

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-FOURTH SESSION**

**S.F. No. 4476**

(SENATE AUTHORS: HOFFMAN and Rasmusson)

DATE	D-PG	OFFICIAL STATUS
03/17/2026	6741	Introduction and first reading Referred to Human Services
04/21/2026		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to state government; modifying provisions relating to human services

1.3 continuity of care, aging and disability services, behavioral health services,

1.4 long-term care facility regulation, and Direct Care and Treatment; requiring reports;

1.5 establishing working groups; providing for civil penalties; permitting retrieval fee

1.6 for records; providing for transfers and cancellation of money; appropriating

1.7 money; amending Minnesota Statutes 2024, sections 15.43, subdivision 3; 144.0724,

1.8 by adding a subdivision; 144.121, subdivision 9; 144.1503, subdivision 7; 144.292,

1.9 subdivision 6; 144A.04, by adding subdivisions; 144A.291, subdivision 2;

1.10 144A.471, subdivision 9; 144G.09, subdivision 2; 144G.15; 144G.16, by adding

1.11 a subdivision; 144G.195, subdivision 1; 144G.31, subdivision 7; 144G.40, by

1.12 adding a subdivision; 144G.41, subdivisions 1, 2, by adding a subdivision; 144G.45,

1.13 subdivision 3; 144G.61, subdivision 2; 144G.63, subdivisions 2, 5, by adding a

1.14 subdivision; 245A.04, subdivisions 2, 2a; 245A.042, by adding a subdivision;

1.15 246.54, subdivision 2; 254A.03, subdivision 2; 254B.17; 256.01, subdivision 21;

1.16 256B.04, subdivision 23, by adding a subdivision; 256B.0625, by adding a

1.17 subdivision; 256B.064, subdivision 2; 256B.0761, subdivision 2; 256B.0911,

1.18 subdivision 26; 256B.092, subdivision 5; 256B.49, subdivision 11; 256S.205,

1.19 subdivision 1; 297E.02, subdivision 3; Minnesota Statutes 2025 Supplement,

1.20 sections 144.0724, subdivision 2; 144.121, subdivision 1a; 144A.474, subdivision

1.21 11; 144A.4799, subdivision 1; 144G.19, subdivision 5; 145D.40, by adding a

1.22 subdivision; 145D.41, subdivisions 1, 2, by adding a subdivision; 254B.02,

1.23 subdivision 5; 254B.03, subdivision 4; 254B.0503, subdivision 1; 254B.0509,

1.24 subdivision 2; 256.4792, subdivisions 1, 7, by adding a subdivision; 256B.0625,

1.25 subdivisions 17, 18i; 256B.0911, subdivision 14; 256B.092, subdivision 3b;

1.26 256B.49, subdivision 17a; 256B.4914, subdivision 8; 256I.04, subdivision 2a;

1.27 256S.205, subdivision 2; Laws 2023, chapter 61, article 1, sections 61, subdivision

1.28 4, as amended; 67, subdivision 3, as amended; article 9, section 2, subdivision 5,

1.29 as amended; Laws 2024, chapter 125, article 1, section 47; article 8, section 2,

1.30 subdivisions 4, 14, as amended, 20; Laws 2025, First Special Session chapter 3,

1.31 article 8, section 43; article 20, section 19, subdivision 1; article 21, section 3,

1.32 subdivision 2; Laws 2025, First Special Session chapter 9, article 2, section 58,

1.33 subdivision 9; article 4, sections 2; 23; 38; 39; 40; 41; 42; 43; 44; 50; proposing

1.34 coding for new law in Minnesota Statutes, chapters 144A; 144G; 145D; 256B;

1.35 repealing Minnesota Statutes 2024, sections 144A.04, subdivision 7; 256B.055,

1.36 subdivision 14; 256B.0921; Minnesota Statutes 2025 Supplement, sections

1.37 256B.4907, subdivisions 1, 2, 3, 4, 5, 6; 256S.205, subdivision 7; Laws 2019, First

1.38 Special Session chapter 9, article 5, section 86, as amended; Laws 2021, First

2.1 Special Session chapter 7, article 13, sections 73, as amended; 75, subdivision 1,  
2.2 as amended.

2.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

2.4 **ARTICLE 1**

2.5 **CONTINUITY OF CARE**

2.6 Section 1. **[256B.045] CONTINUITY OF CARE.**

2.7 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have  
2.8 the meanings given.

2.9 (b) "Lead agency" means a county, Tribe, or managed care organization.

2.10 (c) "Residential services and supports" means any of the following services as defined  
2.11 in the brain injury, community alternative care, community access for disability inclusion,  
2.12 developmental disabilities, or elderly waiver plans:

2.13 (1) 24-hour customized living services;

2.14 (2) community residential services;

2.15 (3) customized living services;

2.16 (4) family residential services; and

2.17 (5) integrated community supports.

2.18 **Subd. 2. Department of Human Services continuity of care team; establishment.** To  
2.19 ensure the continuity of care of older adults and people with disabilities receiving residential  
2.20 services and supports following the imposition of a payment withhold under section  
2.21 256B.064, subdivision 2, the commissioner must establish and maintain a continuity of care  
2.22 team. The commissioner must ensure the continuity of care team always has sufficient staff  
2.23 capacity and resources for timely compliance with the requirements of this section.

2.24 **Subd. 3. Department of Human Services continuity of care team; duties.** (a) Upon  
2.25 notice from the commissioner under section 256B.064, subdivision 2, paragraph (i), that  
2.26 the commissioner intends to impose a payment withhold on a provider of residential services  
2.27 and supports, the continuity of care team must:

2.28 (1) identify all the provider's clients whose services might be affected by the payment  
2.29 withhold the commissioner intends to impose, including but not limited to all clients paying  
2.30 for services from a source other than medical assistance;

3.1 (2) for each identified client, identify the lead agency responsible for providing case  
3.2 management or care coordination to the client;

3.3 (3) for each identified client, identify the client's case manager or care coordinator; and

3.4 (4) for each identified client, develop an initial profile of the client containing the team's  
3.5 expectations regarding the services and supports the client is likely to require if the  
3.6 commissioner's imposition of a payment withhold upon the provider puts the continuity of  
3.7 care of the provider's client at risk or poses a risk that the provider's client will need to  
3.8 transition to a new service provider or setting.

3.9 (b) After the team has completed the tasks identified in paragraph (a), clauses (1) to (4),  
3.10 the team must inform the commissioner that the team is prepared to intervene on behalf of  
3.11 each identified client immediately upon imposition of the payment withhold.

3.12 (c) Upon imposition of the payment withhold, for each identified client, the continuity  
3.13 of care team must:

3.14 (1) inform the Office of the Ombudsman for Long-Term Care, the Office of the  
3.15 Ombudsman for Mental Health and Developmental Disabilities, the Office of the  
3.16 Ombudsperson for Public Managed Care Health Care Programs, and the lead agency that  
3.17 the client's services may be disrupted by actions taken by the commissioner under section  
3.18 256B.064, subdivision 2, and that the lead agency must comply with the requirements of  
3.19 subdivision 4;

3.20 (2) directly inform each identified client's case manager or care coordinator that the  
3.21 client's services may be disrupted by actions taken by the commissioner under section  
3.22 256B.064, subdivision 2; that the continuity of care team is prepared to offer assistance to  
3.23 ensure the client's continuity of care; and that the case manager must comply with the  
3.24 requirements of subdivision 4; and

3.25 (3) directly inform each identified client that the client's services may be disrupted by  
3.26 actions taken by the commissioner under section 256B.064, subdivision 2, and that the lead  
3.27 agency, the client's case manager, and the continuity of care team are already taking steps  
3.28 to develop contingency plans in the event the client's services are disrupted.

3.29 **Subd. 4. Continuity of care team and lead agency shared duties.** (a) This subdivision  
3.30 applies to all lead agencies regardless of whether a lead agency provides case management  
3.31 directly or under contract.

3.32 (b) The continuity of care team and the lead agency must cooperate and coordinate with  
3.33 the client's case manager to:

4.1 (1) closely monitor services delivered to a client of a provider subject to a payment  
 4.2 withhold; and

4.3 (2) develop a person-centered contingency plan for alternative services or an alternative  
 4.4 service provider or setting in the event a client's services are disrupted.

4.5 (c) If a lead agency fails to develop or implement a person-centered contingency plan  
 4.6 that ensures timely transition to alternative services or to an alternative service provider or  
 4.7 setting, the continuity of care team must directly intervene and provide case management  
 4.8 directly to the client. The lead agency and the client's case manager must fully cooperate  
 4.9 and assist the continuity of care team in the provision of case management services. The  
 4.10 lead agency is responsible for the state share of case management services provided by the  
 4.11 continuity of care team.

4.12 (d) If the lead agency or the continuity of care team does not identify alternative services  
 4.13 or an alternative service provider or setting, the continuity of care team must notify the  
 4.14 commissioner and the commissioner of health, if applicable, and recommend:

4.15 (1) the commissioner of human services either determine there is a good cause under  
 4.16 Code of Federal Regulations, title 42, section 455.23(e) or (f), to not suspend payments  
 4.17 under section 256B.064, subdivision 2, or petition the district court of Ramsey County under  
 4.18 section 245A.13 to be appointed receiver to operate the residential program; or

4.19 (2) the commissioner of health bring an action under section 144G.20, subdivision 21,  
 4.20 against the provider subject to the withhold for violations of section 144G.52 or 144G.53.

4.21 (e) If the commissioner does not follow the recommendations of the continuity of care  
 4.22 team identified in paragraph (d), within 30 days of receipt of the recommendations, the  
 4.23 commissioner must notify the chairs and ranking minority members of the legislative  
 4.24 committees with jurisdiction over human services of the commissioner's decision and include  
 4.25 in the notice an explanation of the commissioner's rejection of the recommendations, the  
 4.26 number of clients who will lose services as a result of the commissioner's decision, and the  
 4.27 likely outcomes for the clients who will lose services.

4.28 Subd. 5. **Provider duties.** (a) The provider must fully cooperate with the lead agency  
 4.29 and the continuity of care team to effectuate a coordinated transfer or coordinated move for  
 4.30 each client who requires a new provider.

4.31 (b) Nothing in this section absolves a provider of its obligations under chapters 144G,  
 4.32 245A, and 245D with respect to service suspensions, service terminations, contract  
 4.33 terminations, and coordinated moves. The commissioners of health and human services

5.1 may impose any sanctions available under law for violations of a licensing requirement  
5.2 even if the provider complies with paragraph (a).

5.3 Sec. 2. Minnesota Statutes 2024, section 256B.064, subdivision 2, is amended to read:

5.4 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall  
5.5 determine any monetary amounts to be recovered and sanctions to be imposed upon an  
5.6 individual or entity under this section. Except as provided in paragraphs (b) and (d), neither  
5.7 a monetary recovery nor a sanction will be imposed by the commissioner without prior  
5.8 notice and an opportunity for a hearing, according to chapter 14, on the commissioner's  
5.9 proposed action, provided that the commissioner may suspend or reduce payment to an  
5.10 individual or entity, except a nursing home or convalescent care facility, after notice and  
5.11 prior to the hearing if in the commissioner's opinion that action is necessary to protect the  
5.12 public welfare and the interests of the program.

5.13 (b) Except when the commissioner finds good cause not to suspend payments under  
5.14 Code of Federal Regulations, title 42, section 455.23(e) or (f), the commissioner shall  
5.15 withhold or reduce payments to an individual or entity without providing advance notice  
5.16 of such withholding or reduction if either of the following occurs:

5.17 (1) the individual or entity is convicted of a crime involving the conduct described in  
5.18 subdivision 1a; or

5.19 (2) the commissioner determines there is a credible allegation of fraud for which an  
5.20 investigation is pending under the program. Allegations are considered credible when they  
5.21 have an indicium of reliability and the state agency has reviewed all allegations, facts, and  
5.22 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of  
5.23 fraud is an allegation which has been verified by the state, from any source, including but  
5.24 not limited to:

5.25 (i) fraud hotline complaints;

5.26 (ii) claims data mining; and

5.27 (iii) patterns identified through provider audits, civil false claims cases, and law  
5.28 enforcement investigations.

5.29 (c) The commissioner must send notice of the withholding or reduction of payments  
5.30 under paragraph (b) within five days of taking such action unless requested in writing by a  
5.31 law enforcement agency to temporarily withhold the notice. The notice must:

5.32 (1) state that payments are being withheld according to paragraph (b);

6.1 (2) set forth the general allegations as to the nature of the withholding action, but need  
6.2 not disclose any specific information concerning an ongoing investigation;

6.3 (3) except in the case of a conviction for conduct described in subdivision 1a, state that  
6.4 the withholding is for a temporary period and cite the circumstances under which withholding  
6.5 will be terminated;

6.6 (4) identify the types of claims to which the withholding applies; and

6.7 (5) inform the individual or entity of the right to submit written evidence for consideration  
6.8 by the commissioner.

6.9 (d) ~~The withholding or reduction of payments will not continue after~~ The commissioner  
6.10 ~~determines~~ must cease the withholding or reduction of payments after determining there is  
6.11 insufficient evidence of fraud by the individual or entity; after finding good cause not to  
6.12 continue withholding or reducing payments under Code of Federal Regulations, title 42,  
6.13 section 455.23(e) or (f); or after legal proceedings relating to the alleged fraud are completed,  
6.14 unless the commissioner has sent notice of intention to impose monetary recovery or  
6.15 sanctions under paragraph (a). Upon conviction for a crime related to the provision,  
6.16 management, or administration of a health service under medical assistance, a payment held  
6.17 pursuant to this section by the commissioner or a managed care organization that contracts  
6.18 with the commissioner under section 256B.035 is forfeited to the commissioner or managed  
6.19 care organization, regardless of the amount charged in the criminal complaint or the amount  
6.20 of criminal restitution ordered.

6.21 (e) The commissioner shall suspend or terminate an individual's or entity's participation  
6.22 in the program without providing advance notice and an opportunity for a hearing when the  
6.23 suspension or termination is required because of the individual's or entity's exclusion from  
6.24 participation in Medicare. Within five days of taking such action, the commissioner must  
6.25 send notice of the suspension or termination. The notice must:

6.26 (1) state that suspension or termination is the result of the individual's or entity's exclusion  
6.27 from Medicare;

6.28 (2) identify the effective date of the suspension or termination; and

6.29 (3) inform the individual or entity of the need to be reinstated to Medicare before  
6.30 reapplying for participation in the program.

6.31 (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is  
6.32 to be imposed, an individual or entity may request a contested case, as defined in section  
6.33 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal

7.1 request must be received by the commissioner no later than 30 days after the date the  
7.2 notification of monetary recovery or sanction was mailed to the individual or entity. The  
7.3 appeal request must specify:

7.4 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount  
7.5 involved for each disputed item;

7.6 (2) the computation that the individual or entity believes is correct;

7.7 (3) the authority in statute or rule upon which the individual or entity relies for each  
7.8 disputed item;

7.9 (4) the name and address of the person or entity with whom contacts may be made  
7.10 regarding the appeal; and

7.11 (5) other information required by the commissioner.

