospective budgeting.

Amends § 256I.03, subd. 13. Modifies the definition of “prospective budgeting” under the housing support program.

Provides a March 1, 2025, effective date.

Section Description - Article 4: Economic Assistance

14 Reports.

Amends § 256I.06, subd. 6. Modifies housing support recipient reporting requirements to allow for six-month reporting.

Provides a March 1, 2025, effective date.

15 When to terminate assistance.

Amends § 256I.06, by adding subd. 6a. Requires an agency to terminate housing support benefits when the assistance unit fails to submit the household report form before the end of the month in which it is due. Specifies the effective date of the termination and requirements related to reinstatement of benefits.

Provides a March 1, 2025, effective date.

16 Amount of housing support payment.

Amends § 256I.06, subd. 8. Makes conforming changes related to prospective budgeting.

Provides a March 1, 2025, effective date.

17 Prospective budgeting.

Amends § 256J.08, subd. 71. Modifies the definition of “prospective budgeting” under the chapter of statutes governing MFIP.

Provides a March 1, 2025, effective date.

18 Recurring income.

Amends § 256J.08, subd. 79. Modifies the definition of “recurring income” under the chapter of statutes governing MFIP to make conforming changes related to prospective budgeting.

Provides a March 1, 2025, effective date.

19 Initial income test.

Amends § 256J.21, subd. 3. Makes conforming changes to MFIP initial income tests related to six-month reporting and prospective budgeting.

Provides a March 1, 2025, effective date.

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- 20 **Income test and determination of assistance payment.**
Amends § 256J.21, subd. 4. Makes conforming changes to the MFIP income test and determination of assistance payments related to six-month reporting and prospective budgeting.

Provides a March 1, 2025, effective date.
- 21 **Determination of eligibility.**
Amends § 256J.33, subd. 1. Modifies MFIP determination of eligibility provisions to be consistent with prospective budgeting. Specifies that an assistance unit is not eligible when countable income equals or exceeds the MFIP standard of need or the family wage level for the assistance unit.

Provides a March 1, 2025, effective date, except the amendment making a conforming cross-reference change is effective July 1, 2024.
- 22 **Prospective eligibility.**
Amends § 256J.33, subd. 2. Makes conforming changes related to prospective budgeting under MFIP.

Provides a March 1, 2025, effective date.
- 23 **Earned income of wage, salary, and contractual employees.**
Amends § 256J.37, subd. 3. Makes conforming changes related to six-month reporting.

Provides a March 1, 2025, effective date.
- 24 **Rental subsidies; unearned income.**
Amends § 256J.37, subd. 3. Makes a conforming cross-reference change related to prospective budgeting.

Provides a March 1, 2025, effective date.
- 25 **DWP overpayments and underpayments.**
Amends § 256J.95, subd. 19. Makes a conforming change related to prospective budgeting.

Provides a March 1, 2025, effective date.

Section Description - Article 4: Economic Assistance

26 Prospective budgeting.

Amends § 256P.01, by adding subd. 9. Defines “prospective budgeting” under the chapter of statutes governing economic assistance program eligibility and verification.

Provides a March 1, 2025, effective date.

27 Personal property limitations.

Amends § 256P.02, subd. 2. Excludes FAIM accounts when determining the equity value of personal property under the chapter of statutes governing economic assistance program eligibility and verification.

28 Account exception.

Amends § 256P.02, by adding subd. 4. Excludes FAIM accounts when determining the equity value of personal property under the chapter of statutes governing economic assistance program eligibility and verification.

29 Factors to be verified.

Amends § 256P.04, subd. 4. Removes from the list of items that county agencies must verify at application the use of nonrecurring income.

Provides a July 1, 2024, effective date.

30 Recertification.

Amends § 256P.04, subd. 8. Requires county agencies to verify specified information during reporting in addition to during recertification.

Provides a March 1, 2025, effective date.

31 Income inclusions.

Amends § 256P.06, subd. 3. Modifies the list of items that must be included in determining the income of an assistance unit under the chapter of statutes governing economic assistance program eligibility and verification.

Provides a July 1, 2024, effective date.

32 Exempted programs.

Amends § 256P.07, subd. 1. Exempts participants who receive SSI and qualify for MSA or housing support from reporting requirements under the chapter of statutes governing economic assistance program eligibility and verification.

Provides a March 1, 2025, effective date.

Section Description - Article 4: Economic Assistance

- 33 Child care assistance programs.**
Amends § 256P.07, by adding subd. 1a. Exempts participants who qualify for CCAP from certain reporting requirements.

Provides a March 1, 2025, effective date.
- 34 Reporting requirements.**
Amends § 256P.07, subd. 2. Modifies participant reporting requirements under the chapter of statutes governing economic assistance program eligibility and verification.

Provides a March 1, 2025, effective date.
- 35 Changes that must be reported.**
Amends § 256P.07, subd. 3. Modifies the list of changes that must be reported by an assistance unit.

Provides a March 1, 2025, effective date, except the removal of lump sum payments is effective July 1, 2024.
- 36 MFIP-specific reporting.**
Amends § 256P.07, subd. 4. Modifies the list of changes an MFIP assistance unit must report and removes language requiring the assistance unit to report changes within ten days of the change.

Provides a March 1, 2025, effective date.
- 37 Child care assistance programs-specific reporting.**
Amends § 256P.07, subd. 6. Modifies the list of changes a CCAP assistance unit must report by adding a change in address or residence, a change in household composition, a change in citizenship or immigration status, and a change in family status.

Provides a March 1, 2025, effective date.
- 38 Minnesota supplemental aid-specific reporting.**
Amends § 256P.07, subd. 7. Modifies the list of changes an MSA assistance unit must report. Requires assistance units not receiving SSI to report a change in unearned income of \$50 per month or greater and a change in earned income of \$100 per month or greater. Lists the changes an assistance unit receiving housing assistance must report.

Section Description - Article 4: Economic Assistance

Provides a March 1, 2025, effective date.

39 Housing support-specific reporting.

Amends § 256P.07, by adding subd. 8. Paragraph (a) lists the changes a housing support assistance unit that is not receiving SSI must report.

Paragraph (b) lists the changes a housing support assistance unit, including an assistance unit receiving SSI, must report.

Provides a March 1, 2025, effective date.

40 General assistance-specific reporting.

Amends § 256P.07, by adding subd. 9. Lists the changes an assistance unit receiving general assistance must report.

Provides a March 1, 2025, effective date.

41 Prospective budgeting of benefits.

Creates § 256P.09

Subd. 1. Exempted programs. Exempts assistance units that qualify for CCAP, assistance units that receive housing support and are not subject reporting under the statutes governing economic assistance program eligibility and verification, and assistance units that qualify for MSA from prospective budgeting.

Subd. 2. Prospective budgeting of benefits. Requires any agency subject to the economic assistance program eligibility and verification chapter of statutes to use prospective budgeting to calculate the assistance payment amount.

Subd. 3. Initial income. Specifies how an agency must determine initial income for purposes of determining the assistance unit's level of benefits.

Subd. 4. Income determination. Requires agencies to use prospective budgeting when determining the amount of an assistance unit's benefits for the eligibility period based on the best information available at the time of approval. Specifies how anticipated income must be treated.

