

Subject Human services finance bill
Authors Schomacker and Noor
Analyst Danyell A. Punelli (1 to 3, and 8 to 13)
Sarah Sunderman (4 to 7)
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Overview

This bill is the human services finance bill and includes provisions relating to: (1) aging services; (2) disability services; (3) health care; (4) behavioral health; (5) background studies; (6) Department of Human Services (DHS) program integrity; (7) Direct Care and Treatment (DCT); (8) homelessness, housing, and support services; (9) miscellaneous topics; (10) DHS forecast adjustments; (11) DHS appropriations; (12) DCT appropriations; and (13) other agency appropriations.

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Article 1: Aging Services

This article contains provisions relating to: (1) increasing the nursing home license surcharge and the corresponding portion of the nursing facility external fixed costs payment rate related to the surcharge; (2) modifying nutrition support services; (3) modifying essential community supports eligibility criteria; (4) extending the expiration date for certain time-limited nursing facility property rate increases; (5) adding an inflationary adjustment to the nursing facility payment rate system and a temporary rate adjustment for nursing home wage standards established by the Nursing Home Workforce Standards Board; and (6) providing for the transition from the RUG-IV case mix classification system to the patient driven payment model (PDPM) case mix classification system for nursing facilities.

Section Description - Article 1: Aging Services

- 1 Nursing home license surcharge.**
Amends § 256.9657, subd. 1. Removes obsolete language and increases the nursing home license surcharge from \$2,815 to \$5,900 effective January 1, 2026, or the first day of the month following federal approval, whichever is later.

Provides an immediate effective date.
- 2 Withholding.**
Amends § 256.9657, subd. 7a. Allows DHS to give prior notice to a provider of a withholding by email.
- 3 Nutrition support services.**
Amends §256.9752, subd. 3. Modifies the list of allowable uses of nutrition support services funding allocated to area agencies on aging by the Board on Aging and specifies that state money is not subject to federal requirements.
- 4 Essential community supports.**
Amends § 256B.0922, subd. 1. Expands eligibility for ECS to people who are 60 years of age or older or who have dementia (current eligibility is limited to people age 65 years and older). Expands services to include respite care.
- 5 Financial eligibility criteria.**
Amends § 256B.0922, by adding subd. 3. Modifies financial eligibility criteria for ECS by allowing income up to 400 percent of the federal poverty guidelines for the household size (under current law, a person must meet the financial eligibility requirements of the alternative care program to be eligible for ECS). Requires the commissioner to use the federal modified adjusted gross income methodology when determining financial eligibility. Applies no asset limit to persons eligible for ECS.

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- 6 Property rate increase for certain nursing facilities.**
Amends § 256B.434, subd. 4k. Modifies certain time-limited nursing facility property rate increases by extending the expiration date for the rate increases for facilities located in St. Paul, Duluth, and Chatfield and removing a time-limited property rate increase for a facility located in Fergus Falls.

Makes this section effective January 1, 2026.
- 7 External fixed costs.**
Amends §256R.02, subd. 19. Modifies the definition of “external fixed costs” in the chapter of statutes governing nursing facility payment rates by adding the rate adjustment for nursing home wage standards that is established later in this bill.

Makes this section effective January 1, 2026, or upon federal approval, whichever is later, and apply retroactively to the rate year beginning January 1, 2026. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 8 Known cost change factor.**
Amends § 256R.02, by adding subd. 25b. Defines “known cost change factor” in the chapter of statutes governing nursing facility payment rates.

Makes this section effective January 1, 2027, or upon federal approval, whichever occurs later, and apply retroactively to the rate year beginning January 1, 2027. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.
- 9 Patient driven payment model or PDPM.**
Amends § 256R.02, by adding subd. 36a. Defines “patient driven payment model” in the chapter of statutes governing nursing facility payment rates.

Provides an immediate effective date.
- 10 Resource utilization group or RUG.**
Amends § 256R.02, by adding subd. 45a. Defines “resource utilization group” in the chapter of statutes governing nursing facility payment rates.

Provides an immediate effective date.
- 11 Calculation of direct care cost per standardized day.**
Amends § 256R.23, subd. 2. Modifies the calculation of nursing facility direct care cost per standardized day by adding an inflationary factor.

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Makes this section effective January 1, 2027, or upon federal approval, whichever occurs later, and apply retroactively to the rate year beginning January 1, 2027. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.

12 Calculation of other care-related cost per resident day.

Amends § 256R.23, subd. 3. Modifies the calculation of other nursing facility care-related costs per resident day by adding an inflationary factor.

Makes this section effective January 1, 2027, or upon federal approval, whichever occurs later, and apply retroactively to the rate year beginning January 1, 2027. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.

13 Determination of other operating cost per day.

Amends § 256R.24, subd. 1. Modifies the nursing facility determination of other operating costs per day by adding an inflationary factor.

Makes this section effective January 1, 2027, or upon federal approval, whichever occurs later, and apply retroactively to the rate year beginning January 1, 2027. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.

14 External fixed costs payment rate.

Amends § 256R.25. Restructures the section by breaking the language up into subdivisions. Modifies the nursing facility external fixed costs payment rate by adding an inflationary factor to the portion related to employer health insurance costs and adds the portion related to the rate adjustment for nursing home wage standards. Specifies that the addition of the portion related to the rate adjustment for nursing home wage standards expires January 1, 2029.

Makes the addition of the portion related to the rate adjustment for nursing home wage standards effective January 1, 2026, or upon federal approval, whichever occurs later, and apply retroactively to the rate year beginning January 1, 2026. Makes the addition of the employer health insurance inflationary factor effective January 1, 2027, or upon federal approval, whichever occurs later, and apply retroactively to the rate year beginning January 1, 2027. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.

Increases the portion of the external fixed costs payment rate relating to the nursing home license surcharge.

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15 Rate adjustment for nursing home wage standards.

Creates § 256R.495.

Subd. 1. Nursing facility rate adjustment. Provides a rate adjustment to pay for the nursing home wage standards promulgated by the Nursing Home Workforce Standards Board effective for rate years beginning January 1, 2026, and January 1, 2027. Requires each nursing facility reimbursed under the nursing facility payment rates chapter of statutes to report to the commissioner the wage rate for every employee and contracted employees below the minimum wage standards established by the board.

Subd. 2. Application for January 1, 2026, and January 1, 2027, rate adjustments. Requires a nursing facility to submit an application for each rate year in which the rate adjustment for nursing home wage standards is in effect to the commissioner in a form and manner determined by the commissioner. Specifies the data that must be included in the application and the due date for the application. Allows the commissioner to request additional information needed to determine the rate adjustment and to waive the deadlines for submission of applications and additional information under extraordinary circumstances. Specifies requirements that must be met for a nursing facility in which employees are represented by an exclusive bargaining representative.

Subd. 3. January 1, 2026, rate adjustment calculation. Establishes the calculation for the January 1, 2026, rate adjustment.

Subd. 4. January 1, 2027, rate adjustment calculation. Establishes the calculation for the January 1, 2027, rate adjustment.

Subd. 5. Rate adjustment timeline. For nursing facilities that receive approval of their application, specifies that the rate adjustment for the rate year beginning January 1, 2026, must continue to be included in the external fixed costs payment rate until January 1, 2028, and the rate adjustment for the rate year beginning January 1, 2027, must continue to be included in the external fixed costs payment rate until January 1, 2029.

Subd. 6. Expiration. Makes this section expire January 1, 2029.

Makes this section effective July 1, 2025, or upon federal approval, whichever occurs later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

16 Patient driven payment model phase-in.

Creates § 256R.531.

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Subd. 1. Model phase-in. From October 1, 2025, to December 31, 2028, requires the commissioner to determine an adjustment to the total payment rate for each facility as determined under the nursing facility payment rate structure to phase in the direct care payment rate from the RUG-IV case mix classification system to the PDPM case mix classification system.

Subd. 2. RUG-IV standardized days and facility case mix index. Requires the commissioner to determine the RUG-IV standardized days and facility average case mix using the sum of the resident days by case mix classification for all payors on the Minnesota Statistical and Cost Report. Specifies the calculation for RUG-IV facility average case mix and standardized days for the rate year beginning January 1, 2028.

Subd. 3. RUG-IV medical assistance case mix adjusted direct care payment rate. Requires the commissioner to determine a facility's RUG-IV blended medical assistance (MA) case mix adjusted direct care payment rate and specifies the calculation for the blended MA case mix adjusted direct care payment rate.

Subd. 4. PDPM medical assistance case mix adjusted direct care payment rate. Requires the commissioner to determine a facility's PDPM MA case mix adjusted direct care payment rate and specifies the calculation for the PDPM MA case mix adjusted direct care payment rate.

Subd. 5. Blended medical assistance case mix adjusted direct care payment rate. Lays out the calculation the commissioner must use in determining a facility's blended MA case mix adjusted direct care payment rate.

Subd. 6. PDPM phase-in rate adjustment. Lays out the calculation the commissioner must use in determining a facility's PDPM phase-in rate adjustment.

Provides an October 1, 2025, effective date.

Article 2: Disability Services

This article includes provisions relating to: (1) modifying nursing facility level of care criteria for community access for disability inclusion (CADI) and brain injury (BI) waiver eligibility; (2) creating a Minnesota caregiver retirement fund trust; (3) establishing early intensive developmental and behavioral intervention (EIDBI) provisional licensure; (4) increasing enhanced rates for personal care assistance (PCA) and community first services and supports (CFSS) services; (5) requiring a county share of the nonfederal share of the cost of services for all individual waiver recipients who receive rate exceptions under the Disability Waiver Rate

System (DWRS); (6) making various changes to DWRS; (7) requiring competency training for positive support professionals and positive support analysts; (8) exempting certain settings from licensure when providing out-of-home respite care services for children; (9) establishing disability services technology and advocacy expansion grants; (10) authorizing abbreviated annual reassessments for people receiving disability waiver services and making various other changes to the MnCHOICES assessment; (11) delaying implementation of Waiver Reimagine and establishing an advisory task force on Waiver Reimagine; and (12) delaying implementation of new family residential services and life sharing services rates.