7.12 (g) The commissioner may order an individual or entity to forfeit a fine for failure to  
7.13 fully document services according to standards in this chapter and Minnesota Rules, chapter  
7.14 9505. The commissioner may assess fines if specific required components of documentation  
7.15 are missing. The fine for incomplete documentation shall equal 20 percent of the amount  
7.16 paid on the claims for reimbursement submitted by the individual or entity, or up to \$5,000,  
7.17 whichever is less. If the commissioner determines that an individual or entity repeatedly  
7.18 violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to  
7.19 the provision of services to program recipients and the submission of claims for payment,  
7.20 the commissioner may order an individual or entity to forfeit a fine based on the nature,  
7.21 severity, and chronicity of the violations, in an amount of up to \$5,000 or 20 percent of the  
7.22 value of the claims, whichever is greater.

7.23 (h) The individual or entity shall pay the fine assessed on or before the payment date  
7.24 specified. If the individual or entity fails to pay the fine, the commissioner may withhold  
7.25 or reduce payments and recover the amount of the fine. A timely appeal shall stay payment  
7.26 of the fine until the commissioner issues a final order.

7.27 (i) Prior to suspending or withholding payments to an entity providing residential services  
7.28 and supports to an older adult or person with a disability, or suspending or terminating the  
7.29 entity's participation in medical assistance, the commissioner must notify the Department  
7.30 of Human Services continuity of care team established under section 256B.045. The  
7.31 commissioner must not suspend or withhold payments to an entity providing residential  
7.32 services and supports to an older adult or person with a disability, or suspend or terminate  
7.33 the entity's participation in the program, until the continuity of care team notifies the

8.1 commissioner that the team is prepared to immediately intervene and comply with its duties  
8.2 under section 256B.045 upon imposition of the commissioner's sanction. For the purposes  
8.3 of this paragraph, "residential services and supports" has the meaning given in section  
8.4 256B.045, subdivision 1.

## 8.5 ARTICLE 2

### 8.6 AGING AND DISABILITY SERVICES

8.7 Section 1. Minnesota Statutes 2025 Supplement, section 144.0724, subdivision 2, is  
8.8 amended to read:

8.9 Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings  
8.10 given.

8.11 (a) "Assessment reference date" or "ARD" means the specific end point for look-back  
8.12 periods in the MDS assessment process. This look-back period is also called the observation  
8.13 or assessment period.

8.14 (b) "Case mix index" means the weighting factors assigned to the case mix reimbursement  
8.15 classifications determined by an assessment.

8.16 (c) "Index maximization" means classifying a resident who could be assigned to more  
8.17 than one category, to the category with the highest case mix index.

8.18 (d) "Minimum Data Set" or "MDS" means a core set of screening, clinical assessment,  
8.19 and functional status elements, that include common definitions and coding categories  
8.20 specified by the Centers for Medicare and Medicaid Services and designated by the  
8.21 Department of Health.

8.22 (e) "Representative" means a person who is the resident's guardian or conservator, the  
8.23 person authorized to pay the nursing home expenses of the resident, a representative of the  
8.24 Office of Ombudsman for Long-Term Care whose assistance has been requested, or any  
8.25 other individual designated by the resident.

8.26 (f) "Activities of daily living" or "ADL" includes personal hygiene, dressing, bathing,  
8.27 transferring, bed mobility, locomotion, eating, and toileting.

8.28 (g) "Nursing facility level of care determination" means the assessment process that  
8.29 results in a determination of a resident's or prospective resident's need for nursing facility  
8.30 level of care as established in subdivision 11 for purposes of medical assistance payment  
8.31 of long-term care services for:

8.32 (1) nursing facility services under chapter 256R;

9.1 (2) elderly waiver services under chapter 256S;

9.2 (3) CADI and BI waiver services under section 256B.49; and

9.3 (4) state payment of alternative care services under section 256B.0913.

9.4 This paragraph expires upon the effective date of paragraph (h).

9.5 (h) Effective January 1, 2027, or upon federal approval, whichever is later, "nursing  
 9.6 facility level of care determination" means the assessment process that results in a  
 9.7 determination of a resident's or prospective resident's need for nursing facility level of care:

9.8 (1) as established in subdivision 11 for purposes of medical assistance payment of  
 9.9 long-term care services for:

9.10 (i) nursing facility services under chapter 256R;

9.11 (ii) elderly waiver services under chapter 256S; and

9.12 (iii) state payment of alternative care services under section 256B.0913; and

9.13 (2) as established in subdivision 11a for purposes of medical assistance payment of  
 9.14 long-term care services for brain injury and community access for disability and inclusion  
 9.15 waivers under section 256B.49.

9.16 ~~(h)~~ (i) "Patient Driven Payment Model" or "PDPM" means the case mix reimbursement  
 9.17 classification system for residents in nursing facilities based on the resident's condition,  
 9.18 diagnosis, and the care the resident received at the time of the MDS assessment with an  
 9.19 ARD on or after October 1, 2025.

9.20 ~~(h)~~ (j) "Resource utilization group" or "RUG" means the case mix reimbursement  
 9.21 classification system for residents in nursing facilities according to the resident's clinical  
 9.22 and functional status as reflected in data supplied by the facility's MDS with an ARD on or  
 9.23 before September 30, 2025.

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

9.25 Sec. 2. Minnesota Statutes 2024, section 144.0724, is amended by adding a subdivision  
 9.26 to read:

9.27 **Subd. 11a. Nursing facility level of care; BI and CADI waivers.** (a) Effective January  
 9.28 1, 2027, or upon federal approval, whichever is later, a determination of need for nursing  
 9.29 facility level of care for brain injury and community access for disability and inclusion  
 9.30 waivers under section 256B.49 must meet one of the following criteria:

10.1 (1) the person needs the assistance of another person or constant supervision to begin  
 10.2 and complete at least four of the following activities of living: bathing, bed mobility, dressing,  
 10.3 eating, grooming, toileting, transferring, and walking;

10.4 (2) the person needs the assistance of another person or constant supervision to begin  
 10.5 and complete toileting, transferring, or positioning and the assistance cannot be scheduled;  
 10.6 or

10.7 (3) the person has significant difficulty with memory, using information, daily decision  
 10.8 making, or behavioral needs that require intervention.

10.9 (b) Nursing facility level of care determinations for purposes of initial and ongoing  
 10.10 access to brain injury and community access for disability inclusion waiver programs must  
 10.11 be conducted by a MnCHOICES certified assessor in a manner determined by the  
 10.12 commissioner.

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

10.14 Sec. 3. Minnesota Statutes 2024, section 144.292, subdivision 6, is amended to read:

10.15 Subd. 6. **Cost.** (a) When a patient requests a copy of the patient's record for purposes of  
 10.16 reviewing current medical care, the provider must not charge a fee.

10.17 (b) When a provider or its representative makes copies of patient records upon a patient's  
 10.18 request under this section, the provider or its representative may charge the patient or the  
 10.19 patient's representative no more than the following amount, unless other law or a rule or  
 10.20 contract provide for a lower maximum charge:

10.21 (1) for paper copies, \$1 per page, plus \$10 for time spent retrieving and copying the  
 10.22 records;

10.23 (2) for x-rays, a total of \$30 for retrieving and reproducing x-rays; and

10.24 (3) for electronic copies, a total of \$20 for retrieving the records.

10.25 (c) For any copies of paper records provided under paragraph (b), clause (1), a provider  
 10.26 or the provider's representative may not charge more than a total of:

10.27 (1) \$10 if there are no records available;

10.28 (2) \$30 for copies of records of up to 25 pages;

10.29 (3) \$50 for copies of records of up to 100 pages;

10.30 (4) \$50, plus an additional 20 cents per page for pages 101 and above; or

11.1 (5) \$500 for any request.

11.2 (d) A provider or its representative may charge a \$10 retrieval fee, but must not charge  
11.3 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's  
11.4 authorized representative if the request for copies of records is for purposes of appealing a  
11.5 denial of Social Security disability income or Social Security disability benefits under title  
11.6 II or title XVI of the Social Security Act. Notwithstanding the foregoing, a provider or its  
11.7 representative must not charge a fee, including a retrieval fee, to provide copies of records  
11.8 requested by a patient or the patient's authorized representative if the request for copies of  
11.9 records is for purposes of appealing a denial of Social Security disability income or Social  
11.10 Security disability benefits under title II or title XVI of the Social Security Act when the  
11.11 patient is receiving public assistance, represented by an attorney on behalf of a civil legal  
11.12 services program, or represented by a volunteer attorney program based on indigency. The  
11.13 patient or the patient's representative must submit one of the following to show that they  
11.14 are entitled to receive records without charge under this paragraph:

11.15 (1) a public assistance statement from the county or state administering assistance;

11.16 (2) a request for records on the letterhead of the civil legal services program or volunteer  
11.17 attorney program based on indigency; or

11.18 (3) a benefits statement from the Social Security Administration.

11.19 For the purpose of further appeals, a patient may receive no more than two medical record  
11.20 updates without charge, but only for medical record information previously not provided.

11.21 For purposes of this paragraph, a patient's authorized representative does not include units  
11.22 of state government engaged in the adjudication of Social Security disability claims.

11.23 (e) A provider or its representative may charge a \$10 retrieval fee, but must not charge  
11.24 a per page fee or x-ray fee to provide copies of records requested by a patient or the patient's  
11.25 authorized representative if the request for copies of records is for purposes of a disability  
11.26 determination by the department's state medical review team. Notwithstanding the foregoing,  
11.27 a provider or its representative must not charge a fee, including a retrieval fee, to provide  
11.28 copies of records requested by a patient or the patient's authorized representative if the  
11.29 request for copies of records is for purposes of a disability determination by the department's  
11.30 state medical review team when the patient is receiving public assistance. To show that the  
11.31 patient or the patient's representative is entitled to receive records without charge under this  
11.32 paragraph, the patient or the patient's representative must submit either the patient's public  
11.33 assistance statement from the county or state administering assistance or the patient's benefits  
11.34 statement from the Social Security Administration.

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

12.2 Sec. 4. Minnesota Statutes 2024, section 245A.04, subdivision 2, is amended to read:

12.3 Subd. 2. **Notification of affected municipality.** The commissioner must not issue a  
 12.4 license under this chapter without giving 30 calendar days' written notice to the affected  
 12.5 municipality or other political subdivision unless the program is considered a permitted  
 12.6 single-family residential use under sections 245A.11 and 245A.14. If the program is  
 12.7 considered a permitted single-family residence, the commissioner must give the affected  
 12.8 municipality or other political subdivision written notice of the issuance no later than five  
 12.9 days after issuing the license, excluding weekends and holidays. The written notice must  
 12.10 include the prospective license holder's name and contact information, the license type and  
 12.11 capacity, and the proposed address of the licensed facility or program. The commissioner  
 12.12 may provide notice through electronic communication. The notification must be given  
 12.13 before the first issuance of a license under this chapter and annually after that time if annual  
 12.14 notification is requested in writing by the affected municipality or other political subdivision.  
 12.15 State funds must not be made available to or be spent by an agency or department of state,  
 12.16 county, or municipal government for payment to a residential or nonresidential program  
 12.17 licensed under this chapter until the provisions of this subdivision have been complied with  
 12.18 in full. The provisions of this subdivision shall not apply to programs located in hospitals.

12.19 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to licenses  
 12.20 issued on or after that date.

12.21 Sec. 5. Minnesota Statutes 2024, section 245A.04, subdivision 2a, is amended to read:

12.22 Subd. 2a. **Meeting fire and safety codes.** (a) An applicant or license holder under  
 12.23 sections 245A.01 to 245A.16 must document compliance with applicable building codes,  
 12.24 fire and safety codes, health rules, and zoning ordinances, or document that an appropriate  
 12.25 waiver has been granted.

12.26 (b) At the request of a county or local unit of government, the commissioner may delegate  
 12.27 to a county agency or local unit of government the commissioner's or local agency's authority  
 12.28 to inspect an existing residential program serving six or fewer persons for compliance with  
 12.29 zoning ordinances and applicable physical plant licensing requirements. If the commissioner  
 12.30 delegates the commissioner's or local agency's authority to a county agency or local unit of  
 12.31 government under this subdivision, the commissioner must execute a formal delegation of  
 12.32 authority that clearly specifies what authority is being delegated to the county agency or  
 12.33 local unit of government, that the commissioner is responsible for any costs incurred by the

13.1 county agency or local unit of government for conducting inspections under delegated  
 13.2 authority, and that the county agency or local unit of government must not assess any  
 13.3 additional fees for conducting an inspection under delegated authority. When conducting  
 13.4 an inspection under delegated authority, the county agency or local unit of government must  
 13.5 provide the subject of the inspection with a copy of the delegation of authority.

13.6 (c) When a county agency or local unit of government is conducting an inspection under  
 13.7 delegated authority as provided in paragraph (b), the county agency or local unit of  
 13.8 government and the agency responsible for licensing inspections must coordinate inspections  
 13.9 to minimize visits to and disruptions of the residential program. A county agency or local  
 13.10 unit of government conducting an inspection must notify the commissioner of any violations  
 13.11 or concerns within ten days of the inspection, excluding weekends and holidays. A county  
 13.12 agency or local unit of government that conducts inspections under this subdivision must  
 13.13 not inspect a residential program more frequently than annually, except a follow-up inspection  
 13.14 is permitted before the next annual inspection to verify correction of a violation discovered  
 13.15 during the most recent inspection.

13.16 (d) The commissioner must ensure that laws, rules, and codes are uniformly enforced  
 13.17 throughout the state by reviewing at least every four years each county agency and local  
 13.18 unit of government conducting inspections under this subdivision for compliance with this  
 13.19 subdivision and other applicable laws and rules.

13.20 **EFFECTIVE DATE.** This section is effective January 1, 2027.

13.21 Sec. 6. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision  
 13.22 to read:

13.23 **Subd. 7. Colocation of certain home and community-based residential settings.** (a)  
 13.24 Effective July 1, 2026, the commissioner must not authorize services in or issue an initial  
 13.25 license under this chapter or chapter 245D for any of the following residential settings or  
 13.26 programs unless the proposed setting meets the heightened home and community-based  
 13.27 setting standards described in this subdivision:

13.28 (1) a community residential setting, as defined in section 245D.02, subdivision 4a;

13.29 (2) an adult foster care home;

13.30 (3) a setting providing customized living services with a resident capacity of six or fewer;

13.31 (4) a setting providing 24-hour customized living services with a resident capacity of  
 13.32 six or fewer; and

14.1 (5) an assisted living facility licensed under chapter 144G with a resident capacity of  
 14.2 six or fewer.

14.3 (b) Newly licensed settings enumerated in paragraph (a) must not be located on the same  
 14.4 property or on an adjoining property of any existing community residential setting, any  
 14.5 existing adult foster care setting, any existing setting providing family residential services  
 14.6 to an adult, any existing setting providing customized living services with a resident capacity  
 14.7 of six or fewer, any existing setting providing 24-hour customized living services with a  
 14.8 resident capacity of six or fewer, or any existing assisted living facility licensed under  
 14.9 chapter 144G with a resident capacity of six or fewer. The requirements of this paragraph  
 14.10 apply regardless of who owns or controls the existing setting. The commissioner must  
 14.11 comply with section 245A.11, subdivision 4, when authorizing services or issuing an initial  
 14.12 license under this subdivision.