Subd. 5. Income changes. Prohibits an increase in income from affecting an assistance unit's eligibility or benefit amount until the next review unless otherwise required to be reported. Requires a decrease in income to be effective on the date the change occurs if the change is reported by the tenth of the month following the month when the change occurred. Requires a change in income to be effective on the date the change was reported if the assistance unit

Section Description - Article 4: Economic Assistance

does not report the change in income by the tenth of the month following the month when the change occurred.

Provides a March 1, 2025, effective date.

42 Six-month reporting.

Creates § 256P.10.

Subd. 1. Exempted programs. Exempts assistance units that qualify for CCAP, assistance units that receive housing support and also receive SSI, and assistance units that qualify for MSA from six-month reporting.

Subd. 2. Reporting. Paragraph (a) subjects an assistance unit that qualifies for MFIP, an assistance unit that qualifies for GA with an earned income of \$100 per month or greater, and an assistance unit that qualifies for housing support with an earned income of \$100 per month or greater to six-month reviews. Allows the initial reporting period to be shorter than six months to align with other programs' reporting periods.

Paragraph (b) requires MFIP assistance units and GA assistance units with an earned income of \$100 per month or greater to complete household report forms as required by the commissioner for redetermination of benefits.

Paragraph (c) requires housing support assistance units with an earned income of \$100 per month or greater to complete household report forms to provide information about earned income.

Paragraph (d) subjects an assistance unit that qualifies for housing support and also receives MFIP to the MFIP six-month reporting requirements.

Paragraph (e) requires assistance units to submit household report forms in compliance with the requirements of the chapter of statutes governing economic assistance program eligibility and verification.

Paragraph (f) allows an assistance unit to choose to report changes at any time.

Subd. 3. When to terminate assistance. Specifies when an agency must terminate benefits and when benefits may be reinstated.

Provides a March 1, 2025, effective date.

43 Appropriation; emergency food distribution facilities.

Appropriates \$19,000,000 in fiscal year 2024 from the general fund to the commissioner of human services for improving and expanding the infrastructure of

Section Description - Article 4: Economic Assistance

food shelf facilities across the state. Specifies the organizations that may receive grant funds. Specifies this is a onetime appropriation and is available until June 30, 2027.

44 Repealer.

Paragraph (a) repeals Minnesota Statutes, sections 256.9864 (reports by recipient); 256J.08, subds. 10 (budget month), 53 (lump sum), 61 (monthly income test), 62 (nonrecurring income), 81 (retrospective budgeting), and 83 (significant change); 256J.30, subds. 5 (Monthly MFIP household reports), 7 (due date of MFIP household report form), and 8 (late MFIP household report forms); 256J.33, subds. 3 (retrospective eligibility), 4 (monthly income test), and 5 (when to terminate assistance); 256J.34, subds. 1 (prospective budgeting), 2 (retrospective budgeting), 3 (additional uses of retrospective budgeting), and 4 (significant change in gross income); and 256J.37, subd. 10 (treatment of lump sums), effective March 1, 2025, except the repeal of § 256J.08, subds. 53 and 62, and 256J.37, subd. 10, are effective July 1, 2024.

Paragraph (b) repeals Minn. Stat. § 256.8799 (SNAP outreach program), effective August 1, 2023.

Article 5: Addressing Deep Poverty

This article makes changes to general assistance (GA), housing support, and MFIP related to increasing the GA standard of assistance, modifying countable income under the housing support program, and modifying drug testing requirements for GA, MSA, MFIP, and SNAP applicants and recipients.

Section Description - Article 5: Addressing Deep Poverty

1 Standards.

Amends § 256D.01, subd. 1a. Increases the GA standard of assistance for single adults by making the standard equal to the cash portion of the MFIP transitional standard for a single adult.

2 Person convicted of drug offenses.

Amends § 256D.024, subd. 1. Modifies requirements related to drug testing of individuals receiving GA benefits who have been convicted of a drug offense. Requires counties to provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.

Section Description - Article 5: Addressing Deep Poverty

- 3 Eligibility requirements.**
Amends § 256D.06, subd. 5. Increases the amount of time a GA recipient has to apply for federal disability benefits.
- 4 Countable income.**
Amends § 256I.03, subd. 7. Modifies the definition of “countable income” under the chapter of statutes governing housing support to reduce the amount of countable income for SSI recipients living in certain supportive housing settings from 100 percent of the SSI benefit limit to 30 percent of SSI benefits received. Also sets countable income for SSI recipients who do not live in certain supportive housing settings at the SSI limit in effect at the time the recipient is receiving housing support, less the personal needs allowance. Sets countable income for recipients of unearned income other than SSI who live in certain supportive housing settings at 30 percent of total income after applicable exclusions and disregards. Specifies the MA personal needs allowance does not apply to SSI and unearned income recipients who live in the specified supportive housing settings.

Provides a January 1, 2025, effective date.
- 5 Person convicted of drug offenses.**
Amends § 256J.26, subd. 1. Modifies requirements related to drug testing of individuals receiving MFIP and SNAP benefits who have been convicted of a drug offense. Requires counties to provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.
- 6 Lived-experience engagement.**
Amends § 256P.01, by adding subd. 5a. Defines “lived-experience engagement” in the chapter of statutes governing economic assistance program eligibility and verification.
- 7 Personal property limitations.**
Amends § 256P.02, subd. 2. Excludes certain cash from personal property limitations under the chapter of statutes governing economic assistance program eligibility and verification.
- 8 Health and human services recipient engagement income.**
Amends § 256P.02, by adding subd. 4. Excludes income received from lived-experience engagement when determining the equity value of personal property for economic assistance programs.

Section Description - Article 5: Addressing Deep Poverty

- 9 **Income inclusions.**
Amends § 256P.06, subd. 3. Removes Tribal per capita payments from the list of unearned income that must be included when determining the income of an assistance unit under the chapter of statutes governing economic assistance program eligibility and verification.
- 10 **Recipient engagement income.**
Amends § 256P.06, by adding subd. 4. Excludes income received from lived-experience engagement from being counted as income for purposes of determining or redetermining eligibility or benefits under the chapter of statutes governing economic assistance program eligibility and verification.
- 11 **Benefit eligibility.**
Amends § 609B.425, subd. 2. Modifies requirements related to drug testing of individuals receiving GA and MSA benefits who have been convicted of a drug offense. Requires counties to provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.
- 12 **Drug offenders; random testing; sanctions.**
Amends § 609B.435, subd. 2. Modifies requirements related to drug testing of individuals applying for MFIP benefits who have been convicted of a drug offense. Requires counties to provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.

Article 6: Housing and Homelessness

This article makes changes to housing support eligibility, the Homeless Youth Act, safe harbor, and housing transition cost payments, and requires the commissioner to seek federal approval to adjust housing stabilization services rates for inflation.