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1 Definitions.

Amends § 144.0724, subd. 2. Modifies the definition of “nursing facility level of care determination” by removing CADI and BI waiver services.

Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

2 Nursing facility level of care.

Amends § 144.0724, subd. 11. Makes a conforming change related to the change in the definition of “nursing facility level of care determination.”

Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.

3 Determination of nursing facility level of care for the brain injury and community access for disability inclusion waivers.

Amends § 144.0724, by adding subd. 11a. Lays out the nursing facility level of care criteria a person must meet in order to be eligible for the BI or CADI waivers effective January 1, 2026, or upon federal approval, whichever is later. Requires nursing facility level of care determinations for purposes of access to the BI and CADI waivers to be conducted by a MnCHOICES certified assessor.

Provides an immediate effective date.

4 Minnesota caregiver retirement fund trust.

Amends § 179A.54, by adding subd. 12. Authorizes the state and an exclusive representative to establish a joint labor and management trust, referred to as the Minnesota Caregiver Retirement Fund Trust, for the exclusive purpose of creating, implementing, and administering a retirement plan for individual providers of direct support services who are represented by the exclusive representative. Requires the state to make financial contributions to the trust pursuant to a collective bargaining agreement. Specifies uses of the state financial contributions. Requires a board of

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trustees to jointly control the trust. Prohibits the trust from being an agent of either the state or the exclusive representative. Allows a third-party administrator, financial management institution, other appropriate entity, or any combination thereof to provide certain services to the board of trustees. Authorizes the state to purchase liability insurance for members of the board of trustees appointed by the governor. Prohibits financial contributions to or participation in the management or administration of the trust from being considered an unfair labor practice.

Provides a July 1, 2025, effective date.

5 Early intensive developmental and behavioral intervention provisional licensure.

Creates § 245A.142. Establishes provisional licensing and regulation for early intensive developmental and behavioral intervention (EIDBI) agencies. Requires provisional licenses effective for up to one year to operate an EIDBI agency; specifies DHS regulatory functions, provisional license requirements, maltreatment reporting and background study requirements, reconsideration processes, and transition to nonprovisional EIDBI licensure.

Provides a July 1, 2025, effective date.

6 Determining immediate risk of harm.

Amends § 245C.16, subd. 1. Adds EIDBI background studies to exception to immediate risk of harm determination provisions.

Makes this section effective January 1, 2026.

7 Positive support professional qualifications.

Amends § 245D.091, subd. 2. Adds individuals who have completed a competency-based training program as determined by the commissioner to the list of positive support professional qualifications under the chapter of statutes governing home and community-based standards.

8 Positive support analyst qualifications.

Amends § 245D.091, subd. 3. Modifies the list of requirements for positive support analysts to include completing a competency-based training program as determined by the commissioner.

9 Out-of-home respite care services for children.

Adds § 245D.13. Modifies home and community-based services standards for out-of-home respite care services for children.

Subd. 1. Licensed setting required. Limits home and community-based license holders providing out-of-home respite care services for children to only providing

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services in a licensed setting, unless exempt under subdivision 2. Defines “respite care services” for purposes of this section.

Subd. 2. Exemption from licensed setting requirement. Paragraph (a) specifies that this exemption does not apply to the provision of respite care services to a child in foster care under the chapters of statute that govern juvenile safety and placement and child in voluntary foster care for treatment.

Paragraph (b) allows a home and community-based services license holder to provide out-of-home respite care services for children in an unlicensed residential setting if certain requirements are met, including:

- all background studies are completed;
- a child’s case manager conducts and documents an assessment of the residential setting and its environment before services are provided and at least once each calendar year thereafter if services continue to be provided at that residence;
- the services are provided in a residential setting that is not licensed to provide any other licensed services;
- the services are provided to no more than four children at any one time;
- the services are not provided to children and adults over the age of 21 in the same residence at the same time; and
- the services are not provided to a single family for more than 46 calendar days in a calendar year and no more than ten consecutive days.

Paragraph (c) prohibits a child from receiving out-of-home respite care services in more than two unlicensed residential settings in a calendar year.

Paragraph (d) requires the license holder to ensure the requirements of this section are met.

Subd. 3. Documentation requirements. Requires the license holder to maintain specified documentation.

Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.

10 **Disability services technology and advocacy expansion grant.**

Creates § 256.4768. Establishes a disability services technology and advocacy expansion grant.

Subd. 1. Establishment. Establishes a disability services technology and advocacy expansion grant to support the expansion of assistive technology and remote

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support services and strengthen advocacy efforts for individuals with disabilities and the providers who serve individuals with disabilities. Requires the commissioner of human services to award the grant to an eligible grantee.

Subd. 2. Eligible grantee. Lists the criteria an eligible grantee must meet.

Subd. 3. Allowable uses of grant money. Lists the allowable uses of grant funds.

Subd. 4. Grant period. Specifies the grant period for the program.

Subd. 5. Evaluation and reporting requirements. Requires the grant recipient to submit an annual report by June 30 of each year to the legislative committees with jurisdiction over disability services. Lists the information that must be included in the annual report. Requires a final evaluation to be submitted to the legislative committees with jurisdiction over disability services to assess the overall impact on expanding access to assistive technology and remote support.

11 Enhanced rate.

Amends § 256B.0659, subd. 17a. Effective January 1, 2026, or upon federal approval, whichever is later, increases the PCA enhanced rate (from 107.5 percent to 112.5 percent) paid for services provided to persons who qualify for ten or more hours of PCA services per day when provided by a PCA who meets certain criteria.

Provides an immediate effective date.

12 Purpose and goal.

Amends § 256B.0911, subd. 1. Requires long-term care consultation services to be coordinated with long-term care options counseling at critical care transitions rather than for assisted living.

13 Definitions.

Amends §256B.0911, subd. 10. Makes a conforming change.

14 MnCHOICES assessor qualifications, training, and certification.

Amends §256B.0911, subd. 13. Modifies qualifications for MnCHOICES assessors.

15 Use of MnCHOICES certified assessors required.

Amends § 256B.0911, subd. 14. Allows lead agencies to contract with any licensed hospital to conduct assessments of patients in the hospital when the lead agency has failed to meet certain obligations related to MnCHOICES assessments. Specifies qualifications hospital employees must meet in order to perform assessments under contract with a lead agency. Limits waiver-related tasks hospital employees may perform to the assessment. Prohibits hospitals from being reimbursed for long-term

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- care consultation services. Makes the lead agency that enters into a contract with a hospital to conduct assessments responsible for oversight, compliance, and quality assurance for all assessments performed under the contract.
- 16 **MnCHOICES assessments.**
Amends § 256B.0911, subd. 17. Makes technical changes to the MnCHOICES assessment timeline.
- 17 **Remote reassessments.**
Amends § 256B.0911, subd. 24. Increases the number of consecutive remote reassessments that may be substituted for in-person assessments from two to four for disability waiver services.
- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 18 **Verbal attestation to replace required reassessment signatures.**
Amends § 256B.0911, by adding subd. 24a. Effective January 1, 2026, or upon federal approval, whichever is later, requires the commissioner to allow for verbal attestation to replace required reassessment signatures. Requires an assessor to send a request for written attestation via mail to obtain a signature from the service recipient within 30 days of completion of a reassessment.
- Provides an immediate effective date.
- 19 **Attesting to no changes in needs or services.**
Amends § 256B.0911, by adding subd. 25a. Allows a person who is between the ages of 22 to 64 and receiving disability waiver services or community first services and supports to attest that they have unchanged needs from the most recent prior assessment or reassessment for up to two consecutive reassessments, if the lead agency provides informed choice and the person being assessed or the person's legal representative provide informed consent. Allows the person or the person's legal representative to request a full reassessment at any time. Requires the assessor to review the most recent prior assessment or reassessment before conducting the interview and to confirm that the information from the previous assessment or reassessment is current. Lists requirements the abbreviated assessment must meet. Specifies a person has appeal rights upon denial of attestation to no changes in needs or services.

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- 20 **Determination of institutional level of care.**
Amends § 256B.0911, subd. 26. Beginning January 1, 2026, or upon federal approval, whichever is later, makes conforming changes related to the new nursing facility level of care criteria for the BI and CADI waivers.

Provides an immediate effective date.
- 21 **Assessment and support planning; supplemental information.**
Amends § 256B.0911, subd. 30. Requires the lead agency to provide to the person receiving long-term care consultation services information related to the person's right to appeal the decision regarding an attestation to no changes in needs or services.
- 22 **Dashboard on assessment completions.**
Amends § 256B.0911, by adding subd. 34. Requires the commissioner to maintain a dashboard on the department's public website containing summary data on the completion of MnCHOICES assessments and to update the dashboard at least twice per year. Lists the information that must be included on the dashboard.
- 23 **Payment for targeted case management.**
Amends § 256B.0924, subd. 6. Allows the commissioner to make payments for Tribes according to Indian Health Services rates or other relevant federally approved rate setting methodologies for vulnerable adult and developmental disability targeted case management provided by Indian health services and facilities operated by a Tribe or Tribal organization.

Provides a July 1, 2025, effective date.
- 24 **EIDBI provider qualifications.**
Amends § 256B.0949, subd. 15. Clarifies that qualified supervising professionals and level I, II, and III treatment providers must be employees of an EIDBI services provider.

Provides an immediate effective date.
- 25 **Agency duties.**
Amends § 256B.0949, subd. 16. Adds EIDBI agency duties to provide clinical supervision and in-person supervision sessions as specified.
- 26 **Provisional licensure.**
Amends § 256B.0949, by adding subd. 18. Specifies that the commissioner will begin issuing provisional EIDBI agency licenses on January 1, 2026; provides 60 calendar

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- days to apply for provisional licensure for agencies enrolled by December 31, 2025. Requires the commissioner to act on the application within 90 days of receipt.
- 27 **Division of cost.**
Amends § 256B.19, subd. 1. Beginning July 1, 2026, or upon federal approval, whichever is later, requires counties to pay for 33 percent of the nonfederal share for the costs of services for all individual waiver recipients who receive DWRS rate exceptions.
- 28 **Applicable services.**
Amends § 256B.4914, subd. 3. Makes conforming changes to applicable services under DWRS related to changes to night supervision rates.