14.13 (c) For the purposes of this subdivision, "adjoining property" means a property that  
 14.14 shares a common boundary line with another property. Adjoining property also includes  
 14.15 properties that meet at a common corner point. The presence of a right-of-way or public  
 14.16 easement, including but not limited to a bicycle path, alley, or residential street, between  
 14.17 adjoining properties, including between properties that but for the right-of-way or public  
 14.18 easement would share a common corner point, are adjoining properties.

14.19 Sec. 7. Minnesota Statutes 2024, section 256.01, subdivision 21, is amended to read:

14.20 Subd. 21. **Interagency ~~agreement~~ agreements with Department of Health.** (a) The  
 14.21 commissioner of human services shall amend the interagency agreement with the  
 14.22 commissioner of health to certify nursing facilities for participation in the medical assistance  
 14.23 program, to require the commissioner of health, as a condition of the agreement, to comply  
 14.24 beginning July 1, 2005, with action plans included in the annual survey and certification  
 14.25 quality improvement report required under section 144A.10, subdivision 17.

14.26 (b) The commissioners of health and human services must execute an interagency  
 14.27 agreement to determine on behalf of the commissioner of health whether an assisted living  
 14.28 facility for which either an applicant is seeking a provisional license under chapter 144G  
 14.29 or a licensee is seeking to relocate under section 144G.195 meets the standards described  
 14.30 in section 245A.042, subdivision 7.

15.1 Sec. 8. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 1, is amended  
15.2 to read:

15.3 Subdivision 1. **Long-term services and supports loan program.** The commissioner  
15.4 of human services shall establish a loan program to provide operating loans to eligible  
15.5 long-term services and supports providers. ~~The commissioner shall initiate the application~~  
15.6 ~~process for the loan described in this section on an ongoing basis.~~ The commissioner must  
15.7 not issue any new loans under this program after June 30, 2026.

15.8 Sec. 9. Minnesota Statutes 2025 Supplement, section 256.4792, subdivision 7, is amended  
15.9 to read:

15.10 Subd. 7. **Loan repayment.** (a) If a borrower is more than 60 calendar days delinquent  
15.11 in the timely payment of a contractual payment under this section, the provisions in  
15.12 paragraphs (b) to (e) apply.

15.13 (b) The commissioner may withhold some or all of the amount of the delinquent loan  
15.14 payment, together with any penalties due and owing on those amounts, from any money  
15.15 the department owes to the borrower. The commissioner may, at the commissioner's  
15.16 discretion, also withhold future contractual payments from any money the commissioner  
15.17 owes the provider as those contractual payments become due and owing. The commissioner  
15.18 may continue this withholding until the commissioner determines there is no longer any  
15.19 need to do so.

15.20 (c) The commissioner shall give prior notice of the commissioner's intention to withhold  
15.21 by mail, facsimile, or email at least ten business days before the date of the first payment  
15.22 period for which the withholding begins. The notice must be deemed received as of the date  
15.23 of mailing or receipt of the facsimile or electronic notice. The notice must state:

15.24 (1) the amount of the delinquent contractual payment;

15.25 (2) the amount of the withholding per payment period;

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

15.27 (4) whether the commissioner intends to withhold future installments of the provider's  
15.28 contractual payments; and

15.29 (5) other contents as the commissioner deems appropriate.

15.30 (d) The commissioner, or the commissioner's designee, may enter into written settlement  
15.31 agreements with a provider to resolve disputes and other matters involving unpaid loan  
15.32 contractual payments or future loan contractual payments.

16.1 (e) Notwithstanding any law to the contrary, all unpaid loans, plus any accrued penalties,  
16.2 are overpayments for the purposes of section 256B.0641, subdivision 1. The current long-term  
16.3 services and supports provider is liable for the overpayment amount owed by a former owner  
16.4 for any provider sold, transferred, or reorganized.

16.5 (f) By January 15 each year, the commissioner must provide to the chairs and ranking  
16.6 minority members of the legislative committees with jurisdiction over nursing facilities a  
16.7 report of all facilities that are delinquent in their repayments. The reporting required under  
16.8 this paragraph expires upon notification by the commissioner to the committees that there  
16.9 are no outstanding balances from loan awards issued under this subdivision.

16.10 Sec. 10. Minnesota Statutes 2025 Supplement, section 256.4792, is amended by adding  
16.11 a subdivision to read:

16.12 Subd. 11. **Loan program expiration.** This section expires after the commissioner collects  
16.13 all loan repayments incurred on or before June 30, 2026. The commissioner must notify the  
16.14 revisor of statutes once all loan repayments under this section are collected.

16.15 Sec. 11. Minnesota Statutes 2024, section 256B.04, is amended by adding a subdivision  
16.16 to read:

16.17 Subd. 28. **Interpretive guidelines for disability waiver regulation.** (a) The  
16.18 commissioner must develop and publish interpretive guidelines within 120 calendar days  
16.19 of the effective date of any statutory changes, waiver plan amendments, state or federal  
16.20 administrative rulings, or state or federal court decisions that affect policies or reimbursement  
16.21 for services licensed under chapter 245D, authorized under section 256B.092 or 256B.49,  
16.22 or reimbursed under section 256B.4914.

16.23 (b) Interpretive guidelines issued by the commissioner under this subdivision do not  
16.24 have the force and effect of law and have no precedential effect but may be relied on by  
16.25 consumers, providers of service, county agencies, the Department of Human Services, and  
16.26 others concerned until revoked or modified. An interpretive guideline may be expressly  
16.27 revoked or modified by the commissioner or by the issuance of another interpretive guideline  
16.28 but may not be revoked or modified retroactively to the detriment of consumers, providers  
16.29 of service, county agencies, the Department of Human Services, or others concerned. A  
16.30 change in the law or an interpretation of the law occurring after the interpretive guidelines  
16.31 are issued, whether in the form of a statute, court decision, administrative ruling, or  
16.32 subsequent interpretive guideline, results in the revocation or modification of the previously  
16.33 adopted guidelines to the extent that the change affects the guidelines.

17.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and  
17.2 applies to statutory changes, waiver plan amendments, state or federal administrative rulings,  
17.3 or state or federal court decisions effective or issued on or after that date.

17.4 Sec. 12. Minnesota Statutes 2025 Supplement, section 256B.0911, subdivision 14, is  
17.5 amended to read:

17.6 Subd. 14. **Use of MnCHOICES certified assessors required.** (a) Each lead agency  
17.7 shall use MnCHOICES certified assessors who have completed MnCHOICES training and  
17.8 the certification process determined by the commissioner in subdivision 13.

17.9 (b) Each lead agency must ensure that the lead agency has sufficient numbers of certified  
17.10 assessors to provide long-term consultation assessment and support planning within the  
17.11 timelines and parameters of the service.

17.12 (c) A lead agency may choose, according to departmental policies, to contract with a  
17.13 qualified, certified assessor to conduct assessments and reassessments on behalf of the lead  
17.14 agency.

17.15 (d) Tribes and health plans under contract with the commissioner must provide long-term  
17.16 care consultation services as specified in the contract.

17.17 (e) A lead agency must provide the commissioner with an administrative contact for  
17.18 communication purposes.

17.19 (f) A lead agency may contract under this subdivision with any hospital licensed under  
17.20 sections 144.50 to 144.56 to conduct assessments of patients in the hospital on behalf of  
17.21 the lead agency when the lead agency has failed to meet its obligations under subdivision  
17.22 17. The contracted assessment must be conducted by a hospital employee who is a qualified,  
17.23 certified assessor. The hospital employees who perform assessments under the contract  
17.24 between the hospital and the lead agency may perform assessments in addition to other  
17.25 duties assigned to the employee by the hospital, except the hospital employees who perform  
17.26 the assessments under contract with the lead agency must not perform any waiver-related  
17.27 tasks other than assessments. Hospitals are not eligible for reimbursement under subdivision  
17.28 33. The lead agency that enters into a contract with a hospital under this paragraph is  
17.29 responsible for oversight, compliance, and quality assurance for all assessments performed  
17.30 under the contract.

17.31 (g) The commissioner must employ certified assessors within the department to conduct  
17.32 assessments on behalf of lead agencies under conditions and circumstances determined by  
17.33 the commissioner. Certified assessors employed by the department may conduct assessments

18.1 in addition to other duties as assigned, except the certified assessors employed by the  
18.2 department must not perform any responsibilities of a lead agency described in this section  
18.3 other than assessments. Nothing in this paragraph creates an obligation for the department  
18.4 to provide the department's certified assessors to conduct assessments on behalf of a lead  
18.5 agency.

18.6 Sec. 13. Minnesota Statutes 2024, section 256B.0911, subdivision 26, is amended to read:

18.7 Subd. 26. **Determination of institutional level of care.** (a) The determination of need  
18.8 for hospital and intermediate care facility levels of care must be made according to criteria  
18.9 developed by the commissioner, and in section 256B.092, using forms developed by the  
18.10 commissioner.

18.11 (b) The determination of need for nursing facility level of care must be made based on  
18.12 criteria in section 144.0724, subdivision 11. This paragraph expires upon the effective date  
18.13 of paragraph (c).

18.14 (c) Effective January 1, 2027, or upon federal approval, whichever is later, the  
18.15 determination of need for nursing facility level of care must be made based on criteria in  
18.16 section 144.0724, subdivision 11, or for brain injury and community access for disability  
18.17 inclusion waiver services provided under section 256B.49 based on criteria in section  
18.18 144.0724, subdivision 11a.

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

18.20 Sec. 14. Minnesota Statutes 2025 Supplement, section 256B.092, subdivision 3b, is  
18.21 amended to read:

18.22 Subd. 3b. **Service authorizations and service agreements.** (a) Recipients must be  
18.23 screened and authorized for services according to the federally approved waiver application  
18.24 and its subsequent amendments.

18.25 (b) The commissioner must require lead agency supervisors to review and accept all  
18.26 service agreements entered by lead agency staff into the Medicaid management information  
18.27 system (MMIS) prior to the commissioner's approval of the service agreement.

18.28 (c) For a service agreement with a proposed total authorized amount that exceeds the  
18.29 total authorized amount in the recipient's prior service agreement by more than the value  
18.30 of legislatively enacted rate increases, the commissioner must manually review and manually  
18.31 approve the service agreement in the MMIS. For purposes of this paragraph, "prior service

19.1 agreement" means the service agreement that was in effect 12 months prior to the start date  
 19.2 of the new proposed service agreement.

19.3 (d) In a format prescribed by the commissioner, lead agencies must submit the following  
 19.4 information for all service agreements subject to the commissioner's approval in paragraph  
 19.5 (c):

19.6 (1) changes in the number of units authorized;

19.7 (2) new services authorized;

19.8 (3) changes in the values used to calculate service rates under section 256B.4914, except  
 19.9 for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;

19.10 (4) changes in the person's level of need that require an increase in the amount of services  
 19.11 authorized;

19.12 (5) documentation detailing why the previous amount of services is not sufficient to  
 19.13 meet the person's needs; and

19.14 (6) anticipated impact if the total service amount is not increased to the proposed amount.

19.15 (e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b,  
 19.16 and rate changes authorized by the 2025 legislature, the commissioner must not approve  
 19.17 service agreements under paragraph (c) that are not the result of either a documented change  
 19.18 in a person's assessed needs or documented evidence that the previous level of service was  
 19.19 insufficient to meet the person's assessed needs.

19.20 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~  
 19.21 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~  
 19.22 ~~implemented.~~

19.23 Sec. 15. Minnesota Statutes 2024, section 256B.092, subdivision 5, is amended to read:

19.24 Subd. 5. **Federal waivers.** (a) The commissioner shall apply for any federal waivers  
 19.25 necessary to secure, to the extent allowed by law, federal financial participation under United  
 19.26 States Code, title 42, sections 1396 et seq., as amended, for the provision of services to  
 19.27 persons who, in the absence of the services, would need the level of care provided in a  
 19.28 regional treatment center or a community intermediate care facility for persons with  
 19.29 developmental disabilities. The commissioner may seek amendments to the waivers or apply  
 19.30 for additional waivers under United States Code, title 42, sections 1396 et seq., as amended,  
 19.31 to contain costs. The commissioner shall ensure that payment for the cost of providing home  
 19.32 and community-based alternative services under the federal waiver plan shall not exceed

20.1 the cost of intermediate care services including day training and habilitation services that  
20.2 would have been provided without the waived services.

20.3 The commissioner shall seek an amendment to the 1915(c) home and community-based  
20.4 waiver to allow properly licensed adult foster care homes to provide residential services to  
20.5 up to five individuals with developmental disabilities. If the amendment to the waiver is  
20.6 approved, adult foster care providers that can accommodate five individuals shall increase  
20.7 their capacity to five beds, provided the providers continue to meet all applicable licensing  
20.8 requirements.

20.9 (b) The commissioner, in administering home and community-based waivers for persons  
20.10 with developmental disabilities, shall ensure that day services for eligible persons are not  
20.11 provided by the person's residential service provider, unless the person or the person's legal  
20.12 representative is offered a choice of providers and agrees in writing to provision of day  
20.13 services by the residential service provider. The support plan for individuals who choose  
20.14 to have their residential service provider provide their day services must describe how health,  
20.15 safety, protection, and habilitation needs will be met, including how frequent and regular  
20.16 contact with persons other than the residential service provider will occur. The support plan  
20.17 must address the provision of services during the day outside the residence on weekdays.

20.18 (c) When a lead agency is evaluating denials, reductions, or terminations of home and  
20.19 community-based services under section 256B.0916 for an individual, the lead agency shall  
20.20 offer to meet with the individual or the individual's guardian in order to discuss the  
20.21 prioritization of service needs within the support plan. The reduction in the authorized  
20.22 services for an individual due to changes in funding for waived services may not exceed  
20.23 the amount needed to ensure medically necessary services to meet the individual's health,  
20.24 safety, and welfare.

20.25 ~~(d) The commissioner shall seek federal approval to allow for the reconfiguration of the~~  
20.26 ~~1915(c) home and community-based waivers in this section, as authorized under section~~  
20.27 ~~1915(e) of the federal Social Security Act, to implement a two-waiver program structure.~~

20.28 ~~(e) The transition to two disability home and community-based services waiver programs~~  
20.29 ~~must align with the independent living first policy under section 256B.4905. Unless~~  
20.30 ~~superseded by any other state or federal law, waiver eligibility criteria shall be the same for~~  
20.31 ~~each waiver. The waiver program that a person uses shall be determined by the support~~  
20.32 ~~planning process and whether the person chooses to live in a provider-controlled setting or~~  
20.33 ~~in the person's own home.~~

21.1 ~~(f) Prior to July 1, 2024, the commissioner shall seek federal approval for the 1915(e)~~  
21.2 ~~home and community-based waivers in this section, as authorized under section 1915(e) of~~  
21.3 ~~the federal Social Security Act, to implement an individual resource allocation methodology.~~

21.4 Sec. 16. Minnesota Statutes 2024, section 256B.49, subdivision 11, is amended to read:

21.5 Subd. 11. **Authority.** (a) The commissioner is authorized to apply for home and  
21.6 community-based service waivers, as authorized under section 1915(c) of the federal Social  
21.7 Security Act to serve persons under the age of 65 who are determined to require the level  
21.8 of care provided in a nursing home and persons who require the level of care provided in a  
21.9 hospital. The commissioner shall apply for the home and community-based waivers in order  
21.10 to:

21.11 (1) promote the support of persons with disabilities in the most integrated settings;

21.12 (2) expand the availability of services for persons who are eligible for medical assistance;

21.13 (3) promote cost-effective options to institutional care; and

21.14 (4) obtain federal financial participation.