Section Description - Article 6: Housing and Homelessness

- 1 **Youth eligible for services.**
Amends § 145.4716, subd. 3. Makes a conforming change related to the establishment of the safe harbor shelter and housing grant program.
- 2 **Individual eligibility requirements.**
Amends § 256I.04, subd. 1. Modifies housing support eligibility requirements by expanding eligibility to individuals who have a certified disability or disabling

Section Description - Article 6: Housing and Homelessness

- condition and lack a fixed, adequate, nighttime residence upon discharge from a correctional facility. Allows individuals who meet this criteria to be eligible for up to three months. Specifies individuals who meet the disabling condition criteria will not have any countable income for the duration of eligibility.
- 3 **Street and community outreach and drop-in eligibility.**
Amends § 245K.45, subd. 3. Modifies the Homeless Youth Act street and community outreach and drop-in eligibility by adding specialized services for youth at risk of discrimination based on sexual orientation or gender identity.
- 4 **Provider repair or improvement grants.**
Amends § 256K.45, subd. 7. Modifies provider repair or improvement grants under the Homeless Youth Act by increasing the maximum grant amount and removing a prohibition on a grantee receiving grant funds for two consecutive years.
- 5 **Safe harbor shelter and housing.**
Creates § 256K.47.
- Subd. 1. Grant program established.** Requires the commissioner of human services to: (1) establish a safe harbor shelter and housing grant program; and (2) award grants to providers who are committed to serving sexually exploited youth and youth at risk of sexual exploitation. Requires grantees to use grant money to provide street and community outreach programs, emergency shelter programs, or supportive housing programs to address the specialized outreach, shelter, and housing needs of sexually exploited youth and youth at risk of sexual exploitation.
- Subd. 2. Youth eligible services.** Specifies youth 24 years of age or younger are eligible for all shelter, housing beds, and services provided under this section and all services, support, and programs provided by the commissioner of health to sexually exploited youth and youth at risk of sexual exploitation.
- Subd. 3. Street and community outreach.** Requires street and community outreach programs to locate, contact, and provide information, referrals, and services to eligible youth. Lists the activities that may be included in information, referrals, and services provided by street and community outreach programs.
- Subd. 4. Emergency shelter program.** Requires emergency shelter programs to provide eligible youth with referral and walk-in access to emergency short-term residential care. Lists the services that may be provided at emergency shelters.
- Subd. 5. Supportive housing programs.** Requires supportive housing programs to help eligible youth find and maintain safe and dignified housing and provide

Section Description - Article 6: Housing and Homelessness

related supportive services and referrals. Allows supportive housing programs to provide rental assistance. Lists the services that may be included in supportive housing programs.

Subd. 6. Funding. Specifies funds appropriated for safe harbor shelter and housing may be expended on street and community outreach, emergency shelter, and supportive housing programs, technical assistance, and capacity building to meet the greatest need on a statewide basis.

6 Housing transition cost.

Amends Laws 2021, First Special Session ch. 7, art. 17, § 5, subd. 1. Clarifies an individual is only eligible for a housing transition cost payment if the individual is moving from an institution or provider-controlled setting into their own home. Removes the expiration date for housing transition cost payments.

Specifies this section is effective upon federal approval.

7 Housing stabilization services inflationary adjustment.

Requires the commissioner of human services to: (1) seek federal approval to apply biennial inflationary updates to housing stabilization services rates based on the CPI; and (2) update rates using the most recently available data from the CPI beginning January 1, 2024.

Makes this section effective January 1, 2024, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

Article 7: Behavioral Health

This article establishes the emerging mood disorder grant program, modifies local agency allocations for substance use disorder treatment, modifies eligible vendors of comprehensive assessments, modifies the opioid prescribing improvement program, establishes start-up and capacity-building grants, and establishes a mobile response and stabilization pilot.

Section Description - Article 7: Behavioral Health

1 Establishment and authority.

Amends § 245.4889, subd. 1. Adds interventions for youth and young adults at risk of or experiencing an emerging mood disorder to list of services eligible for children's mental health grants; makes technical change.

Section Description - Article 7: Behavioral Health

- Makes this section effective July 1, 2023.
- 2 Emerging mood disorder grant program.**
Proposes coding for § 245.4904. Codifies the emerging mood disorder grant program, to fund evidence-informed interventions for youth and young adults at risk of developing or experiencing an emerging mood disorder and a public awareness campaign on youth and young adult mood disorders; lists required grant program activities; specifies eligibility requirements and program outcome evaluation criteria.

Makes this section effective July 1, 2023.
- 3 Local agency allocation.**
Amends § 254B.02, subd. 5. Modifies administrative adjustment payments to local agencies to allocations for supporting individuals with substance use disorders; modifies cap on payments so that payments must not be less than 133 percent of the local agency payment for the 2009 fiscal year.

Provides an immediate effective date.
- 4 Licensure required.**
Amends § 254B.05, subd. 1. Adds paragraph specifying that hospitals, federally qualified health centers, and rural clinics are eligible vendors of a comprehensive assessment, completed by an alcohol and drug counselor who is individually enrolled with the commissioner.

Makes this section effective upon federal approval.
- 5 Program established.**
Amends § 256B.0638, subd. 1. Adds, as an additional purpose for the DHS opioid prescribing improvement program, the support of patient-centered, compassionate care for Minnesotans who require treatment with opioid analgesics.
- 6 Definitions.**
Amends § 256B.0638, subd. 2. Modifies the definition of “opioid disenrollment standards,” to rename the term “opioid sanction standards” and refer to clinical indicators of opioid prescribing practices (rather than parameters) and to refer to provider sanctions (rather than to provider disenrollment). Also modifies the definition of “opioid prescriber.”
- 7 Program components.**
Amends § 256B.0638, subd. 4. Removes references to opioid disenrollment standards.

Section Description - Article 7: Behavioral Health

8 Program implementation.

Amends § 256B.0638, subd. 5. Requires the DHS quality improvement program to be designed to support patient-centered care that is consistent with community standards, and discourage unsafe tapering practices and patient abandonment by providers. The section also:

- modifies requirements for provider quality improvement plans;
- requires prescribers treating patients who are on chronic, high doses of opioids to meet community standards of care, but these providers are not required to show measurable changes in chronic pain prescribing thresholds within a certain period;
- requires the commissioner to dismiss a prescriber from participating in the opioid prescribing quality improvement program when the prescriber demonstrates that their practices are patient-centered and reflect community standards; and
- allows the commissioner to investigate providers whose prescribing practices fall within the applicable opioid sanction standards (current law refers to provider termination and disenrollment standards).

9 Sanction standards.

Amends § 256B.0638, by adding subd. 8. States that providers enrolled in MA may be subject to sanctions for:

- 1) discontinuing, abruptly or through a rapid taper, chronic opioid analgesic therapy from daily doses greater or equal to 50 morphine milligram equivalents (MME) a day, without providing patient support;
- 2) continuing chronic opioid analgesic therapy without a safety plan when specific red flags for opioid use disorder are present;
- 3) prescribing greater than 400 MME per day without: assessing the risk for opioid-induced respiratory depression, responding to evidence of opioid-related harm, and mitigating the risk of opioid-induced respiratory depression;
- 4) continuing chronic opioid analgesic therapy at the same dosage without a safety plan when risk factors for serious opioid-induced respiratory depression are present; and
- 5) failing to participate in the opioid prescribing improvement program for two consecutive years.