Provides an immediate effective date, except a conforming technical change is effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 29 **Base wage index; establishment and updates.**
Amends § 256B.4914, subd. 5. Modifies future DWRS base wage index inflationary adjustments by basing future updates on the CPI-U and moving the language to subdivision 5b.

Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 30 **Base wage index; calculations.**
Amends § 256B.4914, subd. 5a. Effective January 1, 2026, or upon federal approval, whichever is later, establishes base wage index calculations under DWRS for awake night supervision staff and asleep night supervision staff.

Provides an immediate effective date.
- 31 **Standard component value adjustments.**
Amends § 256B.4914, subd. 5b. Limits inflationary adjustments to the DWRS base wage index and standard component values to eight percent over a two year period (adding the base wage index here also has the effect of making future inflationary adjustments to the base wage index based on the change in CPI-U rather than changes to Bureau of Labor Statistics wage data). If the result of a standard component value update is less than eight percent, requires the commissioner to implement the full value of the change.

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- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 32 **Community residential services; component values and calculation of payment rates.**
Amends § 256B.4914, subd. 6a. Removes the absence and utilization factor from the DWRS rate calculation for community residential services.
- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 33 **Family residential services; component values and calculation of payment rates.**
Amends § 256B.4914, subd. 6b. Removes the absence and utilization factor from the DWRS rate calculation for family residential services.
- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 34 **Integrated community supports; component values and calculation of payment rates.**
Amends § 256B.4914, subd. 6c. Removes the absence and utilization factor from the DWRS rate calculation for integrated community supports.
- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 35 **Unit-based services with programming; component values and calculation of payment rates.**
Amends § 256B.4914, subd. 8. Effective January 1, 2027, or upon federal approval, whichever is later, limits billing for individualized home supports with training and individualized home supports with family training to a maximum of eight hours per day under DWRS.
- Provides an immediate effective date.
- 36 **Unit-based services without programming; component values and calculation of payment rates.**
Amends § 256B.4914, subd. 9. Effective January 1, 2026, or upon federal approval, whichever is later, modifies applicable services under unit-based services without

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programming to remove night supervision and add awake night supervision and asleep night supervision.

Provides an immediate effective date.

37 Limitations on rate exceptions for residential services.

Amends § 256B.4914, by adding subd. 14a. Effective July 1, 2026, requires the commissioner to implement limitations on the rate exceptions for community residential services, customized living services, family residential services, and integrated community supports under DWRS. Lists documentation needed for rate exceptions related to behavioral needs. Prohibits community residential services rate exceptions from including positive supports costs. Prohibits the commissioner from approving rate exceptions related to increased community time or transportation. Lists requirements and documentation needed for the commissioner to approve a rate exception annual renewal. Prohibits the commissioner from increasing rate exception annual renewals that request an exception to direct care or supervision wages more than the most recently implemented base wage index. Requires the commissioner to publish an annual report online detailing the impact of these limitations on home and community-based services (HCBS) spending.

Provides a January 1, 2026, effective date.

38 Sanctions and monetary recovery.

Amends § 256B.4914, by adding subd. 20. Subjects DWRS payments to the statute governing MA sanctions and monetary recovery requirements.

39 Enhanced rate.

Amends § 256B.85, subd. 7a. Effective January 1, 2026, or upon federal approval, whichever is later, increases the CFSS enhanced rate (from 107.5 percent to 112.5 percent) paid for services provided to persons who qualify for ten or more hours of CFSS services per day when provided by a support worker who meets certain criteria.

Provides an immediate effective date.

40 Determination of CFSS service authorization amount.

Amends § 256B.85, subd. 8. Effective January 1, 2026, or upon federal approval, whichever is later, modifies the information on which the CFSS service budget for budget model participation is based.

Provides an immediate effective date.

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41 Support workers requirements.

Amends § 256B.85, subd. 16. Effective January 1, 2026, or upon federal approval, whichever is later, allows CFSS to qualify for an enhanced budget if the support worker providing the services meets specified criteria.

Makes this section effective the day following federal approval.

42 Payment rates; component values.

Amends § 256B.851, subd. 5. Removes obsolete language.

Provides an immediate effective date.

43 Payment rates; implementation components.

Amends §256B.851, subd. 5a. Effective January 1, 2026, or upon federal approval, whichever is later, modifies CFSS implementation components.

Provides an immediate effective date.

44 Payment rates; worker retention components.

Amends §256B.851, subd. 5b. Effective January 1, 2026, or upon federal approval, whichever is later, modifies CFSS worker retention components.

Provides an immediate effective date.

45 Payment rates; enhanced worker retention components.

Amends §256B.851, subd. 5c. Effective January 1, 2027, or upon federal approval, whichever is later, establishes CFSS implementation components for support workers who meet specified criteria related to number of hours of PCA services provided.

Provides an immediate effective date.

46 Payment rates; rate determination.

Amends § 256B.851, subd. 6. Includes PCA provider agency claims in the requirement to incorporate the worker retention components. Makes conforming changes.

Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner to notify the revisor of statutes when federal approval is obtained.

47 Treatment of rate adjustments provided outside of cost components.

Amends § 256B.851, subd. 7. Makes conforming changes.

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- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner to notify the revisor of statutes when federal approval is obtained.
- 48 **Budget determinations.**
Amends § 256B.851, subd. 7a. Requires the commissioner to increase the CFSS budget model authorization for CFSS participant-employers employing individual providers who meet specified criteria and to determine the amount and method of the authorization increase.
- Makes this section effective January 1, 2026, or upon federal approval, whichever is later. Requires the commissioner to notify the revisor of statutes when federal approval is obtained.
- 49 **Facilities and schools.**
Amends § 260E.14, subd. 1. Specifies that DHS is the agency responsible for screening and investigating allegations of maltreatment in a provisionally licensed EIDBI agency.
- Makes this section effective January 1, 2026.
- 50 **Lead investigative agency.**
Amends § 626.5572, subd. 13. Adds provisionally licensed EIDBI agencies to Vulnerable Adults Act designation of lead investigative agency.
- Makes this section effective January 1, 2026.
- 51 **Waiver Reimagine Phase II.**
Amends Laws 2021, First Special Session ch. 7, art. 13, § 73. Delays implementation of Waiver Reimagine until January 1, 2028. Requires the commissioner to develop an individualized budget methodology exception to support access to self-directed home care nursing services and lists eligibility criteria for the budget exception. Moves uncodified language related to the development and implementation of an online support planning and tracking tool to this section.
- Provides an immediate effective date.
- 52 **Required report.**
Amends Laws 2021, First Special Session ch. 7, art. 13, § 75, subd. 4. Expands topics to be considered in a legislative report related to Waiver Reimagine.
- Provides an immediate effective date.

Section Description - Article 2: Disability Services

- 53 **Effective date.**
Amends Laws 2023, ch. 61, art. 1, § 5, the effective date. Delays implementation of life sharing services from January 1, 2026, to January 1, 2028, under the chapter of statutes governing home and community-based services standards.
- 54 **Effective date.**
Amends Laws 2023, ch. 61, art. 1, § 27, the effective date. Delays implementation of rates for life sharing services from January 1, 2026, to January 1, 2028, under the chapter of statutes governing the Disability Waiver Rate System.
- 55 **Effective date.**
Amends Laws 2023, ch. 61, art. 1, § 30, the effective date. Delays implementation of new rates for family residential services from January 1, 2026, to January 1, 2028, under the chapter of statutes governing the Disability Waiver Rate System.
- 56 **Effective date.**
Amends Laws 2023, ch. 61, art. 1, § 32, the effective date. Delays implementation of new rates for family residential services from January 1, 2026, to January 1, 2028, under the chapter of statutes governing the Disability Waiver Rate System.
- 57 **Effective date.**
Amends Laws 2023, ch. 61, art. 1, § 47, the effective date. Delays implementation of new rates for family residential services and life sharing services from January 1, 2026, to January 1, 2028, under the chapter of statutes governing the Disability Waiver Rate System.
- 58 **Evaluation and report.**
Amends Laws 2023, ch. 61, art. 1, § 61, subd. 4. Extends the deadline for submission of the final report on supported-decision-making grants from December 1, 2025, to December 1, 2027.
- 59 **Effective date.**
Amends Laws 2023, ch. 61, art. 1, § 85, the effective date. Delays the repeal of family residential services from January 1, 2026, to January 1, 2028, under the chapter of statutes governing the Disability Waiver Rate System.
- 60 **Positive supports competency program.**
Requires the commissioner to establish a positive supports competency program using a community partner driven process. Lists required components of the competency program.

Section Description - Article 2: Disability Services

61 Advisory Task Force on Waiver Reimagine.

Establishes an Advisory Task Force on Waiver Reimagine.

Subd. 1. Membership; co-chairs. Lists the members of the advisory task force and requires appointing authorities to make their appointments by September 30, 2025. Requires the governor to ensure representation from greater Minnesota when making appointments.

Subd. 2. Meetings; administrative support. Requires the first meeting of the task force to be convened no later than November 30, 2025, requires the task force to meet at least quarterly, and subjects the task force to the Minnesota Open Meeting Law. Allows the task force to meet by telephone or interactive technology. Requires DHS to provide meeting space and administrative and research support to the task force.

Subd. 3. Duties. Lists the duties of the task force. Requires the task force to seek input from the public, counties, persons receiving disability waiver services, families of persons receiving disability waiver services, providers, state agencies, and advocacy groups. Require DHS to provide relevant data and research to the task force to facilitate their work.