21.15 (b) The provision of waiver services to medical assistance recipients with disabilities  
21.16 shall comply with the requirements outlined in the federally approved applications for home  
21.17 and community-based services and subsequent amendments, including provision of services  
21.18 according to a service plan designed to meet the needs of the individual. For purposes of  
21.19 this section, the approved home and community-based application is considered the necessary  
21.20 federal requirement.

21.21 (c) The commissioner shall provide interested persons serving on agency advisory  
21.22 committees, task forces, the Centers for Independent Living, and others who request to be  
21.23 on a list to receive, notice of, and an opportunity to comment on, at least 30 days before  
21.24 any effective dates, (1) any substantive changes to the state's disability services program  
21.25 manual, or (2) changes or amendments to the federally approved applications for home and  
21.26 community-based waivers, prior to their submission to the federal Centers for Medicare  
21.27 and Medicaid Services.

21.28 (d) The commissioner shall seek approval, as authorized under section 1915(c) of the  
21.29 federal Social Security Act, to allow medical assistance eligibility under this section for  
21.30 children under age 21 without deeming of parental income or assets.

22.1 (e) The commissioner shall seek approval, as authorized under section 1915(c) of the  
 22.2 Social Act, to allow medical assistance eligibility under this section for individuals under  
 22.3 age 65 without deeming the spouse's income or assets.

22.4 (f) The commissioner shall comply with the requirements in the federally approved  
 22.5 transition plan for the home and community-based services waivers authorized under this  
 22.6 section.

22.7 ~~(g) The commissioner shall seek federal approval to allow for the reconfiguration of the~~  
 22.8 ~~1915(c) home and community-based waivers in this section, as authorized under section~~  
 22.9 ~~1915(c) of the federal Social Security Act, to implement a two-waiver program structure.~~

22.10 ~~(h) The commissioner shall seek federal approval for the 1915(c) home and~~  
 22.11 ~~community-based waivers in this section, as authorized under section 1915(c) of the federal~~  
 22.12 ~~Social Security Act, to implement an individual resource allocation methodology.~~

22.13 Sec. 17. Minnesota Statutes 2025 Supplement, section 256B.49, subdivision 17a, is  
 22.14 amended to read:

22.15 Subd. 17a. **Service authorizations and service agreements.** (a) Recipients must be  
 22.16 screened and authorized for services according to the federally approved waiver application  
 22.17 and its subsequent amendments.

22.18 (b) The commissioner must require lead agency supervisors to review and accept all  
 22.19 service agreements entered by lead agency staff into the Medicaid management information  
 22.20 system (MMIS) prior to the commissioner's approval of the service agreement.

22.21 (c) For a service agreement with a proposed total authorized amount that exceeds the  
 22.22 total authorized amount in the recipient's prior service agreement by more than the value  
 22.23 of legislatively enacted rate increases, the commissioner must manually review and manually  
 22.24 approve the service agreement in the MMIS. For purposes of this paragraph, "prior service  
 22.25 agreement" means the service agreement that was in effect 12 months prior to the start date  
 22.26 of the new proposed service agreement.

22.27 (d) In a format prescribed by the commissioner, lead agencies must submit the following  
 22.28 information for all service agreements subject to the commissioner's approval in paragraph  
 22.29 (c):

22.30 (1) changes in the number of units authorized;

22.31 (2) new services authorized;

23.1 (3) changes in the values used to calculate service rates under section 256B.4914, except  
 23.2 for automatic adjustments required under section 256B.4914, subdivisions 5 and 5b;

23.3 (4) changes in the person's level of need that require an increase in the amount of services  
 23.4 authorized;

23.5 (5) documentation detailing why the previous amount of services is not sufficient to  
 23.6 meet the person's needs; and

23.7 (6) anticipated impact if the total service amount is not increased to the proposed amount.

23.8 (e) Except for rate increases required under section 256B.4914, subdivisions 5 and 5b,  
 23.9 and rate changes authorized by the 2025 legislature, the commissioner must not approve  
 23.10 service agreements under paragraph (c) that are not the result of either a documented change  
 23.11 in a person's assessed needs or documented evidence that the previous level of service was  
 23.12 insufficient to meet the person's assessed needs.

23.13 ~~(f) This subdivision expires upon full implementation of waiver reimagine. The~~  
 23.14 ~~commissioner must inform the revisor of statutes when waiver reimagine is fully~~  
 23.15 ~~implemented.~~

23.16 Sec. 18. Minnesota Statutes 2025 Supplement, section 256B.4914, subdivision 8, is  
 23.17 amended to read:

23.18 Subd. 8. **Unit-based services with programming; component values and calculation**  
 23.19 **of payment rates.** (a) For the purpose of this section, unit-based services with programming  
 23.20 include employment exploration services, employment development services, employment  
 23.21 support services, individualized home supports with family training, individualized home  
 23.22 supports with training, and positive support services provided to an individual outside of  
 23.23 any service plan for a day program or residential support service.

23.24 (b) Component values for unit-based services with programming are:

23.25 (1) competitive workforce factor: 6.7 percent;

23.26 (2) supervisory span of control ratio: 11 percent;

23.27 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

23.28 (4) employee-related cost ratio: 23.6 percent;

23.29 (5) program plan support ratio: 15.5 percent;

23.30 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision  
 23.31 5b;

- 24.1 (7) general administrative support ratio: 13.25 percent;
- 24.2 (8) program-related expense ratio: 6.1 percent; and
- 24.3 (9) absence and utilization factor ratio: 3.9 percent.
- 24.4 (c) A unit of service for unit-based services with programming is 15 minutes.
- 24.5 (d) Payments for unit-based services with programming must be calculated as follows,
- 24.6 unless the services are reimbursed separately as part of a residential support services or day
- 24.7 program payment rate:
- 24.8 (1) determine the number of units of service to meet a recipient's needs;
- 24.9 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 24.10 provided in subdivisions 5 and 5a;
- 24.11 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 24.12 product of one plus the competitive workforce factor;
- 24.13 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 24.14 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 24.15 to the result of clause (3);
- 24.16 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 24.17 (6) multiply the number of direct staffing hours by the product of the supervisory span
- 24.18 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 24.19 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 24.20 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 24.21 rate;
- 24.22 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 24.23 plan support ratio;
- 24.24 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 24.25 employee-related cost ratio;
- 24.26 (10) for client programming and supports, multiply the result of clause (9) by one plus
- 24.27 the client programming and support ratio;
- 24.28 (11) this is the subtotal rate;
- 24.29 (12) sum the standard general administrative support ratio, the program-related expense
- 24.30 ratio, and the absence and utilization factor ratio;

25.1 (13) divide the result of clause (11) by one minus the result of clause (12). This is the  
25.2 total payment amount;

25.3 (14) for services provided in a shared manner, divide the total payment in clause (13)  
25.4 as follows:

25.5 (i) for employment exploration services, divide by the number of service recipients, not  
25.6 to exceed five;

25.7 (ii) for employment support services, divide by the number of service recipients, not to  
25.8 exceed six;

25.9 (iii) for individualized home supports with training and individualized home supports  
25.10 with family training, divide by the number of service recipients, not to exceed three; and

25.11 (iv) for night supervision, divide by the number of service recipients, not to exceed two;  
25.12 and

25.13 (15) adjust the result of clause (14) by a factor to be determined by the commissioner  
25.14 to adjust for regional differences in the cost of providing services.

25.15 (e) Effective January 1, 2026, or upon federal approval, whichever is later, a provider  
25.16 must not bill more than three consecutive hours and not more than six total hours per day  
25.17 for individualized home supports with training and individualized home supports with family  
25.18 training. This daily limit does not limit a person's use of other disability waiver services,  
25.19 including individualized home supports, which may be provided on the same day by the  
25.20 same provider providing individualized home supports with training or individualized home  
25.21 supports with family training. This paragraph expires upon the effective date of paragraph  
25.22 (f).

25.23 (f) Effective January 1, 2027, or upon federal approval, whichever is later, except as  
25.24 provided in paragraph (g), a provider must not bill more than:

25.25 (1) for individualized home supports with training, a monthly unit of service determined  
25.26 by multiplying 24 units by the total number of days in the month during which service was  
25.27 provided; and

25.28 (2) for individualized home supports with family training, not more than six total hours  
25.29 per day.

25.30 (g) The daily limits specified in paragraph (f) do not:

25.31 (1) limit a person's use of other disability waiver services, including individualized home  
25.32 supports, which may be provided on the same day by the same provider providing

26.1 individualized home supports with training or individualized home supports with family  
26.2 training; or

26.3 (2) apply to individuals who are assessed under section 256B.0911 to need a 24-hour  
26.4 plan of care.

26.5 Sec. 19. Minnesota Statutes 2024, section 256S.205, subdivision 1, is amended to read:

26.6 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this  
26.7 subdivision have the meanings given.

26.8 (b) "Application year" means a year in which a facility submits an application for  
26.9 designation as a disproportionate share facility.

26.10 (c) "Customized living resident" means a resident of a facility who is receiving either  
26.11 24-hour customized living services or customized living services authorized under the  
26.12 elderly waiver, the brain injury waiver, or the community access for disability inclusion  
26.13 waiver. Effective August 31, 2025, a resident who experiences an interruption to waiver  
26.14 benefits resulting from a temporary absence from the facility is a customized living resident  
26.15 during the period of the temporary absence for purposes of this section.

26.16 (d) "Disproportionate share facility" means a facility designated by the commissioner  
26.17 under subdivision 4.

26.18 (e) "Facility" means either an assisted living facility licensed under chapter 144G or a  
26.19 setting that is exempt from assisted living licensure under section 144G.08, subdivision 7,  
26.20 clauses (10) to (13).

26.21 (f) "Rate year" means January 1 to December 31 of the year following an application  
26.22 year.

26.23 (g) "Residing in the facility" means that the facility is the resident's fixed permanent  
26.24 home and the place to which the resident intends to return following a temporary absence.

26.25 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2025.

26.26 Sec. 20. Minnesota Statutes 2025 Supplement, section 256S.205, subdivision 2, is amended  
26.27 to read:

26.28 Subd. 2. **Rate adjustment application.** (a) Effective through September 30, 2023, a  
26.29 facility may apply to the commissioner for an initial designation as a disproportionate share  
26.30 facility. Applications must be submitted annually between September 1 and September 30.

27.1 The applying facility must apply in a manner determined by the commissioner. The applying  
 27.2 facility must document each of the following on the application:

27.3 (1) the number of customized living residents residing in the facility on September 1 of  
 27.4 the application year, broken out by specific waiver program; and

27.5 (2) the total number of people residing in the facility on September 1 of the application  
 27.6 year.

27.7 (b) Effective October 1, 2023, the commissioner must not process any new initial  
 27.8 applications for disproportionate share facilities.

27.9 (c) A facility that received rate floor payments in rate year 2024 may submit an annual  
 27.10 application under this subdivision to maintain its designation as a disproportionate share  
 27.11 facility.

27.12 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2025.

27.13 Sec. 21. Laws 2023, chapter 61, article 1, section 61, subdivision 4, as amended by Laws  
 27.14 2025, First Special Session chapter 9, article 2, section 57, is amended to read:

27.15 Subd. 4. **Evaluation and report.** By December 1, 2024, the commissioner must submit  
 27.16 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 27.17 over human services finance and policy an interim report on the impact and outcomes of  
 27.18 the grants, including the number of grants awarded and the organizations receiving the  
 27.19 grants. The interim report must include any available evidence of how grantees were able  
 27.20 to increase utilization of supported decision making and reduce or avoid more restrictive  
 27.21 forms of decision making such as guardianship and conservatorship. By December 1, 2026,  
 27.22 the commissioner must submit to the chairs and ranking minority members of the legislative  
 27.23 committees with jurisdiction over human services finance and policy a ~~final~~ second interim  
 27.24 report on the impact and outcomes of the grants, including any updated information from  
 27.25 the interim report and the total number of people served by the grants. The ~~final~~ second  
 27.26 interim report must also detail how the money was used to achieve the requirements in  
 27.27 subdivision 3, paragraph (b). By December 1, 2028, the commissioner must submit to the  
 27.28 chairs and ranking minority members of the legislative committees with jurisdiction over  
 27.29 human services finance and policy a final report on the impact and outcomes of the grants,  
 27.30 including any updated information from the interim reports and the total number of people  
 27.31 served by the grants.

28.1 Sec. 22. Laws 2025, First Special Session chapter 9, article 2, section 58, subdivision 9,  
28.2 is amended to read:

28.3 Subd. 9. **Savings determinations.** (a) When preparing the forecast for state revenue and  
28.4 expenditures under Minnesota Statutes, section 16A.103, the commissioner of management  
28.5 and budget must assume ~~the following reductions of~~ a reduction of \$62,601,000 in human  
28.6 services general fund spending for the biennium beginning July 1, 2027, until the end of  
28.7 the legislative session that enacts a budget for the commissioner of human services for the  
28.8 biennium beginning July 1, 2027:

28.9 ~~(1) if a bond appropriation for the replacement of the Miller Building on the Anoka~~  
28.10 ~~Metro Regional Treatment Center Campus is enacted during a 2025 special session,~~  
28.11 ~~\$177,542,000; or~~

28.12 ~~(2) if a bond appropriation for the replacement of the Miller Building on the Anoka~~  
28.13 ~~Metro Regional Treatment Center Campus is not enacted during a 2025 special session,~~  
28.14 ~~\$143,542,000.~~

28.15 (b) Upon enactment of a budget for the commissioner of human services for the biennium  
28.16 beginning July 1, 2027, the legislature must identify enacted provisions that were  
28.17 recommended by the advisory council under subdivision 7.

28.18 (c) To the extent the net savings attributable to the provisions identified by the legislature  
28.19 under paragraph (b) for the biennium beginning July 1, 2027, are less than the assumed  
28.20 savings in paragraph (a), the commissioner of human services must implement the contingent  
28.21 spending reductions described in subdivision 10, beginning July 1, 2027, or upon federal  
28.22 approval, whichever is later.

28.23 Sec. 23. **WAIVER CASE MANAGEMENT QUALITY WORKING GROUP.**

28.24 Subdivision 1. Establishment. The commissioner of human services must convene a  
28.25 waiver case management quality working group to develop recommendations related to  
28.26 county provision of home and community-based waiver case management services without  
28.27 the use of contractors.