Section Description - Article 7: Behavioral Health

- 10 Grounds for sanctions against vendors.**
Amends § 256B.064, subd. 1a. Allows the commissioner to impose sanctions against a vendor for violations of the sanction standards defined by the Opioid Prescribing Work Group for opioid prescribing practices that fall outside community standards.

States that this section is effective July 1, 2023.
- 11 Start-up and capacity-building grants.**
Amends § 256B.0941 by adding subd. 5. Specifies the allowable uses for start-up grants to prospective psychiatric residential treatment facility sites; specifies that start-up and capacity-building grants to prospective and current psychiatric residential treatment facilities may be used to support providers who treat and accept individuals with complex support needs.

Makes this section effective July 1, 2023.
- 12 Mobile response and stabilization services pilot.**
Directs the commissioner to establish a pilot to promote access to crisis response services and reduce hospitalizations and out-of-home placements for children, youth, and families. Specifies required elements of the pilot; requires the commissioner to consult with a qualified expert entity to assist with outcomes and the possibility of submitting a Medicaid state plan amendment.

Makes this section effective July 1, 2023.
- 13 Local agency substance use disorder allocation.**
Directs the commissioner to evaluate the ongoing need for local agency substance use disorder allocations. Specifies what the evaluation must include; allows the commissioner to contract with a vendor to support the evaluation.

Provides an immediate effective date.

Article 8: Health Care

This article makes changes in the operation of the medical assistance and MinnesotaCare programs. Areas addressed by the article include, but are not limited to: hospital reimbursement, continuous eligibility for children, the Drug Formulary Committee, value-based drug purchasing, managed care withholds, the elimination of cost-sharing, dental rebasing, MinnesotaCare coverage of undocumented noncitizens, telehealth and audio-only communication, and eligibility procedures to be used during the transition from the public health emergency.

Section Description - Article 8: Health Care

- 1 Payment on behalf of enrollees in government health programs.**
Requires health insurers, as a condition of operating in Minnesota, to comply with the requirements of the Consolidated Appropriations Act of 2022 and related federal regulations, to the extent they impose a state requirement that is not also required by state law.
- 2 Definitions.**
Amends § 62A.673, subd. 2. Allows audio-only communication between a provider and patient to qualify as telehealth until July 1, 2025 (this provision expires July 1, 2023, under current law).
- 3 Qualifying overpayment.**
Amends § 256.0471, subd. 1. Provides that overpayments that result from payments or services provided during a period for which an appeal is pending become a judgment 90 days after notice of overpayment is served. States that this section is effective July 1, 2023.
- 4 Hospital payment rates.**
Amends § 256.969, subd. 2b. Sets the base years for the hospital rebasing that is to be effective July 1, 2023, as calendar years 2018 and 2019. States that this section is effective July 1, 2023.
- 5 Disproportionate numbers of low-income patients served.**
Amends § 256.969, subd. 9. Changes the MA utilization rate that is tied to a disproportionate share hospital (DSH) factor of .3711, from 2.5 to 2.25 standard deviations above the statewide mean utilization rate. States that this section is effective July 1, 2023.
- 6 Long-term hospital rates.**
Amends § 256.969, subd. 25. Requires payments to long-term care hospitals, for admissions occurring on or after July 1, 2023, to be the higher of the per diem amount computed using the cost-based methodology for critical access hospitals, or the per diem rate as of July 1, 2021. States that this section is effective July 1, 2023.
- 7 Adults who were in foster care at the age of 18.**
Amends § 256B.055, subd. 17. Beginning July 1, 2023, allows MA to be paid for a person under age 26 who was in foster care on the date of turning age 18, and enrolled in another state's Medicaid program while in foster care. States that this section is effective July 1, 2023.

Section Description - Article 8: Health Care

8 Period of eligibility.

Amend § 256B.056, subd. 7. Provides 12 months of continuous eligibility under MA for a child under age 21, and allows a child under age six to remain eligible for MA through the month in which the child reaches age six. Allows earlier termination of eligibility if the child attains the maximum age, voluntary termination is requested, the child is no longer a resident or dies, or the agency determines eligibility was erroneously granted. States that this section is effective July 1, 2024, or upon federal approval, whichever is later.

9 Dental services.

Amends § 256B.0625, subd. 9. Expands adult dental coverage under MA to include medically necessary dental services. (Under current law, this coverage is limited to specific services.) States that this section is effective January 1, 2024, or upon federal approval, whichever is later.

10 Formulary committee.

Amends § 256B.0625, subd. 13c. Modifies membership of the DHS formulary committee, to require “at least” four physicians, increase the number of consumer representatives from one to two, and require one of the consumer representatives to be a current or former MA enrollee, or the parent or guardian of a current or former MA enrollee. Also makes the committee ongoing (the committee expires June 30, 2023, under current law). States that this section is effective the day following final enactment.

11 Payment prices.

Amends § 256B.0625, subd. 13c. Provides that the requirement that the commissioner report to the legislature on the cost of dispensing every three years does not expire. States that this section is effective the day following final enactment.

12 Value-based purchasing arrangements.

Amends § 256B.0625, by adding subd. 13k. (a) Allows the commissioner to enter into a value-based purchasing arrangement under MA or MinnesotaCare with a drug manufacturer based on agreed-upon metrics. Allows the commissioner to contract with a vendor. Describes value-based purchasing arrangements and requires such an arrangement to provide the same or greater value or discount in the aggregate as would claiming the mandatory federal drug rebate.

(b) States that this section shall not be interpreted as requiring manufacturer participation in a value-based purchasing arrangement.

Section Description - Article 8: Health Care

(c) States that this section shall not be interpreted as altering or modifying coverage requirements under the federal Medicaid rebate.

(d) Requires the commissioner to request any state plan amendment necessary to implement a value-based payment arrangement, and allows the commissioner to delay implementation until the amendment is approved.

States that this section is effective July 1, 2023.

13 Doula services.

Amends § 256B.0625, subd. 28b. Directs the commissioner to enroll doula agencies and individual treating doulas and provide direct reimbursement. States that this section is effective January 1, 2024, or upon federal approval, whichever is later.

14 Other clinic services.

Amends § 256B.0625, subd. 30. Effective July 1, 2023, allows an enrolled Indian Health Service facility or a Tribal health center operating under a 638 contract to elect to also enroll as a Tribal FQHC, and provides that requirements that apply to FQHCs under this subdivision do not apply unless necessary to comply with federal regulations. Directs the commissioner to establish an alternative payment method for Tribal FQHCs that uses the same methods and rates applicable to a Tribal facility or health center that does not enroll as a Tribal FQHC.

15 Cost-sharing.

Amends § 256B.0631, subd. 1. Eliminates MA cost-sharing and deductibles, effective for services provided on or after January 1, 2024.

16 Commissioner's duties.

Amends § 256B.196, subd. 2. Prohibits the commissioner from making supplemental payments to providers of outpatient hospital, physician, ambulance, and other health care services affiliated with governmental entities (Hennepin County, Ramsey County, the University of Minnesota), that fail to submit to the commissioner within 24 months of the initial request, the data needed to compute the payments. States that this section is effective July 1, 2023.