Subd. 4. Compensation; expenses. Allows task force members to receive compensation and expense reimbursements as provided for in the statute governing advisory council and committee compensation.

Subd. 5. Report. Requires the task force to submit a report to the legislature that describes any concerns or recommendations related to Waiver Reimagine no later than January 15, 2027. Requires the commissioner to submit the Waiver Reimagine legislative report to the task force prior to submitting it to the legislature.

Subd. 6. Expiration. Makes the task force expire upon submission of the report.

Provides an immediate effective date.

62 Budget increase for consumer-directed community supports.

Effective January 1, 2026, or upon federal approval, whichever is later, requires the commissioner to increase CDCS budgets under the HCBS waivers and alternative care program by 0.13 percent.

Provides an immediate effective date.

Section Description - Article 2: Disability Services

- 63 **Enhanced budget increase for consumer-directed community supports.**
Effective January 1, 2026, or upon federal approval, whichever is later, requires the commissioner to increase the CDCS budget enhancement percentage under the HCBS waivers and alternative care program from 7.5 percent to 12.5 percent.

Provides an immediate effective date.
- 64 **Repealer.**
Repeals Laws 2021, First Special Session ch. 7, article 13, § 75, subd. 3, as amended by Laws 2024, ch. 108, art. 1, § 28 (Waiver Reimagine Advisory Committee); and Laws 2021, First Special Session ch. 7, art. 13, § 75, subd. 6 (online support planning tool), as amended by Laws 2024, ch. 108, art. 1, § 28, effective the day following final enactment.

Article 3: Health Care

This article contains provisions relating to: (1) reinstating TEFRA parental fees for parents with income equal to or greater than 675 percent of the federal poverty guidelines; (2) enhancing Medicaid disability determinations; and (3) making technical changes to the section of statutes governing reimbursement for MA basic care services.

Section Description - Article 3: Health Care

- 1 to 14 **TEFRA parental fees.**
Amends § 252.27, by adding several subdivisions. Reinstates TEFRA parental fees for parents with income equal to or greater than 675 percent of the federal poverty guidelines, defines terms, requires written notice of the fee and annual review of the monthly fee amount, provides for fee reductions under certain circumstances, and allows parents to appeal the determination or redetermination of a fee obligation.

Provides a January 1, 2026, effective date.
- 15 **State medical review team.**
Amends § 256.01, subd. 29. Directs MA providers to give the state medical review team access to the providers' electronic health records, when available, to support the team's work in making disability determinations for purposes of MA eligibility.
- 16 **Actions to obtain payment.**
Amends § 256B.14, subd. 2. Makes conforming changes related to the reinstatement of TEFRA parental fees.

Section Description - Article 3: Health Care

Provides a January 1, 2026, effective date.

17 Reimbursement for basic care services.

Amends § 256B.766. Modifies the section of statute governing reimbursement for MA basic care services by breaking the section into subdivisions, making conforming changes, and removing obsolete language. Modifies temporary rates for enteral nutrition and supplies extending the sunset date from June 30, 2025, to June 30, 2027.

Article 4: Behavioral Health

This article modifies substance use disorder treatment program licensing and service requirements, establishes recovery residence certification requirements, modifies adult mental health initiative provisions, modifies county shares for costs and division of costs for substance use disorder treatment, limits behavioral health fund service eligibility to 60 consecutive days per year, and requires the commissioner or Tribal Nation, rather than the local agency, to make behavioral health fund eligibility determinations. The article also adds complex post-traumatic stress disorder (C-PTSD) to case management and community support services statutes, adjusts substance use disorder treatment payment rates, modifies reentry waiver services, adds substance use disorder navigation services, adds recovery community organization compliance training, and establishes a psychiatric residential treatment facility working group.

Section Description - Article 4: Behavioral Health

1 Mental illness.

Amends § 245.462, subd. 20. Modifies the definition of “mental illness” in the Adult Mental Health Act by reducing the criteria for a person with serious and persistent mental illness from two or more episodes of inpatient care within the preceding 24 months to one episode of inpatient, residential, or crisis residential care in the preceding 12 months. Also adds criteria to include a diagnosis of post-traumatic stress disorder, expands commitment lookback to five years, and makes clarifying changes.

Adds definition of “person with a complex post-traumatic stress disorder” or “C-PTSD” and criteria for purposes of case management and community support services.

Allows a person to continue to receive case management or community support services if needed, in the written opinion of a mental health professional.

Makes C-PTSD changes effective upon federal approval.

Section Description - Article 4: Behavioral Health

- 2 Program design and implementation.**
Amends § 245.4661, subd. 2. Modifies adult mental health initiative funding utilization, to require the use of all other eligible funding first.
- 3 Duties of commissioner.**
Amends § 245.4661, subd. 6. Removes adult mental health initiative grant criteria.
- 4 Duties of adult mental health initiative board.**
Amends § 245.4661, subd. 7. Modifies adult mental health initiative board information submission requirements, to require only the submission of data and participation in an evaluation of the initiatives. Specifies that oral reports using a system designed by the commissioner and the reporting community meets the information submission requirements for services provided to American Indians.
- 5 Referral for case management.**
Amends § 245.467, subd. 4. Adds C-PTSD to referral for case management services.

Makes this section effective upon federal approval.
- 6 Availability of case management services.**
Amends § 245.4711, subd. 1. Adds C-PTSD to case management services provisions.

Makes this section effective upon federal approval.
- 7 Individual community support plan.**
Amends § 245.4711, subd. 4. Adds C-PTSD to individual community support plan development and implementation requirements.

Makes this section effective upon federal approval.
- 8 Availability of community support services.**
Amends § 245.4712, subd. 1. Adds C-PTSD to community support services provisions.

Makes this section effective upon federal approval.
- 9 Benefits assistance.**
Amends § 245.4712, subd. 3. Adds C-PTSD to provision requiring the county board to offer assistance with applying for state and federal benefits as part of the community support program.

Section Description - Article 4: Behavioral Health

- 10 **Child.**
Amends § 245.4871, subd. 5. In the Children’s Mental Health Act, expands the definition of “child” to include individuals up to age 21 receiving children’s mental health targeted case management services.
- 11 **Certified community behavioral health clinics.**
Amends § 245.735, subd. 3. Updates cross-reference.
- 12 **Facility or program.**
Amends § 245.91, subd. 4. Updates terminology from “sober home” to “recovery residence.” Makes this section effective January 1, 2027.
- 13 **Peer recovery support services.**
Amends § 245F.08, subd. 3. Updates cross-reference.
- 14 **Guest speaker.**
Amends § 245G.01, subd. 13b. Modifies cross-reference. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 15 **Individual counseling.**
Amends § 245G.01 by adding subd. 13d. Defines “individual counseling” in chapter 245G (substance use disorder treatment program licensure). Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 16 **Psychoeducation.**
Amends § 245G.01 by adding subd. 20f. Defines “psychoeducation” in chapter 245G. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 17 **Psychosocial treatment services.**
Amends § 245G.01 by adding subd. 20g. Defines “psychosocial treatment services” in chapter 245G. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 18 **Recovery support services.**
Amends § 245G.01 by adding subd. 20h. Defines “recovery support services” in chapter 245G. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

Section Description - Article 4: Behavioral Health

- 19 **Treatment coordination.**
Amends § 245G.01 by adding subd. 26a. Defines “treatment coordination” in chapter 245G. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 20 **Exemption from license requirement.**
Amends § 245G.02, subd. 2. Modifies subdivisions in exemption for a license holder providing the initial set of substance use disorder services, to include psychoeducation services and exclude services previously listed in section 245G.07, subdivisions 1 and 2.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 21 **Treatment service.**
Amends § 245G.07, subd. 1. Removes distinction between residential and nonresidential programs for purposes of treatment services. Moves services from clauses in paragraph (a) to new subdivisions. Adds paragraph (c) to specify that a supportive service alone is not a treatment service; lists supportive services. Adds paragraph (d) to require that treatment services provided in a group setting be provided in a cohesive manner and setting.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 22 **Psychosocial treatment service.**
Amends § 245G.07 by adding subd. 1a. Outlines requirements for providing psychosocial treatment services. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 23 **Treatment coordination.**
Amends § 245G.07 by adding subd. 1b. Outlines requirements for providing one-to-one treatment coordination services; adds assistance with navigating Minnesota health care programs and economic assistance programs to treatment coordination services.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 24 **Ancillary treatment service.**
Amends § 245G.07 by adding subd. 2a. Outlines requirements for providing ancillary treatment services; lists recovery support services and peer recovery support services as ancillary treatment services. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

Section Description - Article 4: Behavioral Health

25 Treatment service providers.

Amends § 245G.07, subd. 3. Replaces “counselors” with treatment service providers; requires all treatment services to be provided by an individual specifically qualified to provide the service. Lists provider requirements for psychosocial treatment services, treatment coordination, recovery support services, and peer recovery support services.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

26 Location of service provision.

Amends § 245G.07, subd. 4. For license holders providing telehealth treatment services, requires a physical location in Minnesota and requires them to offer in-person psychosocial treatment services to each client. Modifies reference to ancillary treatment services.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

27 Paraprofessionals.

Amends § 245G.11, subd. 6. Clarifies paraprofessional responsibilities; allows paraprofessionals to perform intake and orientation tasks and to be the designated staff member responsible for the delivery of treatment services; specifies treatment services a paraprofessional is not qualified to provide.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

28 Behavioral health practitioners.

Amends § 245G.11 by adding subd. 12. Establishes qualifications for behavioral health practitioners, to align with mental health practitioner qualifications. Specifies scope of practice for behavioral health practitioners to provide recovery support services. Requires at least one hour of supervision per month.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

29 Waiting list.

Amends § 245G.22, subd. 11. Updates cross-reference. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

30 Nonmedication treatment services; documentation.

Amends § 245G.22, subd. 15. Updates cross-reference and makes conforming changes related to the change to treatment service units. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

Section Description - Article 4: Behavioral Health

31 Civil commitments.

Amends § 254A.19, subd. 4. Modifies behavioral health fund eligibility provisions by changing from county access to individual eligibility, and requiring the commissioner, rather than the county, to determine financial eligibility. Makes this section effective July 1, 2026.