28.28 Subd. 2. **Membership.** At a minimum, the working group must include the following  
28.29 members:

28.30 (1) two individuals receiving waiver services or family members of or advocates for  
28.31 individuals receiving waiver services, appointed by the commissioner, in consultation with  
28.32 organizations representing individuals with lived experience of disability and waiver services;

29.1 (2) three county representatives, appointed by the Minnesota Association of County  
 29.2 Social Service Administrators;

29.3 (3) at least three representatives of contracted case management agencies, appointed by  
 29.4 the Minnesota Social Service Association, including:

29.5 (i) at least one representative of a contracted case management agency located in a  
 29.6 metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4; and

29.7 (ii) at least two representatives of contracted case management agencies located outside  
 29.8 of a metropolitan county;

29.9 (4) one staff member from the Minnesota Social Service Association, appointed by the  
 29.10 Minnesota Social Service Association;

29.11 (5) one member of a Tribal Nation, appointed by the commissioner;

29.12 (6) two representatives of disability advocacy organizations, appointed by the  
 29.13 commissioner; and

29.14 (7) additional nonvoting participants as determined by the commissioner, which may  
 29.15 include staff from the Department of Human Services and other interested parties.

29.16 Subd. 3. **Duties.** (a) The working group must make recommendations to ensure that  
 29.17 clients are receiving high-quality case management services. The working group must  
 29.18 consider the following proposals:

29.19 (1) requiring written documentation of visits with clients in order to receive payment;

29.20 (2) requiring initial and annual case management training conducted by the Department  
 29.21 of Human Services, with input from the counties related to core competencies and the  
 29.22 training curriculum;

29.23 (3) requiring a county to accept a client transfer and continue services at the level provided  
 29.24 by the previous county without the client reapplying for services;

29.25 (4) prohibiting a county from arbitrarily reducing the level and type of services a client  
 29.26 receives;

29.27 (5) requiring case management service providers to submit to a yearly financial audit  
 29.28 and random inspections of files and documentation;

29.29 (6) requiring counties that contract for case management services to utilize a competitive  
 29.30 process for the procurement of contracted case management services at least once every  
 29.31 three years;

30.1 (7) requiring case management service providers to implement a grievance process for  
 30.2 clients that must document all complaints and responses to and resolutions of complaints;  
 30.3 and

30.4 (8) requiring contracted case management service providers to annually report to the  
 30.5 county the provider's case load numbers and staff turnover rate.

30.6 (b) The working group must make recommendations to transition from a contract-based  
 30.7 case management services system to a system in which counties provide case management  
 30.8 services without contracting for those services. The recommendations must include but are  
 30.9 not limited to:

30.10 (1) ways to reduce complaints and improve quality of waiver case management services;

30.11 (2) an evaluation of the impact of current funding levels, administrative structures, and  
 30.12 workforce capacity on case management service delivery;

30.13 (3) an examination of alternative accountability and oversight models that protect access,  
 30.14 provider flexibility, and case management service quality;

30.15 (4) creation of a variance process, including county oversight and contractor site visits,  
 30.16 to allow a county to continue to use contracted case management services; and

30.17 (5) legislative or administrative changes to strengthen the waiver case management  
 30.18 services system.

30.19 Subd. 4. **Compensation; expenses.** Members of the working group may receive  
 30.20 compensation and expense reimbursement as provided in Minnesota Statutes, section 15.059,  
 30.21 subdivision 3.

30.22 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group  
 30.23 must be convened no later than August 1, 2026. The working group must meet at least  
 30.24 monthly. Meetings are subject to Minnesota Statutes, chapter 13D. The working group may  
 30.25 meet by telephone or interactive technology consistent with Minnesota Statutes, section  
 30.26 13D.015.

30.27 (b) The Department of Human Services shall provide staff and administrative support  
 30.28 to convene the working group, facilitate working group meetings, and prepare the final  
 30.29 report.

30.30 Subd. 6. **Report.** By September 1, 2027, the commissioner shall submit a report of the  
 30.31 working group's findings and recommendations, including any legislative language necessary

31.1 to implement the recommendations, to the chairs and ranking minority members of the  
 31.2 legislative committees with jurisdiction over human services policy and finance.

31.3 Subd. 7. **Expiration.** The working group expires upon submission of the report required  
 31.4 under subdivision 6.

31.5 Sec. 24. **DIRECTION TO COMMISSIONER; CASE MANAGEMENT AND HOME**  
 31.6 **AND COMMUNITY-BASED SERVICES RATES STUDY.**

31.7 (a) The commissioner of human services shall analyze the current rate-setting  
 31.8 methodology for all case management and medical assistance home and community-based  
 31.9 services waivers and make recommendations to improve rate-setting methodologies to more  
 31.10 accurately reflect service costs. By January 1, 2027, the commissioner shall issue a request  
 31.11 for proposals to analyze the rate frameworks and current rate-setting practices. The  
 31.12 commissioner must consult with lead agencies and providers across the spectrum of services  
 31.13 and regions of the state and with culturally responsive providers when developing the request  
 31.14 for proposals and for the duration of the contract.

31.15 (b) By January 15, 2028, the commissioner must submit to the chairs and ranking minority  
 31.16 members of the legislative committees with jurisdiction over human services policy and  
 31.17 finance a report on the initial results of the analysis required under this section. By January  
 31.18 15, 2029, the commissioner must submit to the chairs and ranking minority members of the  
 31.19 legislative committees with jurisdiction over human services policy and finance a final  
 31.20 report that includes legislative language necessary to modify existing or implement new  
 31.21 rate methodologies and a detailed fiscal analysis.

31.22 Sec. 25. **DIRECTION TO COMMISSIONER; ASSESSMENT OF**  
 31.23 **ADMINISTRATIVE ROLES.**

31.24 (a) The commissioner of human services, in consultation with Tribal Nations and counties,  
 31.25 must conduct a study to assess and recommend improvements to the roles and responsibilities  
 31.26 of the state agency, counties, and Tribal Nations in administering human services programs.

31.27 (b) The study must include a comprehensive review of programs administered by the  
 31.28 department, including but not limited to medical assistance, MinnesotaCare, behavioral  
 31.29 health services, long-term services and supports, housing and homelessness programs,  
 31.30 Minnesota supplemental aid, general assistance, and licensing and oversight functions.

31.31 (c) The study must evaluate the:

32.1 (1) current roles and responsibilities held by the state agency, counties, and Tribal Nations  
 32.2 in administering human services programs, including but not limited to the challenges and  
 32.3 benefits of the current delegation of roles and responsibilities;

32.4 (2) lived experience of people accessing human services programs related to the  
 32.5 delegation of administrative duties;

32.6 (3) financing of human services program administration across the state agency, counties,  
 32.7 and Tribal Nations; and

32.8 (4) administration of human services programs in other states, focusing on the roles and  
 32.9 responsibilities of the local governments versus the state Medicaid or human services agency,  
 32.10 and identifying the benefits, challenges, and financing of the delegation of duties.

32.11 (d) The study must focus on the goals of transforming the human services system to  
 32.12 ensure a transparent, accessible, accountable, equitable, and effective human services system.

32.13 (e) The study must provide recommendations for the optimal delegation of duties between  
 32.14 the state agency, counties, and Tribal Nations in the delivery of human services.

32.15 Recommendations must include:

32.16 (1) how the delegation of duties will improve the experience of people accessing human  
 32.17 services;

32.18 (2) implementation and timing considerations to ensure continuity of services;

32.19 (3) systems technology adaptations required;

32.20 (4) workforce considerations; and

32.21 (5) financing strategies and the estimated fiscal impact to the state budget.

32.22 (f) By October 1, 2028, the commissioner must submit a report on the study and  
 32.23 recommendations to the chairs and ranking minority members of the legislative committees  
 32.24 with jurisdiction over health and human services policy and finance.

32.25 **Sec. 26. MNCHOICES REDESIGN WORKING GROUP.**

32.26 Subdivision 1. **Establishment.** The commissioner of human services shall convene a  
 32.27 MnCHOICES redesign working group to develop recommendations related to state provision  
 32.28 of MnCHOICES assessments under Minnesota Statutes, section 256B.0911, subdivision  
 32.29 14, paragraph (g).

32.30 Subd. 2. **Membership.** At a minimum, the working group must include the following  
 32.31 members:

33.1 (1) two individuals receiving waiver services or the individuals' family members or  
 33.2 advocates, appointed by the commissioner in consultation with organizations representing  
 33.3 individuals with lived experience of disability and waiver services;

33.4 (2) three county representatives, appointed by the Minnesota Association of County  
 33.5 Social Service Administrators, including:

33.6 (i) at least one representative of a lead agency located in a metropolitan county, as defined  
 33.7 in Minnesota Statutes, section 473.121, subdivision 4; and

33.8 (ii) at least two representatives of lead agencies located outside of a metropolitan county,  
 33.9 as defined in Minnesota Statutes, section 473.121, subdivision 4;

33.10 (3) one staff member from the Minnesota Social Service Association, appointed by the  
 33.11 Minnesota Social Service Association;

33.12 (4) at least three representatives from Tribal Nations, appointed by the commissioner;

33.13 (5) two representatives of disability advocacy organizations, appointed by the  
 33.14 commissioner; and

33.15 (6) additional nonvoting participants as determined by the commissioner, which may  
 33.16 include staff from the Department of Human Services and other interested parties.

33.17 Subd. 3. **Duties.** The working group shall make recommendations to shift the  
 33.18 responsibility and administration of conducting MnCHOICES assessments to the state.  
 33.19 Recommendations must include:

33.20 (1) defined roles and responsibilities between county, Tribal Nation, and state functions;

33.21 (2) revised payment methodologies and financing of duties;

33.22 (3) efficient workflows between local and state functions;

33.23 (4) service continuity for people seeking and receiving long-term services and supports;  
 33.24 and

33.25 (5) methods for gathering public feedback and providing public awareness.

33.26 Subd. 4. **Terms, compensation, and removal.** The terms, compensation, and removal  
 33.27 of the working group members are governed by Minnesota Statutes, section 15.059.

33.28 Subd. 5. **Meetings; administrative support.** (a) The first meeting of the working group  
 33.29 must be convened no later than August 1, 2026. The working group must meet at least  
 33.30 monthly. The working group may meet by telephone or interactive technology consistent  
 33.31 with Minnesota Statutes, section 13D.015.

34.1 (b) The Department of Human Services shall provide staff and administrative support  
 34.2 to convene the working group, facilitate working group meetings, and prepare the final  
 34.3 report.

34.4 Subd. 6. **Report.** By September 1, 2027, the commissioner must submit a report of the  
 34.5 working group's findings and recommendations, including but not limited to any legislative  
 34.6 changes necessary to implement the recommendations, to the chairs and ranking minority  
 34.7 members of the legislative committees with jurisdiction over human services policy and  
 34.8 finance.

34.9 Subd. 7. **Expiration.** The working group expires upon submission of the report required  
 34.10 under subdivision 6.

34.11 Sec. 27. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**  
 34.12 **IMPLEMENTATION OF NEW NURSING FACILITY LEVEL OF CARE CRITERIA.**

34.13 For existing brain injury and community access for disability inclusion waiver  
 34.14 participants, the effective date of the termination of waiver services based on Minnesota  
 34.15 Statutes, section 144.0724, subdivision 11a, must be at least 90 days after the date of the  
 34.16 reassessment that results in a determination that the individual no longer meets the level of  
 34.17 care criteria.

34.18 Sec. 28. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; INCREASE**  
 34.19 **TIERED RATES FOR FAMILY RESIDENTIAL AND LIFE SHARING SERVICES.**

34.20 Effective January 1, 2027, or upon federal approval, whichever is later, the commissioner  
 34.21 of human services must increase payment rates for family residential services previously  
 34.22 established under Minnesota Statutes, section 256B.4914, subdivision 19, and amended  
 34.23 under Laws 2025, First Special Session chapter 9, article 2, section 68, as follows:

34.24 (1) for tier 4 and tier 5, by ten percent; and

34.25 (2) for tier 6, by 20 percent.

34.26 Rates for life sharing services must be ten percent higher than the corresponding family  
 34.27 residential services rate established under this section.

34.28 Sec. 29. **REPEALER.**

34.29 (a) Minnesota Statutes 2024, section 256B.0921, is repealed

34.30 (b) Minnesota Statutes 2025 Supplement, sections 256B.4907, subdivisions 1, 2, 3, 4,  
 34.31 5, and 6; and 256S.205, subdivision 7, are repealed.

35.1 (c) Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by  
35.2 Laws 2020, First Special Session chapter 2, article 3, section 2; and Laws 2021, First Special  
35.3 Session chapter 7, article 13, sections 73, as amended by Laws 2025, First Special Session  
35.4 chapter 9, article 2, section 56; and 75, subdivision 1, as amended by Laws 2024, chapter  
35.5 108, article 1, section 28, are repealed.

### 35.6 ARTICLE 3

### 35.7 BEHAVIORAL HEALTH

35.8 Section 1. Minnesota Statutes 2024, section 254A.03, subdivision 2, is amended to read:

35.9 Subd. 2. **American Indian programs.** There is hereby created a section of American  
35.10 Indian programs, within the Alcohol and Drug Abuse Section of the Department of Human  
35.11 Services, to be headed by a special assistant for American Indian programs on substance  
35.12 misuse and substance use disorder and two assistants to that position. The section shall be  
35.13 staffed with all personnel necessary to fully administer programming for substance misuse  
35.14 and substance use disorder services for American Indians in the state. The special assistant  
35.15 position shall be filled by a person with considerable practical experience in and  
35.16 understanding of substance misuse and substance use disorder in the American Indian  
35.17 community, who shall be responsible to the director of the Alcohol and Drug Abuse Section  
35.18 created in subdivision 1 and shall be in the unclassified service. The special assistant shall  
35.19 meet and consult with the American Indian Advisory Council as described in section  
35.20 254A.035 and serve as a liaison to the Minnesota Indian Affairs Council and tribes to report  
35.21 on the status of substance misuse and substance use disorder among American Indians in  
35.22 the state of Minnesota. The special assistant with the approval of the director shall:

35.23 (1) administer direct payments using funds appropriated for American Indian groups,  
35.24 organizations and reservations within the state for American Indian substance misuse and  
35.25 substance use disorder programs;

35.26 (2) establish policies and procedures for such American Indian programs with the  
35.27 assistance of the American Indian Advisory Board; and

35.28 (3) hire and supervise staff to assist in the administration of the American Indian program  
35.29 section within the Alcohol and Drug Abuse Section of the Department of Human Services.

35.30 **EFFECTIVE DATE.** This section is effective January 1, 2027.

36.1 Sec. 2. Minnesota Statutes 2025 Supplement, section 254B.02, subdivision 5, is amended  
36.2 to read:

36.3 Subd. 5. **Tribal allocation.** The commissioner may make direct payments to Tribal  
36.4 Nation servicing agencies from money allocated under this section to support individuals  
36.5 with substance use disorders and determine eligibility for behavioral health fund payments.  
36.6 The payment must not be less than 133 percent of the Tribal Nations payment for the fiscal  
36.7 year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation  
36.8 for this chapter.

36.9 **EFFECTIVE DATE.** This section is effective January 1, 2027.