17 Managed care contracts.

Amends § 256B.69, subd. 5a. Strikes the specific performance targets specified in law that are tied to the withhold of five percent of managed care and county-based purchasing plan capitation payments. The performance targets eliminated are related to: emergency department utilization rates, hospital admission rates, and subsequent hospitalization rates.

Section Description - Article 8: Health Care

18 Physician reimbursement.

Amends § 256B.76, subd. 1. A new paragraph (i) allows MA to reimburse for the cost incurred to pay the Department of Health for metabolic testing of newborns who are MA recipients, when the sample is collected outside of an inpatient hospital or freestanding birth center (because the birth took place outside of these locations) or because it is not medically appropriate to collect the sample during the inpatient stay.

A new paragraph (j) increases payment rates for family planning and abortion services by ten percent, for services provided on or after January 1, 2024. States that the increase does not provide to federally qualified health centers, rural health centers, or Indian health services.

19 Dental reimbursement.

Amends § 256B.76, subd. 2. A new paragraph (k) sets a total spend baseline, effective for services provided on or after January 1, 2024, by requiring dental payments to be the lower of submitted charges or a percentile of 2018 charges, so that total aggregate expenditures do not exceed the total spend as outlined in applicable paragraphs of this section. States that this paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

A new paragraph (l) requires the commissioner, by January 1, 2027, and every three years thereafter, to rebase payment rates for dental services to a percentile of submitted charges for the applicable base year. Total aggregate expenditures must not exceed the total spend as outlined in paragraph (k) plus the change in the Medicare Economic Index (MEI). For 2027, requires the change in the MEI to be measured from the midyear of 2024 and 2026. For subsequent rebasings, requires the change in the MEI to be measured between the years that are one year after the rebasing years. Requires the base year for each rebasing to be the calendar year that is two years prior to the effective date of the rebasing. States that this section does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

Also makes changes throughout subdivision, striking obsolete language.

States that this section is effective January 1, 2024, or upon federal approval, whichever is later.

20 Critical access dental providers.

Amends § 256B.76, subd. 4. Strikes obsolete language. States that this section is effective January 1, 2024, or upon federal approval.

Section Description - Article 8: Health Care

21 Citizenship requirements.

Amends § 256L.04, subd. 10. Allows undocumented noncitizens who are children under age 19 to be eligible for MinnesotaCare, if all other program eligibility requirements are met. States that this section is effective January 1, 2025.

22 Waivers and modifications; federal funding extension.

Amends Laws 2020, First Special Session chapter 7, section 1, subd. 1, as amended. Allows DHS COVID waiver CV 17 (preserving health coverage under MA and MinnesotaCare) to remain in effect as needed to comply with federal guidance, and until the enrollee's first renewal following the resumption of MA and MinnesotaCare renewals after March 31, 2023. States that the section is effective the day following final enactment.

23 Response to COVID-19 public health emergency.

Amends Laws 2021, First Special Session chapter 7, article 1, section 36. The amendment to paragraph (a) extends the prohibition on collecting unpaid MA employed persons with disabilities (MA-EPD) premiums through the month prior to an enrollee's first renewal following the resumption of MA renewals after March 31, 2023. (Under current law, this extends until the end of the federal public health emergency.) Also makes a conforming change related to language on MinnesotaCare premiums that is reinstated in paragraph (g).

The amendment to paragraph (b) allows periodic data matching to be suspended for up to 12 months following the resumption of MA and MinnesotaCare renewals after March 31, 2023. (Under current law, this is suspended for up to six months following the end of the federal public health emergency.)

A new paragraph (d) requires assets for persons enrolled in MA as of March 31, 2023, as elderly, blind, or persons with disabilities, that exceed the program asset limit for those groups (\$3,000 for a household of one/\$6,000 for a household of two), to be disregarded until their second annual renewal following the resumption of renewals after March 31, 2023.

A new paragraph (e) allows the commissioner to temporarily adjust MA eligibility verification requirements as needed to comply with federal guidance and ensure timely renewals, for the period during which enrollees are subject to their first annual renewal after March 31, 2023. Requires the commissioner to implement controls to monitor the effectiveness of these adjustments and ensure program integrity.

A new paragraph (f) allows the commissioner to temporarily extend the timeframe to take final administrative action on fair hearing requests from MA recipients, until the

Section Description - Article 8: Health Care

end of the 23rd month after the end of the month in which the federal public health emergency ends. Requires the commissioner, during this time period, to:

- 6) not delay resolving expedited fair hearings;
- 7) provide MA benefits, pending the outcome of a fair hearing decision, to any MA recipient who requests a fair hearing in a timely manner, and regardless of whether benefits have been requested;
- 8) reinstate MA benefits back to the date of action, if the recipient requests a fair hearing in a timely manner;
- 9) take final administrative action within the 90 days permitted under federal regulations, for fair hearing requests where MA benefits cannot be provided pending the outcome of the fair hearing;
- 10) not recoup or recover from the recipient the cost of MA benefits provided pending final administrative action, even if the agency action is sustained; and
- 11) not use this authority as justification for a delay in taking final action, and only exceed the federal 90-day time limit for taking final action to the extent the commissioner is unable to take timely action on a fair hearing request.

States that this section is effective the day following final enactment, or upon federal approval, whichever is later.

24 Commissioner of human services; extension of COVID-19 human services program modifications.

Amends Laws 2021, First Special Session chapter 7, article 6, section 26. Extends from July 1, 2023, to July 1, 2025, the expiration date for DHS COVID-19-related modifications expanding access to telemedicine services for the Children’s Health Insurance Program, MA, and MinnesotaCare (CV16) and allowing a telemedicine alternative for school-linked mental health services and intermediate school district mental health services. These modifications include allowing reimbursement for audio-only services.

Article 9: Medical Education and Research Cost Account

This article modifies the medical education and research costs (MERC) program to comply with federal rules. It adds a rate factor to medical assistance fee-for-service rates paid to hospitals that qualify for MERC funds, and removes MERC costs from managed care rates. It provides that the commissioner of health must distribute money deposited in the MERC account to eligible training sites that do not qualify for a MERC rate factor, reduces the amount of revenue

from cigarette taxes annually deposited in the MERC account, and eliminates grants to the university's medical school.

Section Description - Article 9: Medical Education and Research Cost Account

1 Definitions.

Amends § 62J.692, subd. 1. Amends the definition of clinical medical education program for a section governing the medical education and research costs (MERC) program to specify that training doctor of pharmacy practitioners includes training students and residents and that training dentists includes training dental students and residents.

2 Application process.

Amends § 62J.692, subd. 3. In a subdivision governing the process for clinical medical education programs to apply for MERC funds, strikes language requiring applications to be submitted by October 1 prior to the year of distribution and listing information that must be included in an application. Instead requires an application to be submitted according to a timeline established by the commissioner of health, and to include information the commissioner deems necessary to determine program eligibility.