32 Psychosocial treatment services.

Amends § 254B.01, subd. 10. Updates language for psychosocial treatment services provisions added in the bill. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

33 Recovery residence.

Amends § 254B.01, subd. 11. Changes terminology from “sober home” to “recovery residence.”

Makes this section effective January 1, 2027.

34 Tribal allocation.

Amends § 254B.02, subd. 5. Modifies behavioral health fund local agency allocation provision, to specify payments to Tribal Nation servicing agencies and require the commissioner to make eligibility determinations. Makes this section effective July 1, 2026.

35 Financial eligibility determinations.

Amends § 254B.03, subd. 1. Requires the commissioner or Tribal Nation servicing agencies to determine behavioral health fund financial eligibility, rather than local agencies. Removes provision limiting vendor eligibility. Deletes obsolete language. Makes this section effective July 1, 2026.

36 Counties to pay state for county share.

Amends § 254B.03, subd. 3. Modifies language from “local agency” to “county” and changes authorizing entity to the commissioner. Makes this section effective July 1, 2026.

37 Division of costs.

Amends § 254B.03, subd. 4. Increases county payments for costs of substance use disorder services from 22.95 percent to 50 percent, but maintains the 22.95 percent share for services for individuals living in carceral settings. Exempts MA-covered services and room and board services from county contributions. Requires 50 percent of state collections from private or third-party pay to be distributed to the

Section Description - Article 4: Behavioral Health

- county that paid for the cost of treatment. Makes this section effective January 1, 2026.
- 38 **Client eligibility.**
Amends § 254B.04, subd. 1a. Requires the commissioner, rather than the local agency, to assist with access to needed substance use disorder treatment services. Modifies cross-references. Adds paragraph (j) to specify that a person is eligible for behavioral health fund services for one 60-consecutive-calendar-day period per year, and allows for additional eligibility requests. Makes paragraph (d) effective July 1, 2025, and makes paragraphs (b), (g), and (j) effective July 1, 2026.
- 39 **Commissioner responsibility to provide administrative services.**
Amends § 254B.04, subd. 5. Updates subdivision to account for change to commissioner responsibility to assist with access to substance use disorder treatment services. Makes this section effective July 1, 2026.
- 40 **Commissioner to determine client financial eligibility.**
Amends § 254B.04, subd. 6. Updates subdivision to account for change to commissioner determination of behavioral health fund eligibility and 60-day limit. Makes this section effective July 1, 2026.
- 41 **Span of eligibility.**
Amends § 254B.04, subd. 6a. Updates subdivision to account for change to commissioner determination of behavioral health fund eligibility. Makes this section effective July 1, 2026.
- 42 **Licensure or certification required.**
Amends § 254B.05, subd. 1. Updates references and terminology; adds reference to peer recovery support services. Adds requirement for recovery community organizations to comply with new required training.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 43 **Room and board provider requirements.**
Amends § 254B.05, subd. 1a. Prohibits room and board services vendors from being approved after June 30, 2025, to receive behavioral health fund payments. Allows for continued payments for those already approved until June 30, 2027.

Makes this section effective the day following final enactment.

Section Description - Article 4: Behavioral Health

44 Rate requirements.

Amends § 254B.05, subd. 5. Makes technical changes related to adding new subdivision 6. Removes base payment rates for numerous residential treatment services, which are modified in new subdivision 6. Makes additional clarifying changes to enhanced rate requirements; moves requirement for a program that provides arrangements for off-site child care to maintain current documentation of the child care provider's current licensure from paragraph (d).

45 Rate adjustments.

Amends § 254B.05 by adding subd. 6. Effective January 1, 2026, adjusts rates for substance use disorder treatment services as follows:

- For low-intensity residential services, rates are set at 100 percent of the modeled rate from the DHS rate study;
- For high-intensity residential services, rates are set at the rate in effect on December 31, 2025; and
- For all other services, rates are set at 72 percent of the modeled rate from the DHS rate study.

Paragraph (b) requires annual inflation adjustments for all rates under paragraph (a), beginning January 1, 2027.

Paragraph (c) prohibits the commissioner from implementing a base payment rate for a service listed under paragraph (a) that is lower than the rate in effect on December 31, 2025.

46 Recovery community organization vendor compliance training.

Amends § 254B.052 by adding subd. 4. Effective January 1, 2027, for vendor enrollment, requires a recovery community organization to require all owners active in management and operations, managers, and supervisors to complete compliance training before applying for enrollment as an eligible vendor and every three years thereafter. Specifies topics the training must include.

Paragraph (b) requires any new owners active in management and operations, managers, or supervisors to complete the compliance training. Exempts individuals moving to another recovery organization from this requirement if they can document completion of training within the past three years.

Paragraph (c) requires the commissioner to make the training available by July 1, 2026.

Section Description - Article 4: Behavioral Health

Paragraph (d) requires vendors already enrolled before January 1, 2027, to document completion of the compliance training by January 1, 2028.

47 Allocation of collections.

Amends § 254B.06, subd. 2. Modifies allocation of patient payments and third-party payments to the special revenue account and the financially responsible county. Makes this section effective January 1, 2026.

48 American Indian agreements.

Amends § 254B.09, subd. 2. Replaces local agency with Tribal unit for purposes of American Indian agreements for substance use disorder treatment services payment. Makes this section effective July 1, 2026.

49 Level of care requirements.

Amends § 254B.19, subd. 1. Updates terminology and references. Makes this section effective July 1, 2026, or upon federal approval, whichever is later.

50 Definitions.

Proposes coding for § 254B.21. Defines the following terms for purposes of sections regulating recovery residences:

- Applicant
- Certified recovery residence
- Co-occurring disorders
- Operator
- Recovery residence
- Recovery residence registry
- Resident
- Staff
- Substance free
- Substance use disorder

Makes this section effective January 1, 2027.

51 Residence requirements and resident rights.

Proposes coding for § 254B.211.

Subd. 1. Applicability. Specifies that this section applies to all recovery residences.

Section Description - Article 4: Behavioral Health

Subd. 2. Residence requirements. Establishes recovery residence requirements. Requires recovery residences to:

- Comply with state and local laws, regulations, and ordinances;
- Have safety policies and procedures;
- Maintain a supply of an opiate antagonist in the residence, post information on proper use, and train staff;
- Have written policies related to medication access and storage; residency termination; and staff qualifications;
- Return all property and medications to a person discharged, keep items for at least 60 days if a person did not collect items, and contact a person's emergency contacts to collect items;
- Ensure separation of money of persons served by the program;
- Document emergency contact information;
- Maintain contact information for community emergency resources;
- Prohibit relationships between operators and residents;
- Allow residents use legally prescribed drugs for treatment of opioid use disorder, co-occurring substance use disorders, and mental health conditions;
- Have a fee schedule and refund policy;
- Have rules for residents and procedures to maintain a respectful environment;
- Have policies that promote participation in treatment and recovery supports; require abstinence from substances; and establish procedures on person and room searches;
- Distribute the recovery resident bill of rights, rules, certification, and grievance process;
- Have code of ethics policies that meet specified standards; and
- Have a description of how residents are involved in residence governance.

Subd. 3. Resident bill of rights. Lists rights of all individuals living in recovery residences.

Makes this section effective January 1, 2027.

52 Complaints against recovery residences.

Proposes coding for § 254B.212.

Subd. 1. In general. Specifies that complaints may be made to and reviewed or investigated by the commissioner.

Section Description - Article 4: Behavioral Health

Subd. 2. Types of complaints. Requires the commissioner to receive and review complaints related to health and safety, management, and illegal activities or threats in recovery residences.

Subd. 3. Investigation. Requires the commissioner to immediately refer complaints regarding illegal activities or threats to law enforcement, and to continue investigating such complaints unless asked by law enforcement to stop investigating. Requires the commissioner to investigate all other complaints and take any action necessary to investigate.

Subd. 4. Anonymity. Requires a complainant to disclose their identity to the commissioner; prohibits the commissioner from disclosing the complainant's identity unless ordered by a court or authorized by the complainant.

Subd. 5. Prohibition against retaliation. Prohibits retaliation for making a complaint against a recovery residence.

Makes this section effective January 1, 2027.

53 **Certification.**

Proposes coding for § 254B.213.

Subd. 1. Voluntary certification. Requires the commissioner to establish and provide for the administration of a voluntary certification program for recovery residences based on national best practices.

Subd. 2. Application requirements. Lists documents an applicant for certification must submit on forms approved by the commissioner.

Subd. 3. Inspection pursuant to an application. Requires the commissioner to conduct an initial on-site inspection upon receiving a completed certification application.

Subd. 4. Certification. Requires the commissioner to certify a recovery residence upon approval of the application and after the initial inspection. Specifies that certification terminates after three years, if not renewed. Requires the commissioner to issue proof of certification.

Subd. 5. Display of proof of certification. Requires a recovery residence to publicly display proof of certification.

Subd. 6. Nontransferability. Prohibits transfer of certifications to another address or certification holder without prior commissioner approval.

Section Description - Article 4: Behavioral Health

Makes this section effective January 1, 2027.

54 Monitoring and oversight of certified recovery residences.

Proposes coding for § 254B.214.

Subd. 1. Monitoring and inspections. Requires the commissioner to conduct an on-site certification review every three years, offer the certification holder a choice of dates for the review, and make the results and correction orders publicly available on the department's website.

Subd. 2. Commissioner's right of access. For purposes of inspection or investigation under this section, requires recovery residences to allow the commissioner access to the physical premises, documents and records, residents, staff, and personnel records. Requires the recovery residence to allow such access without prior notice and as often as necessary if the commissioner is conducting an inspection or investigating alleged maltreatment or an alleged violation.

