

Subject Medical Assistance provider enrollment

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Overview

Health care providers must enroll in Medical Assistance (MA) in order to bill for services provided to MA recipients. The Department of Human Services (DHS) administers the enrollment process and conducts screening activities as required under federal regulations issued by the Centers for Medicare and Medicaid Services (CMS) and state statutes.

H3423DE1 makes changes to the provider enrollment processes and requirements and incorporates parts of federal regulations into state statutes. The amendment also recodifies section 256B.04, subdivision 21 – the subdivision of state statutes that currently governs MA provider enrollment – into several new sections of statute, and directs the commissioner of human services to amend a rule to correct a citation to federal law.

Summary

Section	Description
1	Controlling individual. Amends § 142B.01, subd. 8. Updates a cross-reference related to the recodification of section 256B.04, subdivision 21.
2	Controlling individual. Amends § 245A.02, subd. 5a. Updates a cross-reference related to the recodification of section 256B.04, subdivision 21.
3	Program management and oversight. Amends § 245D.081, subd. 3. Updates a cross-reference related to the recodification of section 256B.04, subdivision 21.

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4	<p>Annual report required.</p> <p>Amends § 256B.04, subd. 5. Provides that DHS must include, in its annual report on the MA program, a full account of all pre-enrollment, postenrollment, and unannounced site visits to MA providers in the previous fiscal year.</p>
5	<p>Provider enrollment.</p> <p>Amends § 256B.04, subd. 21. Strikes the requirements related to MA provider enrollment. Under this bill, the requirements are recodified in new sections of state statutes, as follows:</p> <ul style="list-style-type: none">▪ Paragraph (a): Recodified in § 256B.044, subds. 3, 4, and 9▪ Paragraph (b): Recodified in § 256B.0441, subd. 2▪ Paragraph (c): Recodified in § 256B.0441, subd. 3▪ Paragraph (d): Recodified in § 256B.0442, subd. 1▪ Paragraph (e): Recodified in § 256B.044, subd. 10▪ Paragraph (f): Recodified in § 256B.0433▪ Paragraph (g): Recodified in §§ 256B.044, subd. 8; and 256B.0444, subds. 2 and 3▪ Paragraph (h): Recodified in § 256B.0442, subd. 2▪ Paragraph (i): Recodified in § 256B.0442, subd. 3▪ Paragraph (j): Recodified in § 256B.044, subds. 1 and 5▪ Paragraph (k): Recodified in § 256B.044, subd. 3▪ Paragraph (l): Recodified in § 256B.0444, subd. 1▪ Paragraph (m): Recodified in § 256B.044, subd. 6
6	<p>Provider enrollment.</p> <p>Creates § 256B.044.</p> <p>Subd. 1. Designating categorical risk levels. Directs the commissioner to assign a categorical risk level to provider types based on the criteria and standards used under Medicare. This is a recodification of part of section 256B.04, subdivision 21, paragraph (j), with technical modifications.</p> <p>Subd. 2. Required verifications and checks. Directs the commissioner to conduct specified verifications and checks as part of enrolling providers in MA.</p> <p>Subd. 3. Required background studies. Requires the commissioner to conduct background studies for all providers applying to enroll in MA and requires background studies for an individual with an ownership or control interest in, or who is an officer, director, agent or managing employee, or other person with operational or managerial control of, the provider. Provides that fingerprint-based background studies are required when mandated by federal law or when a</p>

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provider is designated as moderate-risk or high-risk. Allows the commissioner to conduct postenrollment background studies as necessary. This is a recodification of parts of section 256B.04, subdivision 21, paragraphs (a) and (k), with substantive modifications.

Subd. 4. Service location enrollment. Requires that a provider enrolls each provider-controlled location where direct services are provided as a condition of enrolling in MA, with some exceptions. This is a recodification of part of section 256B.04, subdivision 21, paragraph (a), with substantive modifications.

Subd. 5. Site visits. Requires that providers allow CMS and DHS to conduct unannounced site visits at any of the provider's MA-enrolled locations. Provides that the commissioner must conduct, for each MA provider that is designated moderate- or high-risk, pre-enrollment and postenrollment site visits, and directs the commissioner to conduct unannounced site visits for all providers within specified time frames. Allows the commissioner to conduct additional announced or unannounced site visits as necessary to verify compliance with enrollment requirements or protect program integrity. This is a recodification of part of section 256B.04, subdivision 21, paragraph (j), with substantive modifications.

Subd. 6. Surety bonds. Requires that a provider purchases a surety bond as a condition of enrollment in MA if the provider meets one or more specified criteria. Provides that the surety bond must be \$100,000 or ten percent of the provider's payments from Medicaid during the immediately preceding 12 months, whichever is greater. This is a recodification of section 256B.04, subdivision 21, paragraph (m), with a substantive modification making the bond purchase required.

Subd. 7. Financial capacity. Requires a provider to demonstrate sufficient financial capacity, as specified, in order to enroll as an MA provider. This is new language.

Subd. 8. Compliance programs. Allows the commissioner to require, as a condition of enrollment in MA, that an MA provider establish a compliance program that contains elements established by specified federal agencies. Directs an MA provider with a compliance program to designate an individual as a compliance officer and specifies duties for the officer. This is a recodification of section 256B.04, subdivision 21, paragraph (g), with substantive and technical modifications.