3 Distribution of funds.

Amends § 62J.692, subd. 4. In a subdivision governing distribution of MERC funds by the commissioner of health, strikes language used to determine training site level grants and requiring distribution of funds based on the public program volume factor. Requires money for medical education and research costs distributed under this section to be awarded only to eligible training sites that do not qualify for a medical education and research cost rate factor, and requires distribution of this money according to a formula determined by the commissioner that considers the listed criteria. Allows an accredited sponsoring institution to disqualify a training site, rather than withhold payments, if contract requirements are not met. Allows the commissioner to develop a methodology to determine eligible costs for which MERC funds may be used, and to distribute undistributed money in a subsequent distribution cycle. Strikes para. (g), which allows the commissioner to use up to \$150,000 in MERC funds for administrative expenses.

4 Report.

Amends § 62J.692, subd. 5. In para. (a), strikes language requiring a sponsoring institution to return funds received if the sponsoring institution fails to submit the grant verification report by the deadline. Removes language requiring grant verification reports to include information on the number of trainee FTEs, name of each funded program, and amount distributed to each training site. Strikes para. (c),

Section Description - Article 9: Medical Education and Research Cost Account

which requires an annual summary report to the legislature on implementation of section 62J.692.

5 Federal financial participation.

Amends § 62J.692, subd. 8. Directs the commissioner of human services to seek federal financial participation for revenue from cigarette taxes that are credited to the medical education and research costs account. Strikes language requiring the commissioner to use physician clinic rates to maximize federal financial participation.

6 Hospital payment rates.

Amends § 256.969, subd. 2b. For discharges on or after January 1, 2024, modifies payment rates for hospitals, other than critical access hospitals, under the medical assistance program for inpatient services, to include a rate factor that is specific for each hospital that qualifies for a MERC distribution. By an unspecified date, requires the commissioner of human services to make a onetime supplemental payment to each hospital that qualifies for a MERC distribution, to cover the last six months of calendar year 2023.

7 Hospital outpatient reimbursement.

Amends § 256B.75. For services delivered on or after January 1, 2024, adjusts rates paid to critical access hospitals for outpatient, emergency, and ambulatory surgery services to include the amount of any MERC distributions made that were not included in the rate adjustment made by requiring addition of a rate factor under section 256.969, subd. 2b.

8 Tax and use tax on cigarettes.

Amends § 297F.10, subd. 1. Reduces the amount of revenue from cigarette taxes annually credited to the MERC account for distribution, from \$3,937,000 to \$3,788,000.

9 Repealer.

Repeals:

- section 62J.692, subdivisions 4a (establishes an alternative distribution formula for MERC funds), 7 (requires the commissioner of human services to transfer certain amounts to the named entities for clinical medical education, medical education, and dental innovation grants), and 7a (requires the commissioner to award clinical medical education innovation grants to teaching institutions and clinical training sites);
- section 137.38, subdivision 1 (requires the Board of Regents to use funds transferred to it for medical education; the statute requiring the transfer of those funds is being repealed); and

Section Description - Article 9: Medical Education and Research Cost Account

- section 256B.69, subdivision 5c (requires the commissioner of human services to transfer an amount of state general fund money used to make capitated payments under the prepaid medical assistance program to the medical education and research fund).

Article 10: MinnesotaCare Public Option

This article establishes the MinnesotaCare buy-in option, for persons with incomes greater than the MinnesotaCare income limit of 200 percent of the federal poverty guidelines (FPG). The commissioner of human services is required to submit an implementation plan to the legislature by December 15, 2024. Implementation of the buy-in option is effective January 1, 2027.

Section Description - Article 10: MinnesotaCare Public Option

1 General requirements.

Amends § 256L.04, subd. 1c. Makes a conforming change related to the elimination of the MinnesotaCare income limit for persons eligible under the buy-in option, by clarifying that persons eligible for MinnesotaCare with incomes less than or equal to 200 percent of FPG are not qualified individuals and therefore are not eligible to obtain coverage through MNsure (this section does not change the status of these individuals under current law). States that the section is effective January 1, 2027, or upon federal approval, whichever is later.

2 Ineligibility.

Amends § 256L.04, subd. 7a. Makes a conforming change, by exempting persons enrolled under the buy-in option from a provision that prohibits adults from being enrolled in MinnesotaCare if their income is greater than the program income limit. States that the section is effective January 1, 2027, or upon federal approval, whichever is later.

3 Persons eligible for buy-in option.

Amends § 256L.04, by adding subd. 15. Allows families and individuals with incomes above the MinnesotaCare income limit, including those with access to employer-sponsored insurance, who meet all other program eligibility requirements, to be eligible for MinnesotaCare. Allows enrollment of these individuals only during an annual open enrollment period or special enrollment period, as designated by MNsure. States that the section is effective January 1, 2027, or upon federal approval, whichever is later.

Section Description - Article 10: MinnesotaCare Public Option

4 General requirements.

Amends § 256L.07, subd. 1. Makes a conforming change, by exempting persons whose income increases above 200 percent of FPG from MinnesotaCare disenrollment if they continue enrollment through the buy-in option. States that the section is effective January 1, 2026, or upon federal approval.

5 Sliding fee scale; monthly individual or family income.

Amends § 256L.15, subd. 2.

The amendment to paragraph (b) provides that MinnesotaCare premiums must comply with federal requirements.

The new paragraph (f) requires the commissioner to continue the lower premiums for MinnesotaCare enrollees (reflecting compliance with federal requirements in the American Rescue Plan Act of 2021, as amended by the Inflation Reduction Act of 2022) on an ongoing basis. Requires the commissioner to further adjust the premium scale as needed in response to federal law changes.

A new paragraph (g) requires the commissioner to establish a sliding premium scale for persons eligible through the buy-in option, to be effective January 1, 2027. Exempts persons 20 years of age or younger from these premiums.

States that the section is effective the day following final enactment, except that the sliding premium scale in paragraph (g) for persons eligible for the public option is effective January 1, 2027, or upon federal approval, whichever is later.

6 Transition to MinnesotaCare buy-in option.

(a) Requires the commissioner of human services to continue to administer MinnesotaCare as a basic health program.

(b) Requires the commissioner, by January 1, 2027, to implement a buy-in option that allows individuals with income over 200 percent of FPG to be eligible for MinnesotaCare.

(c) Requires the commissioner to present an implementation plan for the MinnesotaCare buy-in option to the legislature, by December 15, 2024.

(d) Requires the commissioner to seek any federal waivers, approvals, and law changes necessary to implement a MinnesotaCare buy-in option, including those necessary to allow the state:

- 1) to continue to receive federal basic health program payments and other federal funding; and

Section Description - Article 10: MinnesotaCare Public Option

- 2) to receive federal payments equal to the value of tax credits and cost-sharing reductions that MinnesotaCare enrollees with incomes greater than 200 percent of FPG would have otherwise received.

(e) Requires the commissioner of human services, in implementing this section, to consult with the commissioner of commerce and MNsure board, and allows the commissioner of human services to contract for technical and actuarial assistance.

States that the section is effective the day following final enactment.

Article 11: Tribal Elder Office

This article establishes a Tribal Long-Term Services and Supports Office, Tribal Long-Term Services and Supports Advisory Council, and allows Tribal Nations to receive MA reimbursement for adult targeted case management services.