Subd. 3. Correction orders. Allows the commissioner to issue a correction order for a violation of a law or rule; specifies what the correction order must state. Outlines process and requirements for requesting reconsideration of a correction order. Allows the commissioner to decertify a recovery residence if the residence failed to correct a violation in a correction order.

Subd. 4. Decertification. Allows the commissioner to decertify a recovery residence for specified reasons. Requires the commissioner to inform the certification holder of the right to a contested case hearing; outlines process for appealing a decertification.

Subd. 5. Notifications required and noncompliance. Requires a certification holder to notify the commissioner within 15 days, in writing, of changes that affect the ability of the certification holder to comply with certification standards. Requires the commissioner to give written notice and up to 180 days to correct conditions before decertification. Requires the recovery residence to develop interim procedures to resolve noncompliance, and requires the commissioner to immediately decertify a residence if the residence does not comply with notification requirements under this subdivision.

Makes this section effective January 1, 2027.

Section Description - Article 4: Behavioral Health

- 55 **Certification levels.**
Proposes coding for § 254B.215. Requires the commissioner to specify whether a recovery residence is a level-one or level-two certified recovery residence.
Establishes requirements for level-one and level-two certification.

Makes this section effective January 1, 2027.
- 56 **Resident record.**
Proposes coding for § 254B.216. Requires a certified recovery residence to maintain documentation with the resident’s signature that the resident received listed items and notices prior to or on the first day of residency.

Makes this section effective January 1, 2027.
- 57 **Appropriations from registration and license fee account.**
Amends § 256.043, subd. 3. Replaces grants with direct payments to Tribal Nations and urban Indian communities for traditional healing practices and culturally specific behavioral health providers. Modifies evaluation requirements.
- 58 **Certified community behavioral health clinic services.**
Amends § 256B.0625, subd. 5m. Updates cross-reference.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 59 **Mental health case management.**
Amends § 256B.0625, subd. 20. Adds persons with C-PTSD to those eligible for mental health case management under medical assistance.

Makes this section effective upon federal approval.
- 60 **Behavioral health home services staff qualifications.**
Amends § 256B.0757, subd. 4c. Updates cross-reference.

Makes this section effective July 1, 2026, or upon federal approval, whichever is later.
- 61 **Services and duration.**
Amends § 256B.0761, subd. 4. Modifies re-entry demonstration waiver services under medical assistance by adding medications used for the treatment of opioid use disorder and nonmedication treatment services for opioid use disorder.
- 62 **License required; staffing qualifications.**
Amends § 256I.04, subd. 2a. Effective January 1, 2027, allows the commissioner to enter into housing support agreements with board and lodging establishments that

Section Description - Article 4: Behavioral Health

- are certified recovery residences. Specifies that DHS is the lead agency for the agreement.
- 63 **Recovery residence title protection.**
Amends § 325F.725. Updates terminology for recovery residences.

Makes this section effective January 1, 2027.
- 64 **Recovery residence workgroup.**
Paragraph (a) requires the commissioner to convene a workgroup to develop recommendations specific to recovery residences. Lists tasks the workgroup must complete. Paragraph (b) lists the required members of the workgroup. Paragraph (c) requires the workgroup to meet at least monthly, requires the commissioner to provide administrative support and meeting space, and allows for remote meetings. Paragraph (d) requires the commissioner to appoint members by October 1, 2025, and convene the first meeting by January 15, 2026. Paragraph (e) requires the workgroup to submit a final report and recommendations to the legislature by January 1, 2027.
- 65 **Substance use disorder treatment coordination and navigation assistance evaluation.**
Requires the commissioner to evaluate and make recommendations on ways to ensure that persons with substance use disorder have access to treatment coordination and navigation services. Requires the commissioner to assess and identify gaps in the current service continuum and evaluate opportunities for developing, expanding, or integrating medical assistance care coordination, navigation, and case management services. Requires the commissioner to submit a report to the legislature by November 1, 2026; specifies what the report must include.
- 66 **Psychiatric residential treatment facility working group.**
Requires the commissioner of human services to convene a psychiatric residential treatment facility (PRTF) working group by July 15, 2025. Specifies required working group participants. Requires the working group to submit a report to the legislature by January 15, 2026, with recommendations on:
- amending the state medical assistance plan to expand access to care provided in PRTFs;
 - developing licensing standards for PRTFs to reflect needed flexibilities; and
 - updating the rate methodology for PRTF services.

Section Description - Article 4: Behavioral Health

Makes this section effective the day following final enactment.

67 Substance use disorder treatment billing units.

Directs the commissioner of human services to establish six new billing codes for nonresidential substance use disorder counseling, psychoeducation, and recovery support services; identify reimbursement rates for the new codes; and update the fee schedule. Requires the new codes to correspond to 15-minute units and to be effective on July 1, 2026, or upon federal approval, whichever is later.

68 Revisor instruction.

Instructs the revisor to change the term “mental health practitioner” to “behavioral health practitioner” throughout chapter 245I.

69 Repealer.

Repeals sections 245G.01, subdivision 20d (definition of skilled treatment services); 245G.07, subdivision 2 (additional treatment service); and 254B.01, subdivision 5 (local agency definition), effective July 1, 2025.

Repeals section 254B.04, subdivision 2a (eligibility for room and board services for persons in outpatient substance use disorder treatment), effective July 1, 2027.

Repeals section 254B.181 (sober homes), effective January 1, 2027.

Article 5: Background Studies

This article makes technical and clarifying changes to background studies statutes; modifies and adds background study requirements for providers of unlicensed home and community-based services (HCBS), housing stabilization, and early intensive developmental and behavioral intervention (EIDBI) services; sets fees for child foster care and adoption background studies; adds disqualifications for child torture and violations of statutes related to human services program exclusion and sanctions; and requires the commissioner to give preeminent weight to program integrity when reviewing reconsideration requests.

Section Description - Article 5: Background Studies

1 Department.

Amends § 142A.02, subd. 1. Technical changes related to establishment of Department of Children, Youth, and Families, to clarify which department constitutes the “state agency” for background studies and other purposes.

Section Description - Article 5: Background Studies

- 2 Background studies required.**
Amends § 142A.09, subd. 1. Clarifies that the commissioner of human services conducts background studies for programs or individuals governed by the Department of Children, Youth, and Families.
- 3 Commissioner.**
Amends § 245C.02, subd. 7. Clarifies definition of commissioner.
- 4 Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities.**
Amends § 245C.03, subd. 6. Specifies that background studies are required for owners, operators, employees, or volunteers providing direct contact services under this subdivision. Defines “operator” for purposes of the section.
- 5 Providers of housing stabilization services.**
Amends § 245C.03, subd. 13. Specifies that background studies are required for owners, operators, employees, or volunteers providing direct contact housing stabilization services.
- 6 Early intensive developmental and behavioral intervention providers.**
Amends § 245C.03, subd. 15. Specifies that background studies are required for owners, operators, employees, or volunteers providing direct EIDBI services.
- 7 Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities and providers of housing stabilization services.**
Amends § 245C.04, subd. 6. Requires unlicensed HCBS and housing stabilization providers to initiate background studies before initial enrollment if the provider has not already initiated background studies as part of service licensure requirements. Makes technical changes.
- 8 Early intensive developmental and behavioral intervention providers.**
Amends § 245C.04 by adding subd. 12. Requires EIDBI providers to initiate background studies before individuals begin working direct contact positions or before becoming owners or operators.
- 9 Authorization.**
Amends § 245C.08, subd. 5. Technical change.
- 10 Child foster care and adoption programs.**
Amends § 245C.10 by adding subd. 9b. Sets fees for child foster care and adoption background studies.

Section Description - Article 5: Background Studies

- 11 **Activities pending completion of background study.**
Amends § 245C.13, subd. 2. Specifies that for a child care center or certified license exempt child care center background study, notice of more time needed to complete a study must not be issued until the commissioner receives a qualifying result for the individual for the national criminal history record check or the criminal history information from the BCA. Adds clause (8), establishing background study procedures for EIDBI providers.

Makes the amendments to paragraph (b) effective January 15, 2026, and the amendments to paragraph (c) effective August 5, 2025.
- 12 **Two-year disqualification.**
Amends § 245C.14 by adding subd. 4c. Adds two-year disqualification for violations of human services and children, youth, and families statutes related to fraud, theft, and program misconduct.

Makes this section effective July 1, 2025.
- 13 **Disqualification from owning, operating, or billing.**
Amends § 245C.14 by adding subd. 6. Requires the commissioner to disqualify an individual from any position of ownership, management, or control of a program or billing activities if a background study shows violations of human services and children, youth, and families statutes related to fraud, theft, and program misconduct.

Makes this section effective July 1, 2025.
- 14 **Permanent disqualification.**
Amends § 245C.15, subd. 1. Adds child torture crime to permanent disqualifications.

Makes this section effective July 1, 2025.
- 15 **Licensed family foster setting disqualifications.**
Amends § 245C.15, subd. 4a. Adds child torture crime to permanent disqualifications for licensed family foster setting background studies.

Makes this section effective July 1, 2025.
- 16 **Preeminent weight given to safety of persons being served and program integrity.**
Amends § 245C.22, subd. 3. Requires the commissioner to give preeminent weight to program integrity when reviewing background study disqualification reconsideration requests.

Section Description - Article 5: Background Studies

- 17 **Sharing of data for reconsiderations and appeals.**
Amends § 245C.22, subd. 8. Makes technical and clarifying changes.
- 18 **Notice.**
Amends § 609A.015, subd. 4. Makes technical changes to add the commissioner of children, youth, and families in expungement section.
- 19 **Expungement relief; notification requirements.**
Amends § 609A.055, subd. 3. Makes technical changes to add the commissioner of children, youth, and families in expungement section.