Subd. 9. Incomplete provider enrollment applications. Directs the commissioner to deny a provider's incomplete application for enrollment in MA if the provider does not respond to the commissioner's request for additional information within 60 days of the request. This is a recodification of part of section 256B.04,

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subdivision 21, paragraph (a), with a modification to make the denial a requirement.

Subd. 10. Correspondence and notification. Requires that the commissioner deliver correspondence and notifications, except those related to background studies, electronically to a provider's MN-ITS mailbox. This is a recodification of section 256B.04, subdivision 21, paragraph (e), with a modification to make the electronic notification a requirement.

7 **Provider revalidation.**

Creates § 256B.0441.

Subd. 1. Requirement. Provides that the commissioner must revalidate each MA provider according to this section. This is new technical language.

Subd. 2. Schedule. Specifies how often the commissioner must revalidate MA providers. Directs the commissioner to conduct revalidation more frequently when required under federal law or when necessary to protect program integrity. This is a recodification of section 256B.04, subdivision 21, paragraph (b), with substantive modifications.

Subd. 3. Procedures. Outlines the procedures the commissioner must follow when revalidating MA providers, which must include unannounced site visits at each of a provider's enrolled locations no more than 30 days prior to the provider's revalidation due date and demonstration of financial capacity. This is a recodification of section 256B.04, subdivision 21, paragraph (c), with substantive modifications.

8 **Provider enrollment suspensions and terminations.**

Creates § 256B.0442.

Subd. 1. Suspension of billing privileges. Requires that the commissioner suspend a provider's ability to bill if the provider is not in compliance with program requirements. Provides that the suspension must be in place until the provider comes into compliance. This is a recodification of section 256B.04, subdivision 21, paragraph (d), with substantive modifications.

Subd. 2. Revocation for lack of documentation. Allows the commissioner to revoke a provider's enrollment if the provider fails to maintain and provide the commissioner access to documentation related to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services for which the commissioner identifies a

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pattern of a lack of documentation. This is a recodification of section 256B.04, subdivision 21, paragraph (h), with technical modifications.

Subd. 3. Mandatory denial or termination of enrollment. Paragraph (a) adds to state statute, federal requirements governing when the commissioner must terminate or deny a provider's enrollment in MA.

Paragraph (b) allows the commissioner to exempt a rehabilitation agency from termination or denial under certain circumstances. This is a recodification of section 256B.04, subdivision 21, paragraph (i).

9 **Provider payment withholds.**

Creates § 256B.0443. Upon a provider's initial enrollment in MA, allows the commissioner to withhold payments for a 90-day period if a provider is within a provider type that is designated high-risk by CMS or the commissioner. This is a recodification of section 256B.04, subdivision 21, paragraph (f).

10 **Enrollment moratorium for high-risk providers.**

Creates § 256B.0444.

Subd. 1. Provider enrollment moratorium. Allows the commissioner to issue a statewide or regional provider enrollment moratorium, for up to 24 months, for a provider type that is designated high-risk. Directs the commissioner to revalidate the enrollment of each provider within a provider type subject to the moratorium before ending the moratorium.

Subd. 2. Continued enrollment of new clients. Provides that a provider within a provider type subject to an enrollment moratorium may continue to enroll new clients or beneficiaries during the period of the enrollment moratorium.

Subd. 3. Notice. Directs the commissioner to issue notices to enrolled providers and the legislature at least ten days prior to implementing an enrollment moratorium.

Subd. 4. Report to legislature. Directs the commissioner to submit a report to the legislature about the enrollment moratorium within 60 days of ending the moratorium.

11 **Additional provider enrollment requirements for specific provider types.**

Creates § 256B.0445.

Subd. 1. Durable medical equipment provider or supplier. Provides specific MA enrollment requirements for providers or suppliers of durable medical

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equipment. This is a recodification of section 256B.04, subdivision 21, paragraph (l).

Subd. 2. Providers licensed by the commissioner of human services. Requires that an MA-enrolled provider that is licensed by the commissioner under chapter 245A must designate an individual as the licensee’s compliance offer. This is a recodification of section 256B.04, subdivision 21, paragraph (g).

Subd. 3. Providers licensed by the commissioner of health. Requires that an MA-enrolled provider that is licensed by the commissioner of health as a home care provider under chapter 144A with a home and community-based services designation under section 144A.484 on the home care license, or as an assisted living facility under chapter 144G, must designate an individual as the licensee’s compliance offer. This is a recodification of section 256B.04, subdivision 21, paragraph (g).

12 Provider payment rates.

Amends § 256B.0759, subd. 4. Updates a cross-reference related to the recodification of section 256B.04, subdivision 21.

13 Agency duties.

Amends § 256B.0949, subd. 16. Updates a cross-reference related to the recodification of section 256B.04, subdivision 21.

14 Provider shortage; authority for exceptions.

Amends § 256B.0949, subd. 17. Updates a cross-reference related to the recodification of section 256B.04, subdivision 21.

15 Direction to the commissioner of human services.

Directs the commissioner to amend Minnesota Rules, part 9505.2165, subpart 4, item C, to update the definition of fraud with the correct citation to federal law. Allows the commissioner to make the change under the good cause exemption to rulemaking procedures.



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