Section Description - Article 11: Tribal Elder Office

1 Tribal Long-Term Services and Supports Office.

Creates § 256.9747. Requires the commissioner of human services to establish a Tribal Long-Term Services and Supports Office to promote and facilitate the sovereignty of Minnesota's Tribal Nations, and to support the consultation duties of the government-to-government relationship with the state and Tribal governments. Lays out the purpose of the office, including supporting Tribal Nations by delivering tailored technical assistance to bolster Tribes' abilities to deliver long-term services and supports and increasing access to culturally appropriate health care for Tribes and members.

2 Tribal Long-Term Services and Supports Advisory Council.

Creates § 256.9748.

Subd. 1. Establishment. Establishes a Tribal Long-Term Services and Supports Advisory Council to assist the state authority on developing policies, procedures, and enhanced programs to support older adults and people with a variety of disabilities.

Subd. 2. Membership terms, compensation, removal, and expiration. Lists the members of the advisory council. Specifies the terms, compensation, and removal of Tribal Long-Term Services and Supports Advisory Council members is as provided by the section of statutes governing advisory councils and committees.

Section Description - Article 11: Tribal Elder Office

3 Provider standards.

Amends § 256B.0924, subd. 5. Allows Tribal Nations to receive MA reimbursement for adult targeted case management services.

Article 12: Background Studies

This article modifies fees for human services background studies, specifies that the commissioner may share background study documentation electronically with entities and background study subjects, and establishes a new chapter governing “public law background studies” for employees who have direct contact with persons civilly committed to the Minnesota Sex Offender Program.

Section Description – Article 12: Background Studies

1 State; National criminal history record check fees.

Amends § 245C.10, subd. 1d. Allows the commissioner to increase background study fees commensurate with any increase in fees by the state Bureau of Criminal Apprehension. DHS can currently increase fees commensurate with national criminal history record check fees.

2 to 18 Background study fee increases.

Sections 2 to 18 amend subdivisions of section 245C.10 to raise background study fees by \$2, for the following:

- Supplemental nursing services agencies
- Personal care provider organizations
- Temporary personnel agencies, educational programs, and professional services agencies
- Adult foster care and family adult day services
- Unlicensed home and community-based waiver providers
- Children’s therapeutic services and supports providers
- Human services licensed programs
- Child care programs
- Community first services and supports organizations
- Providers of housing support
- Child protection workers or social services staff with responsibilities for child protective duties
- Providers of special transportation service
- Children’s residential facilities

Section Description – Article 12: Background Studies

- Providers of housing support services
- Early intensive developmental and behavioral intervention providers
- Professional Educators Licensing Standards Board
- Board of School Administrators

19 Tribal organizations.

Amends § 245C.10 by adding subd. 22. Requires the commissioner to recover the cost of background studies initiated by Tribal organizations related to adoption and child foster care. Specifies that fee amounts will be established through interagency agreement and that fees collected will be deposited into the state government special revenue fund, to be appropriated to the commissioner for conducting background studies. Provides a July 1, 2024, effective date.

20 Use.

Amends § 245C.32, subd. 2. Allows the commissioner to use the department’s background study systems to share background study documentation electronically with entities and individuals who are background study subjects; makes conforming change related to fees.

21 to 49 Title; Department of Human Services Public Law Background Studies Act.

Sections 21 to 49 establish a new chapter, 245J, governing Department of Human Services public law background studies. Public law background studies are studies that comply with the new chapter, and are conducted for an employee that has direct contact with persons civilly committed to the Minnesota Sex Offender Program (MSOP).

Much of the new chapter 245J reflects the current background study requirements under chapter 245C, but it incorporates requirements specific to public law background studies that are being repealed in section 50.

50 Repealer.

Repeals §§ 245C.02, subd. 14b (definition of public law background study); 245C.032 (public law background studies); and 245C.30, subd. 1a (public law background study variances).

Article 13: Licensing

This article modifies and establishes new requirements for certified community behavioral health clinics (CCBHCs), and makes conforming changes.

Section Description - Article 13: Licensing

1 Limits on receiving public funds.

Amends § 245.095.

Subd. 1. Prohibition. Paragraph (b) provides that if a provider, vendor, or individual is excluded from a DHS program, then the commissioner of human services may prohibit any associated entities and individuals from participating in any DHS programs.

Paragraph (c) provides that if a provider, vendor, or individual is excluded from any program administered by a Minnesota state or federal agency, then the commissioner may prohibit the provider, vendor, individual, or associated entities and individuals from participating in any DHS program.

Subd. 2. Definitions. Defines terms used in the section.

Subd. 3. Notice. Requires that if the commissioner takes action under subdivision 1, the commissioner must notify the provider, vendor, individual, or associated entity or individual of the action taken against them within five days and specifies the information that must be included in the notice.

Subd. 4. Appeal. Paragraph (a) provides that a provider, vendor, individual, or associated entity or individual receiving a notice under subdivision 3 may request a contested case hearing by filing a written request of appeal with the commissioner. Requires that the appeal request is received no later than 30 days after the date the notice was mailed and specifies the information that must be included in the request.

Paragraph (b) provides that the commissioner's action is considered final and binding on the effective date of the action as stated in the notice under subdivision 3, unless the commissioner receives a timely and proper appeal request.

Subd. 5. Withholding of payments. Paragraph (a) allows the commissioner to withhold payments, except as otherwise provided by state or federal law, to a provider, vendor, individual, or associated entity or individual in any DHS program if the commissioner determines there is a credible allegation of fraud being investigated for a program administered by a Minnesota state or federal agency.

Paragraph (b) defines "credible allegation of fraud" as an allegation which has been verified by the commissioner from any source.

Section Description - Article 13: Licensing

Paragraph (c) directs the commissioner to send notice of the withholding of payments within five days of taking the action.

Paragraph (d) requires that the commissioner stop withholding payments if the commissioner determines there is insufficient evidence of fraud or when legal proceedings related to the alleged fraud are complete, unless the commissioner has sent the notice required under subdivision 3.

Paragraph (e) provides that the withholding action is temporary and not subject to appeal.

2 Purpose and establishment.

Proposes coding for § 245.7351. Describes the purposes of CCBHCs. Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

3 Definitions.

Proposes coding for § 245.7352. Defines the following terms for sections governing CCBHCs: “approval;” “care coordination;” “certified community behavioral health clinic or CCBHC;” “clinical responsibility;” “commissioner;” “comprehensive evaluation;” “crisis services;” “cultural and linguistic competence;” “designated collaborating organization;” “designated collaborating organization agreement;” “face to face;” “functional assessment;” “financial responsibility;” “grievances;” “initial evaluation;” “initial evaluation equivalents;” “integrated treatment plan;” “limited English proficiency;” “outpatient withdrawal management;” “preliminary screening and risk assessment;” “preliminary treatment plan;” “needs assessment;” “scope of services;” and “state-sanctioned crisis services.”

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

4 Applicability.

Proposes coding for § 245.7353. Outlines CCBHC certification, decertification, and recertification processes, certification and licensure requirements, variance authority, and application of requirements to federal demonstration entities.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

5 Governance and organizational structure.

Proposes coding for § 245.7354. Specifies eligible CCBHC providers, required collaboration with Tribes and the Indian Health Services, and CCBHC board member requirements.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

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6 Minimum staffing standards.