Article 6: Department of Human Services Program Integrity

This article adds several provisions related to human services program license holder and applicant eligibility when a license holder, applicant, or controlling individual is the subject of a pending investigation; modifies welfare system and investigation data disclosure provisions; and allows the commissioner to withhold payments to individuals and entities for reasons related to fraud, theft, and misconduct. The article also allows the commissioner of human services to issue a temporary licensing moratorium, allows for licensing reviews after changes in ownership, modifies licensing application and annual fees for a range of human services license types, and makes clarifying changes.

Section Description - Article 6: Department of Human Services Program Integrity

- 1 **General.**
Amends § 13.46, subd. 2. Allows disclosure of welfare system private data to any agent, rather than only an agent of the welfare system, or investigator acting on behalf of a county, the state, or the federal government in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program.
- 2 **Investigative data.**
Amends § 13.46, subd. 3. Allows disclosure of welfare system investigative data to any agent, rather than only an agent of the welfare system, or investigator acting on behalf of a county, the state, or the federal government in the investigation or prosecution of a criminal, civil, or administrative proceeding relating to the administration of a program. Allows the commissioner of human services to disclose the reduction or withholding of payments.
- Makes this section effective July 1, 2025.

Section Description - Article 6: Department of Human Services Program Integrity

3 Withholding of payments.

Amends § 245.095, subd. 5. Adds reasons for the commissioner of human services to withhold payments to a provider, vendor, individual, associated individual, or associated entity, as follows:

- If the individual, the entity, or an associated individual or entity was convicted of a crime in state or federal court with an offense involving fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency.
- If the provider is operating after a Minnesota state or federal agency orders the suspension, revocation, or decertification of the provider's license.
- If the provider, vendor, associated individual, or associated entity has a background study disqualification that has not been set aside and for which no variance has been issued, except under specified circumstances.
- If the commissioner determines by a preponderance of the evidence that the provider, vendor, individual, associated individual, or associated entity intentionally provided materially false billing information.

Makes this section effective July 1, 2025.

4 Data practices.

Amends § 245.095 by adding subd. 6. Allows the commissioner of human services to exchange information, including claims data, with state or federal agencies, boards, departments, or programs for purposes of investigations or proceedings related to suspected fraud or program exclusion.

5 Discretionary temporary licensing moratorium.

Amends § 245A.03 by adding subd. 7a. Allows the commissioner to issue a temporary licensing moratorium for up to 24 months for all license types if the commissioner determines that exceptional growth in applications or requests to add new services exceeds the determined need for service capacity. Outlines refund, notice, and exception requirements.

6 Application for licensure.

Amends § 245A.04, subd. 1. Prohibits completion of a DHS licensing application if the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation.

Section Description - Article 6: Department of Human Services Program Integrity

- 7 **Grant of license; license extension.**
Amends § 245A.04, subd. 7. Adds requirement for a DHS license to state the specific service the license holder is licensed to provide.
- 8 **Review of change in ownership.**
Amends § 245A.043 by adding subd. 2a. Allows for a review for all new license holders within 12 months after a change in ownership or change in controlling individuals; requires notice to the commissioner of a change in controlling individuals.
- 9 **Denial of application.**
Amends § 245A.05. Allows the commissioner to deny a licensing application if the applicant or controlling individual is the subject of a pending administrative, civil, or criminal investigation.
- 10 **Temporary immediate suspension.**
Amends § 245A.07, subd. 2. Adds “controlling individual” to reasons for temporary immediate license suspensions; expands criminal charge provision to include fraud or theft against any state or federal agency program. Adds paragraph (c) to allow for a temporary immediate suspension if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation related to program fraud.
- 11 **County fees for applications and licensing inspections.**
Amends § 245A.10, subd. 2. Adds family adult day services, family adult foster care, and residential services facilities to county licensing fee subdivision and increases annual fee limit from \$500 to \$2,100. Requires that 50 percent of that amount be allocated to the county agency and 50 percent deposited into the human services licensing and program integrity account.
- 12 **Application fee for initial license or certification.**
Amends § 245A.10, subd. 3. Increases application fee for most types of DHS licensees from \$500 to \$2,100 and requires a new application fee for each new license holder when a partial change of ownership occurs. Paragraph (d) sets application fees for children's residential facility or mental health clinic licensure or certification at \$500.
- 13 **License or certification fee for certain programs.**
Amends § 245A.10, subd. 4. Increases annual license fees for home and community-based services and supports, substance use disorder treatment programs, detoxification programs, and specified residential mental health programs. Requires an additional \$500 annual fee for any satellite facilities.

Section Description - Article 6: Department of Human Services Program Integrity

14 Deposit of license fees.

Amends § 245A.10, subd. 8. Adds program integrity activities to the human services licensing account.

15 Prohibition of duplicative claim submission.

Amends § 254B.06 by adding subd. 5. Requires time-based claim submissions to follow guidance on appropriate units of time from the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology.

Requires more than half of the duration of a time-based code to be spent performing the eligible service; specifies what constitutes a duplicative claim submission.

Allows a provider to round up to the next whole number of service units only when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

Makes this section effective July 1, 2025.

16 Funding.

Amends § 256.983, subd. 4. Modifies commissioner program compliance activities for any county or Tribal agency from three consecutive months of failure to comply or meet standards to a quarterly timeframe.

Makes this section effective July 1, 2025.

17 Requirements for provider enrollment of personal care assistance provider agencies.

Amends § 256B.0659, subd. 21. For personal care assistance provider agency enrollment in medical assistance, requires that any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision.

Makes this section effective July 1, 2025.

18 Background studies.

Amends § 256B.0949, sub. 16a. Makes clarifying changes and specifies that an EIDBI agency must maintain documentation of background study requests and results.

Section Description - Article 6: Department of Human Services Program Integrity

19 Provider qualifications.

Amends § 256B.4912, subd. 1. Makes clarifying changes and specifies that for staff that provide direct contact, for services specified in federally approved waiver plans, providers must maintain documentation of background study results.

20 Requirements for enrollment of CFSS agency-providers.

Amends § 256B.85, subd. 12. For community first services and supports provider agency enrollment in medical assistance, requires that any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision.

Makes this section effective July 1, 2025.

Article 7: Direct Care and Treatment

This article extends the expirations for exceptions to county cost of care requirements for individuals in Anoka-Metro Regional Treatment Center (AMRTC) and community behavioral health hospitals, set to expire in 2025, until June 30, 2029. The article also requires \$5,000,000 of general fund cost of care collections to be deposited annually into the Direct Care and Treatment systems account, contains provisions related to inpatient criminal competency attainment examinations and programs, and increases the county share for costs of care for individuals in the Minnesota Sex Offender Program (MSOP).

Section Description - Article 7: Direct Care and Treatment

1 Anoka-Metro Regional Treatment Center.

Amends § 246.54, subd. 1a. Modifies expiration dates from county cost of care provisions, to continue the elimination of the county responsibility for the cost of care for committed persons awaiting discharge from AMRTC but who are awaiting transfer to another state-operated facility or program or a facility operated by the Department of Corrections until June 30, 2029. Makes this section effective retroactively from March 30, 2025.

2 Community behavioral health hospitals.

Amends § 246.54, subd. 1b. Modifies expiration dates from county cost of care provisions, to continue the elimination of the county responsibility for the cost of care for committed persons awaiting discharge from community behavioral health hospitals but who are awaiting transfer to another state-operated facility or program or a facility operated by the Department of Corrections until June 30, 2029. Makes this section effective retroactively from March 30, 2025.

Section Description - Article 7: Direct Care and Treatment

3 Liability of county; reimbursement.

Amends § 246B.10. Increases county share for the cost of care in MSOP to 40 percent for each day an individual spends at the facility or receives services while on provision discharge; modifies county cost of care; makes technical changes.

4 Direct Care and Treatment systems account.

Amends § 246C.091, subd. 3. Beginning July 1, 2025, requires that \$5,000,000 of general fund cost of care collections be deposited annually into the Direct Care and Treatment systems account to support electronic records and information technology projects.

5 Commitment and competency proceedings.

Amends § 256G.08, subd. 1. Adds criminal orders for inpatient examination or participation in a competency attainment program to county costs provision; adds the county from which the order was issued to the initial cost payment requirement. Makes additional conforming changes.

Makes this section effective July 1, 2027.

6 Responsibility for nonresidents.

Amends § 256G.08, subd. 2. Adds criminal orders for inpatient examination or participation in a competency attainment program to provision assigning county costs when an individual is not a resident of Minnesota. Makes this section effective July 1, 2027.

7 General procedures.

Amends § 256G.09, subd. 1. Adds criminal orders for competency attainment to subdivision governing procedures for disputes about county financial responsibility. Makes this section effective July 1, 2027.

8 Financial disputes.

Amends § 256G.09, subd. 2. Adds criminal competency attainment orders to subdivision governing financial disputes about county financial responsibility. Makes this section effective July 1, 2027.

9 Costs related to confined treatment.

Amends § 611.43 by adding subd. 5. Requires a facility to first bill the responsible health plan when a defendant is ordered to participate in a competency examination in a treatment facility, locked treatment facility, or state-operated treatment facility. Specifies that the county in which criminal charges are filed is responsible for costs not covered by the health plan; specifies additional county responsibility for

Section Description - Article 7: Direct Care and Treatment

payment. Requires the Direct Care and Treatment executive board to determine the cost of confinement in a state-operated treatment facility.

10 Order to competency attainment program.

Amends § 611.46, subd. 1. Adds paragraph (i), requiring an inpatient competency attainment or alternative program or facility to notify specified individuals and entities if the defendant is placed on a leave or elopement status, and if the defendant returns. Adds paragraph (j) requiring that defense counsel and prosecutors have access to information about a defendant's participation and treatment in a competency attainment or alternative program.

11 Data access.

Amends § 611.55 by adding subd. 5. Requires forensic navigators to have access to all data collected, created, or maintained by a competency attainment or alternative program. Allows a program to request a copy of the court order appointing the navigator before disclosing any private information.

Makes this section effective July 1, 2027.