36.10 Sec. 3. Minnesota Statutes 2025 Supplement, section 254B.03, subdivision 4, is amended  
36.11 to read:

36.12 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section  
36.13 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out  
36.14 of local money, pay the state for 22.95 percent of the cost of substance use disorder services,  
36.15 except for those services provided to persons enrolled in medical assistance under chapter  
36.16 256B and room and board services under section 254B.0505, subdivision 1. Counties may  
36.17 use the indigent hospitalization levy for treatment and hospital payments made under this  
36.18 section.

36.19 (b) 22.95 percent of any state collections from private or third-party pay, less 15 percent  
36.20 for the cost of payment and collections, must be distributed to the county that paid for a  
36.21 portion of the treatment under this section.

36.22 (c) Notwithstanding paragraphs (a) and (b), a county that is classified as economically  
36.23 distressed is not responsible for the county share of the cost of substance use disorder  
36.24 services. The commissioner must classify a county as economically distressed if:

36.25 (1) more than 15 percent of the county's population is living in poverty, according to  
36.26 the most recent data published by the United States Census Bureau; and

36.27 (2) more than 70 percent of the total acreage in the county is exempt from property  
36.28 taxation under chapter 272.

36.29 The commissioner must not require any other county to pay to the state any portion of the  
36.30 cost of substance use disorder services subject to the exception under this paragraph.

37.1 Sec. 4. Minnesota Statutes 2025 Supplement, section 254B.0503, subdivision 1, is amended  
37.2 to read:

37.3 Subdivision 1. **Eligible vendor requirements.** (a) Vendors of room and board are  
37.4 eligible for behavioral health fund payment if the vendor:

37.5 (1) has rules prohibiting residents bringing chemicals into the facility or using chemicals  
37.6 while residing in the facility and provide consequences for infractions of those rules;

37.7 (2) is determined to meet applicable health and safety requirements;

37.8 (3) is not a jail or prison;

37.9 (4) is not concurrently receiving funds under chapter 256I for the recipient;

37.10 (5) admits individuals who are 18 years of age or older;

37.11 (6) is registered as a board and lodging or lodging establishment according to section  
37.12 157.17;

37.13 (7) has awake staff on site whenever a client is present;

37.14 (8) has staff who are at least 18 years of age and meet the requirements of section  
37.15 245G.11, subdivision 1, paragraph (b);

37.16 (9) has emergency behavioral procedures that meet the requirements of section 245G.16;

37.17 (10) meets the requirements of section 245G.08, subdivision 5, if administering  
37.18 medications to clients;

37.19 (11) meets the abuse prevention requirements of section 245A.65, including a policy on  
37.20 fraternization and the mandatory reporting requirements of section 626.557;

37.21 (12) documents coordination with the treatment provider to ensure compliance with  
37.22 section 254B.03, subdivision 2;

37.23 (13) protects client funds and ensures freedom from exploitation by meeting the  
37.24 provisions of section 245A.04, subdivision 13;

37.25 (14) has a grievance procedure that meets the requirements of section 245G.15,  
37.26 subdivision 2; and

37.27 (15) has sleeping and bathroom facilities for men and women separated by a door that  
37.28 is locked, has an alarm, or is supervised by awake staff.

37.29 (b) Programs providing children's mental health crisis admissions and stabilization under  
37.30 section 245.4882, subdivision 6, are eligible vendors of room and board.

38.1 (c) Programs providing children's residential services under section 245.4882, except  
 38.2 services for individuals who have a placement under chapter 260C or 260D, are eligible  
 38.3 vendors of room and board.

38.4 (d) A vendor that is not licensed as a residential treatment program must have a policy  
 38.5 to address staffing coverage when a client may unexpectedly need to be present at the room  
 38.6 and board site.

38.7 (e) No new vendors for room and board services may be approved after June 30, 2025,  
 38.8 to receive payments from the behavioral health fund, under the provisions of section 254B.04,  
 38.9 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,  
 38.10 2025, may continue to receive payments from the behavioral health fund for services provided  
 38.11 until ~~June 30, 2027~~ December 31, 2026. Room and board vendors providing services in  
 38.12 accordance with section 254B.04, subdivision 2a, will no longer be eligible to claim  
 38.13 reimbursement for room and board services provided on or after ~~July~~ January 1, 2027.

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

38.15 Sec. 5. Minnesota Statutes 2025 Supplement, section 254B.0509, subdivision 2, is amended  
 38.16 to read:

38.17 Subd. 2. **Annual adjustments.** Effective January 1, 2027, and annually thereafter, the  
 38.18 commissioner of human services must adjust the payment rates under ~~subdivision 1~~ section  
 38.19 254B.0505, subdivision 1, clauses (1) to (9), according to the change from the midpoint of  
 38.20 the previous rate year to the midpoint of the rate year for which the rate is being determined  
 38.21 using the Centers for Medicare and Medicaid Services Medicare Economic Index as  
 38.22 forecasted in the fourth quarter of the calendar year before the rate year. Notwithstanding  
 38.23 this subdivision, rates must not be adjusted lower than those established on January 1, 2026.

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

38.25 Sec. 6. Minnesota Statutes 2024, section 254B.17, is amended to read:

38.26 **254B.17 WITHDRAWAL MANAGEMENT START-UP AND**  
 38.27 **CAPACITY-BUILDING GRANTS.**

38.28 The commissioner must establish start-up and capacity-building grants for prospective  
 38.29 ~~or~~ new, or existing substance use disorder treatment or withdrawal management programs  
 38.30 ~~licensed under chapter 245F~~ that will meet ASAM criteria for medically ~~monitored~~ managed  
 38.31 or clinically monitored levels of care by integrating withdrawal management services into  
 38.32 outpatient, intensive outpatient, or residential treatment services. Grants must be used to

39.1 measurably increase the client capacity or expand available services. Grants must align  
 39.2 services with ASAM criteria. Grants may be used to add medications for opioid use disorder  
 39.3 to services. Grants may be used for capacity-building expenses that are not reimbursable  
 39.4 under Minnesota health care programs, including but not limited to:

39.5 (1) costs associated with hiring staff or contracting with medical services providers;

39.6 (2) costs associated with staff retention;

39.7 (3) the purchase of office equipment and supplies;

39.8 (4) the purchase of software;

39.9 (5) costs associated with obtaining applicable and required licenses;

39.10 (6) business formation costs;

39.11 (7) costs associated with staff training; ~~and~~

39.12 (8) the purchase of medical equipment and supplies necessary to meet health and safety  
 39.13 requirements;

39.14 (9) costs associated with adding or improving physical space;

39.15 (10) start-up costs associated with adding a new location; and

39.16 (11) costs associated with becoming ASAM certified for medically managed levels of  
 39.17 care.

39.18 Sec. 7. Minnesota Statutes 2024, section 256B.04, subdivision 23, is amended to read:

39.19 Subd. 23. **Medical assistance costs for certain inmates.** (a) The commissioner shall  
 39.20 execute an interagency agreement with the commissioner of corrections to recover the state  
 39.21 cost attributable to medical assistance eligibility for inmates of public institutions admitted  
 39.22 to a medical institution on an inpatient basis. The annual amount to be transferred from the  
 39.23 Department of Corrections under the agreement must include all eligible state medical  
 39.24 assistance costs, including administrative costs incurred by the Department of Human  
 39.25 Services, attributable to inmates under state and county jurisdiction admitted to medical  
 39.26 institutions on an inpatient basis that are related to the implementation of section 256B.055,  
 39.27 subdivision 14, paragraph (c). This paragraph expires upon the effective date of paragraph  
 39.28 (b).

39.29 (b) Effective January 1, 2028, or upon federal approval, whichever is later, the  
 39.30 commissioner shall execute an interagency agreement with the commissioner of corrections  
 39.31 to recover the state cost attributable to medical assistance eligibility for inmates of public

40.1 institutions admitted to a medical institution on an inpatient basis. The annual amount to  
 40.2 be transferred from the Department of Corrections under the agreement must include all  
 40.3 eligible state medical assistance costs, including administrative costs incurred by the  
 40.4 Department of Human Services, attributable to inmates under state and county jurisdiction  
 40.5 admitted to medical institutions on an inpatient basis that are related to the implementation  
 40.6 of section 256B.0618, paragraph (b).

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

40.8 **Sec. 8. [256B.0618] COVERAGE FOR DETAINED INDIVIDUALS.**

40.9 (a) An inmate of a correctional facility who is conditionally released under section  
 40.10 241.26, 244.065, or 631.425 is eligible for medical assistance if the individual:

40.11 (1) does not require the security of a public detention facility and is housed:

40.12 (i) in a halfway house or community correction center; or

40.13 (ii) under house arrest and monitored by electronic surveillance in a residence approved  
 40.14 by the commissioner of corrections; and

40.15 (2) meets all other eligibility requirements of this chapter.

40.16 (b) An individual, regardless of age, who is considered an inmate of a public institution  
 40.17 as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the  
 40.18 eligibility requirements in section 256B.056 is not eligible for medical assistance, except  
 40.19 for covered medical assistance services received:

40.20 (1) while an inpatient in a medical institution as defined in Code of Federal Regulations,  
 40.21 title 42, section 435.1010;

40.22 (2) by an eligible juvenile in accordance with the Consolidated Appropriations Act,  
 40.23 2023, Public Law 117-328, part 5121; or

40.24 (3) by an eligible individual under section 256B.0761.

40.25 (c) Security logistics and costs related to the inpatient treatment of an inmate are the  
 40.26 responsibility of the entity with jurisdiction over the inmate.

40.27 **EFFECTIVE DATE.** This section is effective January 1, 2028.

40.28 **Sec. 9. [256B.0619] CARCERAL TARGETED CASE MANAGEMENT SERVICES.**

40.29 Subdivision 1. **Generally.** Effective January 1, 2028, or upon federal approval, whichever  
 40.30 is later, medical assistance covers carceral targeted case management services in accordance

41.1 with section 256B.0761 and United States Code, title 42, sections 1396a(a)(84); 1396d(a)(32);  
 41.2 1397bb(d); and 1397jj(b)(2) and (7).

41.3 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
 41.4 meanings given.

41.5 (b) "Comprehensive care plan" means a person-centered plan that includes goals, tasks,  
 41.6 and services identified through screening and assessments and agreed upon by all parties.  
 41.7 Comprehensive care plan includes but is not limited to identifying resources and services  
 41.8 necessary to meet the individual's physical, behavioral health, and health-related social  
 41.9 needs prerelease and postrelease.

41.10 (c) "Consultation" means communication from a carceral targeted case manager to other  
 41.11 providers working with the same individual to inform, inquire, and instruct regarding the  
 41.12 individual's symptoms, strategies for effective engagement, care and intervention needs,  
 41.13 and treatment expectations across service settings, including but not limited to the education  
 41.14 services, social services, probation, home, primary care, medication prescribers, disabilities  
 41.15 services, and other mental health providers and to direct and coordinate clinical service  
 41.16 components provided to the justice-involved individual.

41.17 (d) "Targeted case management for justice-involved individuals" means the provision  
 41.18 of both county targeted case management and public or private vendor service coordination  
 41.19 services for the purpose of bridging prerelease and postrelease medical assistance services  
 41.20 to support the physical, behavioral health, and health-related social needs of justice-involved  
 41.21 individuals.

41.22 (e) "Targeted case management services" means services that assist medical assistance  
 41.23 eligible persons to gain access to needed medical, social, educational, and other services.

41.24 Subd. 3. **Eligibility.** The following individuals are eligible for carceral targeted case  
 41.25 management services:

41.26 (1) individuals eligible for medical assistance who meet all eligibility requirements under  
 41.27 United States Code, title 42, section 1396a(nn);

41.28 (2) individuals eligible for medical assistance who meet eligibility requirements for the  
 41.29 Children's Health Insurance Program under United States Code, title 42, section 1397jj(b)(7);  
 41.30 or

41.31 (3) individuals eligible for medical assistance who are currently incarcerated at a section  
 41.32 1115 reentry demonstration pilot facility and meet the participation requirements in section  
 41.33 256B.0761, subdivision 2.

42.1 Subd. 4. **Carceral targeted case management services.** (a) For individuals eligible for  
42.2 services under subdivision 3, clause (1) or (2), carceral targeted case management care  
42.3 coordination is available for 30 days before release and up to 180 days postrelease. For  
42.4 individuals eligible for services under subdivision 3, clause (3), carceral targeted case  
42.5 management care coordination is available for up to 90 days before release and up to 180  
42.6 days postrelease.

42.7 (b) Carceral targeted case management care coordination includes:

42.8 (1) comprehensive assessment and periodic reassessment addressing physical, behavioral,  
42.9 and health-related social needs in accordance with section 256B.0761 and United States  
42.10 Code, title 42, sections 1396a(nn) and 1397jj(b)(7);

42.11 (2) comprehensive care plans, including but not limited to:

42.12 (i) the desired goals of the individual;

42.13 (ii) the individual's preferences for services and supports;

42.14 (iii) formal and informal services and supports based on areas of assessment, such as  
42.15 social health, mental health, residence, family, education and vocation, safety, legal,  
42.16 self-determination, financial, and chemical health; and

42.17 (iv) housing arrangements postrelease;

42.18 (3) regular review and revision of the comprehensive care plan with the individual to  
42.19 ensure needs are adequately met by referrals and supports;

42.20 (4) coordination of referrals, which must contain more than just a list of resources, to  
42.21 bridge prerelease to postrelease medical assistance services, including but not limited to  
42.22 referrals to community-based services identified as a need on the comprehensive care plan;

42.23 (5) warm handoffs and follow-up post release through direct coordination between  
42.24 providers, including timely communication, active engagement of the individual when  
42.25 feasible, and facilitation of continuity of care upon release;

42.26 (6) monitoring and evaluation of services identified in the comprehensive care plan to  
42.27 ensure personal outcomes are met and to ensure satisfaction with services and service  
42.28 delivery;

42.29 (7) consultation with other professionals, including but not limited to community-based  
42.30 mental health providers; and

42.31 (8) completion and maintenance of necessary documentation that supports and verifies  
42.32 the activities in this section.

43.1 Subd. 5. Carceral targeted case management provider standards. Providers eligible  
43.2 to receive medical assistance reimbursement under this section must enroll as a Minnesota  
43.3 Health Care Programs provider. To qualify as a provider of carceral targeted case  
43.4 management services, a provider must:

43.5 (1) have a minimum of a bachelor's degree or a license in a health or human services  
43.6 field, comparable training and two years of experience in human services, or credentials  
43.7 from an American Indian Tribe under section 256B.02, subdivision 7;

43.8 (2) demonstrate the capacity and experience to provide targeted case management  
43.9 activities for justice-involved individuals as defined in subdivision 2;

43.10 (3) be able to coordinate and connect community resources needed by the recipient;

43.11 (4) demonstrate administrative capacity and experience to serve the justice-involved  
43.12 population for which the provider will provide services and ensure quality of services under  
43.13 state and federal requirements;

43.14 (5) have a financial management system that provides accurate documentation of services  
43.15 and costs under state and federal requirements;

43.16 (6) demonstrate capacity to document and maintain individual case records under state  
43.17 and federal requirements;

43.18 (7) demonstrate the capacity to coordinate with county administrative functions;

43.19 (8) be able to coordinate with health care providers to ensure access to necessary health  
43.20 care services;

43.21 (9) have a procedure that (i) notifies the recipient of any conflict of interest if the targeted  
43.22 case management service provider also provides the recipient's services and supports, (ii)  
43.23 provides information on all potential conflicts of interest, (iii) obtains the recipient's informed  
43.24 consent, and (iv) provides the recipient with alternatives; and

43.25 (10) demonstrate the capacity to achieve the following performance outcomes: (i) access;  
43.26 (ii) quality; and (iii) consumer satisfaction.