Proposes coding for § 245.7355. Outlines staffing requirements for CCBHCs, including requirements for the management team, providers who manage medications, alcohol and drug counselors, and peer services.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

7 Training requirements.

Proposes coding for § 245.7356. Specifies training requirements for CCBHC staff.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

8 Accessibility and availability of services.

Proposes coding for § 245.7357. Requires a CCHBC to ensure that clinic services are available and accessible for individuals and families of all ages and genders, and that crisis services are available 24 hours per day. Outlines additional accessibility and availability requirements; requires a CCBHC to establish a sliding fee scale for individuals not enrolled in medical assistance; requires a CCBHC to establish protocols for accommodations for individuals who live outside the CCBHC's geographic area.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

9 Required services.

Proposes coding for § 245.7358. Requires CCBHCs to provide nine listed core services, either directly or through formal relationships with designated collaborating organizations. Requires CCBHCs to provide care coordination, outreach and engagement, initial evaluations, comprehensive evaluations, and integrated treatment plans. Provides for exemptions to evaluation and treatment planning requirements under specified circumstances.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

10 Required evidence-based services.

Proposes coding for § 245.7359. Requires CCBHCs to use evidence-based practices when providing all services; specifies requirements for treating children and adolescents, and older adults. Requires the commissioner to issue a list of required and recommended evidence-based practices for CCBHCs.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.

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- 11 Designated collaborating organization.**
Proposes coding for § 245.736. Outlines requirements for a CCBHC designated collaborating organization to provide some services.

Makes this section effective July 1, 2023, or upon federal approval, whichever is later.
- 12 Annual or annually; family child care.**
Amends § 245A.02, subd. 2c. Provides that for purposes of statute governing requirements for licensed family child care providers, the terms “annual” and “annually” mean each calendar year.
- 13 Application for licensure.**
Amends § 245A.04, subd. 1. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 14 Grant of license; license extension.**
Amends § 245A.04, subd. 7. Modifies the circumstances under which the commissioner cannot issue a license under chapter 245A or may revoke a license under chapter 245A.
- 15 Notification required.**
Amends § 245A.04, subd. 7a. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 16 Denial of application.**
Amends § 245A.05. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 17 Reconsideration of closure.**
Amends § 245A.055, subd. 2. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 18 Contents of correction orders and conditional licenses.**
Amends § 245A.06, subd. 1. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 19 Reconsideration of correction orders.**
Amends § 245A.06, subd. 2. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.

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- 20 Notice of conditional license; reconsideration of conditional license.**
Amends § 245A.06, subd. 4. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 21 Immediate suspension of residential programs.**
Adds a subdivision to § 245A.07. Modifies the process for issuing suspensions to licensed residential programs to provide for the continuity of care of recipients of the programs.
- 22 Immediate suspension for program with multiple licensed service sites.**
Adds a subdivision to § 245A.07. Provides that a suspension order for a license holder that operates more than one service site under a single license must be specific to the site or sites where the commissioner has determined a suspension order is required.
- 23 License suspension, revocation, or fine.**
Amends § 245A.07, subd. 3. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 24 License not issued until license or certification fee is paid.**
Amends § 245A.10, subd. 6. Provides that the commissioner cannot reissue a license or certification until a license or certification fee is paid.
- 25 License not reissued until outstanding debt is paid.**
Adds a subdivision to § 245A.10.
- 26 Licensing and reporting hub.**
Adds a subdivision to § 245A.16. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 27 First aid.**
Amends § 245A.50, subd. 3. Provides that licensed family child care providers, second adult caregivers, and substitutes cannot let first aid training expire.
- 28 Cardiopulmonary resuscitation.**
Amends § 245A.50, subd. 4. Provides that licensed family child care providers, second adult caregivers, and substitutes cannot let CPR training expire.

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- 29 **Sudden unexpected infant death and abusive head trauma training.**
Amends § 245A.50, subd. 5. Deletes specificity as to the date by which licensed family child care providers must retake sudden unexpected infant death reduction training and abusive head trauma training.
- 30 **Child passenger restraint systems; training requirement.**
Amends § 245A.50, subd. 6. Deletes specificity as to the date by which licensed family child care providers must retake training related to child passenger restraint systems.
- 31 **Supervising for safety; training requirement.**
Amends § 245A.50, subd. 9. Deletes specificity as to the date by which licensed family child care providers must retake health and safety training.
- 32 **Center operator or program operator.**
Amends § 245H.01, subd. 3.
- 33 **Certification holder contact person.**
Adds a subdivision to 245H.01. Defines a “certification holder contact person” for purposes of certified, license-exempt child care centers.
- 34 **Application submission.**
Amends § 245H.03, subd. 2. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 35 **Incomplete applications.**
Amends § 245H.03, subd. 3. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 36 **Reconsideration of certification denial.**
Amends § 245H.03, subd. 4. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 37 **Correction order requirements.**
Amends § 245H.06, subd. 1. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 38 **Reconsideration request.**
Amends § 245H.06, subd. 2. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.

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- 39 **Generally.**
Amends § 245H.07, subd. 1. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 40 **Reconsideration of decertification.**
Amends § 245H.07, subd. 2. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 41 **Application procedures.**
Amends § 245I.20. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 42 **Correction orders.**
Amends § 245I.20, subd. 13. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 43 **Decertification.**
Amends § 245I.20, subd. 14. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 44 **Notifications required and noncompliance.**
Amends § 245I.20, subd. 16. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 45 **Certified community behavioral health clinics.**
Amends § 256B.0625, subd. 5m. Makes cross-reference and conforming changes to CCBHC medical assistance coverage section; specifies how designated collaborating organization services must be paid for; requires CCBHCs to comply with quality assurance reporting requirements.
- 46 **Reporting requirements.**
Amends § 260E.09. Amends the section to allow for the use of the provider licensing and reporting hub once the hub is implemented.
- 47 **Disclosure to commissioner of human services.**
Amends § 270B.14, subd. 1. Directs the commissioner of revenue to disclose information to the commissioner of human services to verify the income and tax identification of specified applicants for licenses or certifications and for license or certification holders.

Section Description - Article 13: Licensing

48 Direction to commissioner of human services; certified community behavioral health clinics and mental health service certifications transition to licensure.

Requires the commissioner of human services to transition the following mental health services from certification to licensure under chapter 245I, effective on or before January 1, 2026:

- CCBHCs
- adult rehabilitative mental health services
- mobile crisis services
- children’s therapeutic services and supports
- community mental health centers

Requires the commissioner to submit proposed legislation to implement the transition; requires the commissioner to consult with stakeholders.

49 Direction to commissioner of human services; changes to residential adult mental health program licensing requirements.

Requires the commissioner of human services to consult with stakeholders to update and amend residential adult mental health program licensing requirements under Minnesota Rules, parts 9520.0500 to 9520.0670.

50 Repealer.

Repeals § 245.735, subdivision 3 (CCBHC requirements). Makes this section effective July 1, 2023, or upon federal approval, whichever is later.



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