Article 8: Homelessness, Housing, and Support Services

This article contains provisions relating to: (1) expanding requirements for enrollment as a housing stabilization services provider; (2) modifying the Minnesota Supplemental Aid (MSA) equivalent rate adjustment for housing support; (3) establishing emergency shelter facilities grants; (4) requiring the human services commissioner to conduct an evaluation of housing support background study requirements; (5) requiring the human services commissioner to temporarily increase housing support supplementary services rates; (6) limiting special individual housing support supplementary services rates to the maximum rate set in statute; and (7) requiring the human services commissioner to seek federal approval to authorize MA housing services reimbursement for services provided by Indian Health Services and facilities owned and operated by a Tribe or Tribal organization.

Section Description - Article 8: Homelessness, Housing, and Support Services

1 Provider qualifications and duties.

Amends § 256B.051, subd. 6. Requires housing stabilization services providers to complete compliance training to be eligible for MA reimbursement.

2 Requirements for provider enrollment.

Amends § 256B.051, by adding subd. 6a. Expands requirements for enrollment as a housing stabilization services provider to include completion of compliance training

Section Description - Article 8: Homelessness, Housing, and Support Services

- before applying for enrollment and every three years thereafter. Lists the topics that must be included in the training and specifies who must complete the training.
- 3 **MSA equivalent rate.**
Amends § 256I.03, subd. 11a. Modifies the MSA equivalent rate adjustment under the chapter of statutes governing housing support.
- 4 **Certain facilities for mental illness or substance use disorder; supplementary rates.**
Amends § 256I.05, subd. 1d. Removes obsolete language and limits the special supplementary service rate for certain facilities for mental illness or substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 5 **Supplementary rate for certain facilities.**
Amends § 256I.05, subd. 1e. Limits the special supplementary service rate for a housing support provider located in Hennepin County that operates three separate locations and serves a clientele with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 6 **Supplementary service rate increases on or after July 1, 2001.**
Amends § 256I.05, subd. 1f. Removes obsolete language and limits the special supplementary service rate for a residence licensed by the Department of Health as a boarding care home, but not certified for purposes of MA, to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 7 **Supplementary service rate for certain facilities.**
Amends § 256I.05, subd. 1g. Limits the special supplementary service rate for recipients who have experienced long-term homelessness and who live in a supportive housing establishment to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 8 **Supplementary rate for certain facilities serving males with substance use disorder.**
Amends § 256I.05, subd. 1h. Limits the special supplementary service rate for a housing support provider located in Ramsey County that serves men recovering from substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 9 **Supplementary rate for certain facilities; Hennepin County.**
Amends § 256I.05, subd. 1i. Limits the special supplementary service rate for a housing support provider located in Hennepin County with a capacity of up to 48

Section Description - Article 8: Homelessness, Housing, and Support Services

- beds that is licensed as a board and lodging facility to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 10 **Supplementary rate for certain facilities; Crow Wing County.**
Amends § 256I.05, subd. 1j. Limits the special supplementary service rate for a 65-bed facility in Crow Wing County that serves persons with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 11 **Supplementary rate for certain facilities; Stearns, Sherburne, or Benton County.**
Amends § 256I.05, subd. 1k. Limits the special supplementary service rate for a housing support provider located in Stearns, Sherburne, or Benton County that operates a 40-bed facility and serves a clientele with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 12 **Supplementary rate for certain facilities; St. Louis County.**
Amends § 256I.05, subd. 1l. Limits the special supplementary service rate for a housing support provider located in St. Louis County that operates a 30-bed facility and serves a clientele with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 13 **Supplementary rate for certain facilities; Hennepin and Ramsey Counties.**
Amends § 256I.05, subd. 1m. Limits the special supplementary service rate for a housing support provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, and serves individuals who have chronically lived unsheltered to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 14 **Supplementary rate; Mahnomon County.**
Amends § 256I.05, subd. 1n. Limits the special supplementary service rate for a housing support provider located in Mahnomon County that operates a 28-bed facility providing 24-hour care to individuals who are homeless, disabled, mentally ill, or have substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 15 **Supplementary rate; St. Louis County.**
Amends § 256I.05, subd. 1p. Limits the special supplementary service rate for a housing support provider located in St. Louis County that operates a 35-bed facility and serves women who have substance use disorder, mental illness, or both to the

Section Description - Article 8: Homelessness, Housing, and Support Services

- maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 16 **Supplementary rate; Olmsted County.**
Amends § 256I.05, subd. 1q. Limits the special supplementary service rate for a housing support provider located in Olmsted County that operates long-term residential facilities with a total of 104 beds that serve men and women with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 17 **Supplementary rate; Anoka County.**
Amends § 256I.05, subd. 1r. Limits the special supplementary service rate for a housing support provider located in Anoka County and provides emergency housing on the former Anoka Regional Treatment Center campus to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 18 **Supplementary rate; Douglas County.**
Amends § 256I.05, subd. 1s. Limits the special supplementary service rate for a housing support provider located in Douglas County that operates a long-term residential facility with a total of 74 beds that serves men with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 19 **Supplementary rate; Crow Wing County.**
Amends § 256I.05, subd. 1t. Limits the special supplementary service rate for a housing support provider located in Crow Wing County that operates a long-term residential facility with a total of 90 beds that serves men and women with substance use disorder to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 20 **Supplementary rate; Douglas County.**
Amends § 256I.05, subd. 1u. Limits the special supplementary service rate for a housing support provider located in Douglas County that operates two facilities and provides room and board and supplementary services to men recovering from substance use disorder, mental illness, or housing instability to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).
- 21 **Monthly rates; exemptions.**
Amends § 256I.05, subd. 2. Limits the special supplementary service rate for a residence licensed by the Department of Health as a boarding care home, certified by

Section Description - Article 8: Homelessness, Housing, and Support Services

the Department of Health as an intermediate care facility, and licensed by the Department of Human Services as a residential programs for adults who are mentally ill to the maximum supplementary service rate (the current maximum supplementary service rate is \$494.91).

22 Emergency shelter facilities.

Proposes coding for § 256K.50.

Subd. 1. Definitions. Defines the terms “commissioner,” “eligible applicant,” and “emergency shelter facility.”

Subd. 2. Project criteria. Requires the commissioner to prioritize grants for projects that improve or expand emergency shelter facility options.

Subd. 3. Eligible uses of grant money. Allows a grant to be used to pay for 100 percent of total project capital expenditures and limits a grant to up to \$500,000 per project.

Subd. 4. State and local building codes met. Requires all projects funded with an emergency shelter facility grant to meet all applicable state and local building codes at the time of project completion.

Subd. 5. Competitive request for proposal process; priority. Requires the commissioner to use a competitive request for proposal process to identify potential projects and eligible applicants on a statewide basis. Requires at least 40 percent of grant funds to be awarded to projects in greater Minnesota. Allows grant recipients to incur eligible expenses based on an agreed upon predesign and design work plan and budget prior to an encumbrance being established in the accounting system and grant execution. Requires the commissioner to give priority to projects in which the eligible applicant will provide at least ten percent of total project funding for applicants seeking funding for the acquisition and construction of new emergency shelter facilities.

23 Housing support background study evaluation.

Requires the commissioner of human services to conduct an evaluation of background study requirements, contract with an independent contractor to complete the evaluation and submit a report to DHS, and summarize findings in a written report to the legislature by December 1, 2027.

24 Direction to commissioner; housing support temporary supplementary service rates.

Requires the commissioner of human services to increase housing support supplementary services rates by 30 percent for fiscal years 2026 and 2027.

Section Description - Article 8: Homelessness, Housing, and Support Services

25 Direction to commissioner; Indian Health Service encounter rate.

Requires the commissioner of human services to seek federal approval to authorize MA housing services reimbursement for services provided by Indian Health Services and facilities owned and operated by a Tribe or Tribal organization. Defines “housing services” as MA housing stabilization services for purposes of this section.

Article 9: Miscellaneous

This article modifies provisions related to nursing facility level of care, technical assistance for chapter 245D licensees, and DHS federal administrative reimbursements.

Section Description - Article 9: Miscellaneous

1 Nursing facility level of care.

Amends § 144.0724, subd. 11. Allows a MnCHOICES assessment that occurred up to one calendar year before the effective date of MA eligibility to be used to establish MA payment for certain long-term care services, including elderly waivers, certain disability waivers, and the alternative care program. Currently, the assessment must have occurred no more than 60 calendar days before the effective date of MA eligibility to establish MA payment rates.

2 Technical assistance and legal referrals required.

Amends § 245A.042 by adding subd. 7. Requires the commissioner to provide an HCBS license holder with technical assistance or referral to legal assistance, if requested by a license holder that is subject to an enforcement action.

3 Federal administrative reimbursement dedicated.

Amends § 256.01, subd. 34. Modifies the statutory appropriation of federal administrative reimbursements to DHS to include reimbursement for capacity building and implementation grant expenditures for the MA reentry demonstration program.

Article 10: Forecast Adjustments

This article adjusts fiscal year 2025 appropriations for DHS forecasted programs including MFIP, MFIP child care assistance, general assistance, MSA, housing support, Northstar care for children, MinnesotaCare, MA, and the behavioral health fund.

Article 11: Department of Human Services Appropriations

This article provides fiscal year 2026-2027 appropriations for DHS, including appropriations for the central office; general assistance; MSA; housing support; medical assistance; alternative care; the behavioral health fund; refugee services grants; health care grants; long-term care grants; aging and adult services grants; deaf, deafblind, and hard of hearing grants; disability grants; housing grants; adult mental health grants; children’s mental health grants; substance use disorder treatment support grants; and HIV grants.

Article 12: Direct Care and Treatment Appropriations

This article provides fiscal year 2026-2027 appropriations for DCT, including appropriations for mental health and substance abuse, community-based services, forensic services, the Minnesota Sex Offender Program, and administration.

Article 13: Other Agency Appropriations

This article provides fiscal year 2026-2027 appropriations for the Department of Health, Council on Disability, and the Office of Ombudsman for Mental Health and Developmental Disabilities.



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