43.27 Subd. 6. Medical assistance payment and rate setting. (a) Carceral targeted case  
43.28 management rates are equal to rates authorized by the commissioner for relocation targeted  
43.29 case management under section 256B.0621, subdivision 10.

43.30 (b) The carceral targeted case management rate only includes eligible services delivered  
43.31 to an eligible recipient by an eligible provider.

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

44.1 Sec. 10. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision  
44.2 to read:

44.3 Subd. 77. **Carceral targeted case management.** Effective January 1, 2028, or upon  
44.4 federal approval, whichever is later, medical assistance covers carceral targeted case  
44.5 management services under section 256B.0619.

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

44.7 Sec. 11. Minnesota Statutes 2024, section 256B.0761, subdivision 2, is amended to read:

44.8 Subd. 2. **Eligible individuals.** (a) Notwithstanding section 256B.055, subdivision 14,  
44.9 individuals are eligible to receive services under this demonstration if they are eligible under  
44.10 section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the  
44.11 commissioner in collaboration with correctional facilities, local governments, and Tribal  
44.12 governments. This paragraph expires upon the effective date of paragraph (b).

44.13 (b) Effective January 1, 2028, or upon federal approval, whichever is later,  
44.14 notwithstanding section 256B.0618, individuals are eligible to receive services under this  
44.15 demonstration if they are eligible under section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15,  
44.16 16, or 17, as determined by the commissioner in collaboration with correctional facilities,  
44.17 local governments, and Tribal governments.

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

44.19 Sec. 12. Minnesota Statutes 2025 Supplement, section 256I.04, subdivision 2a, is amended  
44.20 to read:

44.21 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph  
44.22 (b), an agency may not enter into an agreement with an establishment to provide housing  
44.23 support unless:

44.24 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;  
44.25 a board and lodging establishment; a boarding care home before March 1, 1985; or a  
44.26 supervised living facility, and the service provider for residents of the facility is licensed  
44.27 under chapter 245A. However, an establishment licensed by the Department of Health to  
44.28 provide lodging need not also be licensed to provide board if meals are being supplied to  
44.29 residents under a contract with a food vendor who is licensed by the Department of Health;

44.30 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota  
44.31 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior  
44.32 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;

45.1 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,  
45.2 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,  
45.3 subdivision 4a, as a community residential setting by the commissioner of human services;

45.4 (3) the facility is licensed under chapter 144G and provides three meals a day; or

45.5 (4) effective ~~January 1, 2027~~ July 1, 2026, the establishment is licensed by the Department  
45.6 of Health as a board and lodging establishment and is certified by the commissioner as a  
45.7 recovery residence in accordance with section 254B.215, subdivision 3, that is subject to  
45.8 the requirements of section 256I.04, subdivisions 2a to 2f. The Department of Human  
45.9 Services must serve as the lead agency for agreements entered into under this clause.

45.10 (b) The requirements under paragraph (a) do not apply to establishments exempt from  
45.11 state licensure because they are:

45.12 (1) located on Indian reservations and subject to tribal health and safety requirements;

45.13 or

45.14 (2) supportive housing establishments where an individual has an approved habitability  
45.15 inspection and an individual lease agreement.

45.16 (c) Supportive housing establishments that serve individuals who have experienced  
45.17 long-term homelessness and emergency shelters must participate in the homeless management  
45.18 information system and a coordinated assessment system as defined by the commissioner.

45.19 (d) Effective July 1, 2016, an agency shall not have an agreement with a provider of  
45.20 housing support unless all staff members who have direct contact with recipients:

45.21 (1) have skills and knowledge acquired through one or more of the following:

45.22 (i) a course of study in a health- or human services-related field leading to a bachelor  
45.23 of arts, bachelor of science, or associate's degree;

45.24 (ii) one year of experience with the target population served;

45.25 (iii) experience as a mental health certified peer specialist according to section 256B.0615;

45.26 or

45.27 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to  
45.28 144A.483;

45.29 (2) hold a current driver's license appropriate to the vehicle driven if transporting  
45.30 recipients;

46.1 (3) complete training on vulnerable adults mandated reporting and child maltreatment  
46.2 mandated reporting, where applicable; and

46.3 (4) complete housing support orientation training offered by the commissioner.

46.4 **EFFECTIVE DATE.** This section is effective July 1, 2026.

46.5 Sec. 13. Minnesota Statutes 2024, section 297E.02, subdivision 3, is amended to read:

46.6 Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable  
46.7 to the commissioner when the gambling tax return is required to be filed. Distributors must  
46.8 file their monthly sales figures with the commissioner on a form prescribed by the  
46.9 commissioner. Returns covering the taxes imposed under this section must be filed with  
46.10 the commissioner on or before the 20th day of the month following the close of the previous  
46.11 calendar month. The commissioner shall prescribe the content, format, and manner of returns  
46.12 or other documents pursuant to section 270C.30. The proceeds, along with the revenue  
46.13 received from all license fees and other fees under sections 349.11 to 349.191, 349.211,  
46.14 and 349.213, must be paid to the commissioner of management and budget for deposit in  
46.15 the general fund.

46.16 (b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the  
46.17 distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by  
46.18 the organization is exempt from taxes imposed by chapter 297A and is exempt from all  
46.19 local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

46.20 (c) One-half of one percent of the revenue deposited in the general fund under paragraph  
46.21 (a), is appropriated to the commissioner of human services for the compulsive gambling  
46.22 treatment program established under section 245.98. One-half of one percent of the revenue  
46.23 deposited in the general fund under paragraph (a), is appropriated to the commissioner of  
46.24 human services for a grant to the state affiliate recognized by the National Council on  
46.25 Problem Gambling to increase public awareness of problem gambling, education and training  
46.26 for individuals and organizations providing effective treatment services to problem gamblers  
46.27 and their families, and research relating to problem gambling. Money appropriated by this  
46.28 paragraph must supplement and must not replace existing state funding for these programs.  
46.29 The balance of amounts appropriated under this paragraph that are unencumbered and  
46.30 unspent at the close of a fiscal year are available in the next fiscal year for the same purposes  
46.31 and shall not cancel to the fund from which appropriated.

46.32 (d) The commissioner of human services must provide to the state affiliate recognized  
46.33 by the National Council on Problem Gambling a monthly statement of the amounts deposited

47.1 under paragraph (c). Beginning January 1, 2022, the commissioner of human services must  
 47.2 provide to the chairs and ranking minority members of the legislative committees with  
 47.3 jurisdiction over treatment for problem gambling and to the state affiliate recognized by the  
 47.4 National Council on Problem Gambling an annual reconciliation of the amounts deposited  
 47.5 under paragraph (c). The annual reconciliation under this paragraph must include the amount  
 47.6 allocated to the commissioner of human services for the compulsive gambling treatment  
 47.7 program established under section 245.98, and the amount allocated to the state affiliate  
 47.8 recognized by the National Council on Problem Gambling. The annual reconciliation must  
 47.9 also include any rollover amounts from the previous fiscal year and the utilization of those  
 47.10 amounts during the current reporting period.

47.11 Sec. 14. Laws 2025, First Special Session chapter 9, article 4, section 2, the effective date,  
 47.12 is amended to read:

47.13 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

47.15 Sec. 15. Laws 2025, First Special Session chapter 9, article 4, section 23, the effective  
 47.16 date, is amended to read:

47.17 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

47.19 Sec. 16. Laws 2025, First Special Session chapter 9, article 4, section 38, the effective  
 47.20 date, is amended to read:

47.21 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

47.23 Sec. 17. Laws 2025, First Special Session chapter 9, article 4, section 39, the effective  
 47.24 date, is amended to read:

47.25 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

47.27 Sec. 18. Laws 2025, First Special Session chapter 9, article 4, section 40, the effective  
 47.28 date, is amended to read:

47.29 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

48.2 Sec. 19. Laws 2025, First Special Session chapter 9, article 4, section 41, the effective  
48.3 date, is amended to read:

48.4 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

48.6 Sec. 20. Laws 2025, First Special Session chapter 9, article 4, section 42, the effective  
48.7 date, is amended to read:

48.8 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

48.10 Sec. 21. Laws 2025, First Special Session chapter 9, article 4, section 43, the effective  
48.11 date, is amended to read:

48.12 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

48.14 Sec. 22. Laws 2025, First Special Session chapter 9, article 4, section 44, the effective  
48.15 date, is amended to read:

48.16 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

48.18 Sec. 23. Laws 2025, First Special Session chapter 9, article 4, section 50, the effective  
48.19 date, is amended to read:

48.20 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2027 2026.

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

48.22 Sec. 24. **DIRECTION TO COMMISSIONER; CARCERAL TARGETED CASE**  
48.23 **MANAGEMENT SERVICES BILLING UNITS.**

48.24 The commissioner of human services must establish a new billing code for carceral  
48.25 targeted case management services. The commissioner must identify reimbursement rates  
48.26 for the newly defined codes, as required under Minnesota Statutes, section 256B.0619,

49.1 subdivision 6. The new billing codes must correspond to a 15-minute unit. The new billing  
 49.2 codes must be available for 180 days postrelease.

49.3 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,  
 49.4 whichever is later.

49.5 Sec. 25. **REPEALER.**

49.6 Minnesota Statutes 2024, section 256B.055, subdivision 14, is repealed.

49.7 **EFFECTIVE DATE.** This section is effective January 1, 2028, or upon federal approval,  
 49.8 whichever is later.

#### 49.9 **ARTICLE 4**

#### 49.10 **LONG-TERM CARE FACILITY REGULATION**

49.11 Section 1. Minnesota Statutes 2024, section 144.1503, subdivision 7, is amended to read:

49.12 Subd. 7. **Selection process.** The commissioner shall determine a maximum award for  
 49.13 grants and loan forgiveness, and shall make selections based on the information provided  
 49.14 in the grant application, including the demonstrated need for an applicant provider to enhance  
 49.15 the education of its workforce, the proposed employee scholarship or loan forgiveness  
 49.16 selection process, the applicant's proposed budget, and other criteria as determined by the  
 49.17 commissioner. Notwithstanding any law or rule to the contrary, amounts appropriated for  
 49.18 purposes of this section do not cancel and are available until expended, ~~except that at the~~  
 49.19 ~~end of each biennium, any remaining amount that is not committed by contract and not~~  
 49.20 ~~needed to fulfill existing commitments shall cancel to the general fund.~~

49.21 Sec. 2. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
 49.22 read:

49.23 Subd. 7b. **Onsite registered nurse.** (a) Except when waived under subdivision 7f, a  
 49.24 nursing home must have a registered nurse onsite 24 hours per day. The registered nurse  
 49.25 must be available to provide direct resident care.

49.26 (b) For any periods when the onsite registered nurse requirements in paragraph (a) are  
 49.27 waived under subdivision 7f, a nursing home must have a registered nurse, licensed nurse  
 49.28 practitioner, physician assistant, or physician available to respond immediately to telephone  
 49.29 calls from a nursing home.

50.1 Sec. 3. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
50.2 read:

50.3 Subd. 7c. **Staffing competencies.** A nursing home must ensure that all nurses have the  
50.4 specific competencies and skill sets necessary to care for residents' needs, as identified  
50.5 through resident assessments and described in the service plan. Providing care includes but  
50.6 is not limited to assessing, evaluating, planning, and implementing resident care plans and  
50.7 responding to residents' needs.

50.8 Sec. 4. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
50.9 read:

50.10 Subd. 7d. **Required staff ratio.** (a) The minimum staffing standard for nursing personnel  
50.11 in a nursing home is as specified in this subdivision.

50.12 (b) A nursing home must provide nursing care to all residents in accordance with each  
50.13 resident's service plan while also providing a minimum of 3.48 hours per resident per 24  
50.14 hours for total nurse staffing, including but not limited to a minimum of 0.55 hours per  
50.15 resident per 24 hours for registered nurses and a minimum of 2.45 hours per resident per  
50.16 24 hours for nurse aides and licensed nurse practitioners.

50.17 (c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty,  
50.18 productive nursing hours of all nurses and nursing assistants, calculated on the basis of any  
50.19 given 24-hour period. "Productive nursing hours" means all on-duty hours during which  
50.20 nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may  
50.21 be found in Minnesota Rules, part 4655.6400. Not included are vacations, holidays, sick  
50.22 leave, in-service classroom training, or lunches. Also not included are the nonproductive  
50.23 nursing hours of the in-service training director. In homes with more than 60 licensed beds,  
50.24 the hours of the director of nursing are excluded.

50.25 (d) A nursing home that is issued a notice of noncompliance under section 144A.10,  
50.26 subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for  
50.27 each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

50.28 Sec. 5. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
50.29 read:

50.30 Subd. 7e. **Nursing supervision.** (a) Except when waived under subdivision 7f, a nursing  
50.31 home must designate a registered nurse to serve as a charge nurse for each shift.

51.1 (b) Except when waived under subdivision 7f, a nursing home must designate a registered  
 51.2 nurse to serve as the director of nursing on a full-time basis. The director of nursing may  
 51.3 serve as a charge nurse only when a nursing home has an average daily occupancy of 60 or  
 51.4 fewer residents.

51.5 Sec. 6. Minnesota Statutes 2024, section 144A.04, is amended by adding a subdivision to  
 51.6 read:

51.7 Subd. 7f. **Exemption process.** (a) The commissioner shall establish a process for  
 51.8 exemption to the requirements under subdivisions 7b and 7e. A nursing home shall submit  
 51.9 a request for exemption under this subdivision on a form developed and in a manner  
 51.10 established by the commissioner. A requesting nursing home shall provide in writing to the  
 51.11 commissioner the following information at a minimum:

51.12 (1) the specific requirement from which exemption is sought;

51.13 (2) a detailed explanation of the physical proximity of the requesting nursing home to  
 51.14 other nursing homes within reasonable distance providing the same services as the requesting  
 51.15 nursing home;

51.16 (3) the reason the nursing home is unable to comply with the requirement;

51.17 (4) the reason that compliance with the requirement will impose substantial hardship,  
 51.18 including but not limited to the risk of the nursing home closing and requiring residents to  
 51.19 move; and

51.20 (5) the reason that a waiver will not significantly harm residents.

51.21 Following the submission of an exemption request, the commissioner must provide public  
 51.22 notice of the requested exemption and allow a public comment period.

51.23 (b) The commissioner shall evaluate requests for exemption under this subdivision by  
 51.24 reviewing the application materials and all comments submitted during the public comment  
 51.25 period. As part of the evaluation process, the commissioner may:

51.26 (1) inspect the nursing home;

51.27 (2) confer with the nursing home manager or designee;

51.28 (3) contact residents or their representatives to determine whether they believe a waiver  
 51.29 is in the residents' best interest; and

51.30 (4) contact individuals who submitted public comment during the public comment period.

52.1 (c) The commissioner may grant an exemption if the commissioner determines that  
 52.2 compliance with the requirement from which the exemption is sought cannot be accomplished  
 52.3 without substantial hardship to the nursing home and granting an exemption will not  
 52.4 significantly harm residents. The commissioner may not grant an exemption if it will create  
 52.5 an imminent risk of harm to a resident.

52.6 (d) An exemption granted under this subdivision is in effect for 90 days. After 90 days,  
 52.7 the nursing home may request a renewal of the exemption. After one renewal, the nursing  
 52.8 home must submit a new request for exemption under this subdivision.

52.9 **Sec. 7. [144A.082] AUTOMATIC EXTERNAL DEFIBRILLATOR.**

52.10 (a) For purposes of this section, "automatic external defibrillator" has the meaning given  
 52.11 in section 403.51, subdivision 1.

52.12 (b) A nursing home must:

52.13 (1) maintain an automatic external defibrillator in each building on the nursing home  
 52.14 campus where residents may be present;

52.15 (2) ensure each of its automatic external defibrillators is maintained and regularly tested  
 52.16 according to the manufacturer's recommendations; and

52.17 (3) as part of initial orientation and annually thereafter, ensure all nursing home personnel  
 52.18 receive training in cardiopulmonary resuscitation, the use of automatic external defibrillators,  
 52.19 the nursing home's process for checking a resident's code status before initiating lifesaving  
 52.20 measures, and requesting emergency medical assistance as soon as practicable after an  
 52.21 automatic external defibrillator is used.

52.22 **EFFECTIVE DATE.** This section is effective August 1, 2026.

52.23 Sec. 8. Minnesota Statutes 2024, section 144A.291, subdivision 2, is amended to read:

52.24 Subd. 2. **Amounts.** (a) Fees may not exceed the following amounts but may be adjusted  
 52.25 lower by board direction and are for the exclusive use of the board as required to sustain  
 52.26 board operations. The maximum amounts of fees are:

52.27 (1) application for licensure, \$200;

52.28 (2) for a prospective applicant for a review of education and experience advisory to the  
 52.29 license application, \$100, to be applied to the fee for application for licensure if the latter  
 52.30 is submitted within one year of the request for review of education and experience;

52.31 (3) state examination, \$125;

- 53.1 (4) initial license, \$250 if issued between July 1 and December 31, \$100 if issued between  
 53.2 January 1 and June 30;
- 53.3 (5) ~~acting~~ permit, \$400;
- 53.4 (6) renewal license or certificate, \$250;
- 53.5 (7) duplicate license, permit, or certificate, \$50;
- 53.6 (8) reinstatement fee, \$250;
- 53.7 ~~(9) health services executive initial license, \$250;~~
- 53.8 ~~(10) health services executive renewal license, \$250;~~
- 53.9 ~~(11)~~ (9) reciprocity verification fee, \$50;
- 53.10 ~~(12) second~~ (10) application for shared assignment certificate, \$250;
- 53.11 ~~(13)~~ (11) continuing education fees:
- 53.12 (i) greater than six hours, \$50; and
- 53.13 (ii) seven hours or more, \$75;
- 53.14 ~~(14)~~ (12) education review, \$100;
- 53.15 ~~(15)~~ (13) fee to a sponsor for review of individual continuing education seminars,  
 53.16 institutes, workshops, or home study courses:
- 53.17 (i) for less than seven clock hours, \$30; and
- 53.18 (ii) for seven or more clock hours, \$50;
- 53.19 ~~(16)~~ (14) fee to a licensee for review of continuing education seminars, institutes,  
 53.20 workshops, or home study courses not previously approved for a sponsor and submitted  
 53.21 with an application for license renewal:
- 53.22 (i) for less than seven clock hours total, \$30; and
- 53.23 (ii) for seven or more clock hours total, \$50;
- 53.24 ~~(17)~~ (15) late renewal fee, \$75;
- 53.25 ~~(18)~~ (16) fee to a licensee for verification of licensure status and examination scores,  
 53.26 \$30;
- 53.27 ~~(19)~~ (17) registration as a registered continuing education sponsor, \$1,000;
- 53.28 ~~(20) mail~~ (18) mailing list labels, \$75; and

54.1 ~~(21)~~ (19) annual assisted living program education provider fee, \$2,500.

54.2 (b) The revenue generated from the fees must be deposited in an account in the state  
54.3 government special revenue fund.

54.4 Sec. 9. Minnesota Statutes 2024, section 144A.471, subdivision 9, is amended to read:

54.5 Subd. 9. **Exclusions from home care licensure.** The following are excluded from home  
54.6 care licensure and are not required to provide the home care bill of rights:

54.7 (1) an individual or business entity providing only coordination of home care that includes  
54.8 one or more of the following:

54.9 (i) determination of whether a client needs home care services, or assisting a client in  
54.10 determining what services are needed;

54.11 (ii) referral of clients to a home care provider;

54.12 (iii) administration of payments for home care services; or

54.13 (iv) administration of a health care home established under section 62U.03;

54.14 (2) an individual who is not an employee of a licensed home care provider if the  
54.15 individual:

54.16 (i) only provides services as an independent contractor to one or more licensed home  
54.17 care providers;

54.18 (ii) provides no services under direct agreements or contracts with clients; and

54.19 (iii) is contractually bound to perform services in compliance with the contracting home  
54.20 care provider's policies and service plans;

54.21 (3) a business that provides staff to home care providers, such as a temporary employment  
54.22 agency, if the business:

54.23 (i) only provides staff under contract to licensed or exempt providers;

54.24 (ii) provides no services under direct agreements with clients; and

54.25 (iii) is contractually bound to perform services under the contracting home care provider's  
54.26 direction and supervision;

54.27 (4) any home care services conducted by and for the adherents of any recognized church  
54.28 or religious denomination for its members through spiritual means, or by prayer for healing;

54.29 (5) an individual who only provides home care services to a relative;

55.1 (6) an individual not connected with a home care provider that provides assistance with  
55.2 basic home care needs if the assistance is provided primarily as a contribution and not as a  
55.3 business;

55.4 (7) an individual not connected with a home care provider that shares housing with and  
55.5 provides primarily housekeeping or homemaking services to an elderly or disabled person  
55.6 in return for free or reduced-cost housing;

55.7 (8) an individual or provider providing home-delivered meal services;

55.8 (9) an individual providing senior companion services and other older American volunteer  
55.9 programs (OAVP) established under the Domestic Volunteer Service Act of 1973, United  
55.10 States Code, title 42, chapter 66;

55.11 (10) a member of a professional corporation organized under chapter 319B that does  
55.12 not regularly offer or provide home care services as defined in section 144A.43, subdivision  
55.13 3;

55.14 (11) the following organizations established to provide medical or surgical services that  
55.15 do not regularly offer or provide home care services as defined in section 144A.43,  
55.16 subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit  
55.17 corporation organized under chapter 317A, a partnership organized under chapter 323, or  
55.18 any other entity determined by the commissioner;

55.19 (12) an individual or agency that provides medical supplies or durable medical equipment,  
55.20 except when the provision of supplies or equipment is accompanied by a home care service;

55.21 (13) a physician licensed under chapter 147;

55.22 (14) an individual who provides home care services to a person with a developmental  
55.23 disability who lives in a place of residence with a family, foster family, or primary caregiver;

55.24 (15) a business that only provides services that are primarily instructional and not medical  
55.25 services or health-related support services;

55.26 (16) an individual who performs basic home care services for no more than 14 hours  
55.27 each calendar week to no more than one client;

55.28 (17) an individual or business licensed as hospice as defined in sections 144A.75 to  
55.29 144A.755 who is not providing home care services independent of hospice service;

55.30 (18) activities conducted by the commissioner of health or a community health board  
55.31 as defined in section 145A.02, subdivision 5, including communicable disease investigations  
55.32 or testing; ~~or~~

56.1 (19) administering or monitoring a prescribed therapy necessary to control or prevent a  
56.2 communicable disease, or the monitoring of an individual's compliance with a health directive  
56.3 as defined in section 144.4172, subdivision 6; or

56.4 (20) a federally qualified health center as defined in section 145.9269, when providing  
56.5 nursing services described in United States Code, title 42, section 1395x(aa)(1)(C).

56.6 Sec. 10. Minnesota Statutes 2025 Supplement, section 144A.474, subdivision 11, is  
56.7 amended to read:

56.8 Subd. 11. **Fines.** (a) Fines and enforcement actions under this subdivision may be assessed  
56.9 based on the level and scope of the violations described in paragraph (b) and imposed  
56.10 immediately with no opportunity to correct the violation first as follows:

56.11 (1) Level 1, no fines or enforcement;

56.12 (2) Level 2, a fine of \$500 per violation, in addition to any of the enforcement  
56.13 mechanisms authorized in section 144A.475;

56.14 (3) Level 3, a fine of \$1,000 per incident, in addition to any of the enforcement  
56.15 mechanisms authorized in section 144A.475;

56.16 (4) Level 4, a fine of \$3,000 per incident, in addition to any of the enforcement  
56.17 mechanisms authorized in section 144A.475;

56.18 (5) Level 5, a fine of \$5,000 per violation, in addition to any enforcement mechanism  
56.19 authorized in section 144A.475; and

56.20 (6) for maltreatment violations for which the licensee was determined to be responsible  
56.21 for the maltreatment under section 626.557, subdivision 9c, paragraph (c), a fine of \$1,000.  
56.22 A fine of \$5,000 may be imposed if the commissioner determines the licensee is responsible  
56.23 for maltreatment consisting of sexual assault, death, or abuse resulting in serious injury.

56.24 The fines in clauses (1) to (5) are increased and immediate fine imposition is authorized  
56.25 for both surveys and investigations conducted.

56.26 When a fine is assessed against a facility for substantiated maltreatment, the commissioner  
56.27 shall not also impose an immediate fine under this chapter for the same circumstance.

56.28 (b) Correction orders for violations are categorized by both level and scope and fines  
56.29 shall be assessed as follows:

56.30 (1) level of violation:

57.1 (i) Level 1 is a violation that will cause only minimal impact on the client and does not  
57.2 affect health or safety;

57.3 (ii) Level 2 is a violation that did not harm a client's health or safety but had the potential  
57.4 to have harmed a client's health or safety, but was not likely to cause serious injury,  
57.5 impairment, or death;

57.6 (iii) Level 3 is a violation that harmed a client's health or safety, or a violation that had  
57.7 the potential to cause more than minimal harm to the client;

57.8 (iv) Level 4 is a violation that harmed a client's health or safety, not including serious  
57.9 injury or death, or a violation that was likely to lead to serious injury or death; and

57.10 (v) Level 5 is a violation that results in serious injury or death; and

57.11 (2) scope of violation:

57.12 (i) isolated, when one or a limited number of clients are affected or one or a limited  
57.13 number of staff are involved or the situation has occurred only occasionally;

57.14 (ii) pattern, when more than a limited number of clients are affected, more than a limited  
57.15 number of staff are involved, or the situation has occurred repeatedly but is not found to be  
57.16 pervasive; and

57.17 (iii) widespread, when problems are pervasive or represent a systemic failure that has  
57.18 affected or has the potential to affect a large portion or all of the clients.

57.19 (c) If the commissioner finds that the applicant or a home care provider has not corrected  
57.20 violations by the date specified in the correction order or conditional license resulting from  
57.21 a survey or complaint investigation, the commissioner shall provide a notice of  
57.22 noncompliance with a correction order by email to the applicant's or provider's last known  
57.23 email address. The noncompliance notice must list the violations not corrected.

57.24 (d) For every violation identified by the commissioner, the commissioner shall issue an  
57.25 immediate fine pursuant to paragraph (a). The license holder must still correct the violation  
57.26 in the time specified. The issuance of an immediate fine can occur in addition to any  
57.27 enforcement mechanism authorized under section 144A.475. The immediate fine may be  
57.28 appealed as allowed under this subdivision.

57.29 (e) The license holder must pay the fines assessed on or before the payment date specified.  
57.30 If the license holder fails to fully comply with the order, the commissioner may issue a  
57.31 second fine or suspend the license until the license holder complies by paying the fine. A  
57.32 timely appeal shall stay payment of the fine until the commissioner issues a final order.

58.1 (f) A license holder shall promptly notify the commissioner in writing when a violation  
58.2 specified in the order is corrected. If upon reinspection the commissioner determines that  
58.3 a violation has not been corrected as indicated by the order, the commissioner may issue a  
58.4 second fine. The commissioner shall notify the license holder by mail to the last known  
58.5 address in the licensing record that a second fine has been assessed. The license holder may  
58.6 appeal the second fine as provided under this subdivision.

58.7 (g) A home care provider that has been assessed a fine under this subdivision has a right  
58.8 to a reconsideration or a hearing under this section and chapter 14.

58.9 (h) When a fine has been assessed, the license holder may not avoid payment by closing,  
58.10 selling, or otherwise transferring the licensed program to a third party. In such an event, the  
58.11 license holder shall be liable for payment of the fine.

58.12 (i) In addition to any fine imposed under this section, the commissioner may assess a  
58.13 penalty amount based on costs related to an investigation that results in a final order assessing  
58.14 a fine or other enforcement action authorized by this chapter.

58.15 (j) Fines collected under paragraph (a) shall be deposited in a dedicated special revenue  
58.16 account. ~~On an annual basis, the balance in the special revenue account shall be appropriated~~  
58.17 ~~to the commissioner to implement the recommendations of the advisory council established~~  
58.18 ~~in section 144A.4799.~~ Money deposited in the account is appropriated to the commissioner  
58.19 on an annual basis for a competitive grant program for special projects for improving home  
58.20 care client quality of care and outcomes in Minnesota, with a specific focus on workforce  
58.21 and clinical outcomes, including projects consistent with criteria in section 144A.4799,  
58.22 subdivision 3, paragraph (c). Grants must be distributed to home care providers licensed  
58.23 under this chapter or organizations with experience in or knowledge of home care operations,  
58.24 compliance, client needs, or best practices. Each grant must be \$1,000 at minimum. A  
58.25 provider with a temporary license under this chapter is not eligible to apply for a grant. The  
58.26 commissioner may retain up to ten percent of the amount available to cover costs to  
58.27 administer the grant under this section. The commissioner must publish on the department's  
58.28 website an annual report on the fines assessed and collected, and how the appropriated  
58.29 money was allocated.

58.30 Sec. 11. Minnesota Statutes 2025 Supplement, section 144A.4799, subdivision 1, is  
58.31 amended to read:

58.32 Subdivision 1. **Membership.** (a) The commissioner of health shall appoint 14 persons  
58.33 to a home care and assisted living advisory council consisting of the following:

59.1 (1) four public members as defined in section 214.02, one of whom must be a person  
 59.2 who either is receiving or has received home care services preferably within the five years  
 59.3 prior to initial appointment, one of whom must be a person who has or had a family member  
 59.4 receiving home care services preferably within the five years prior to initial appointment,  
 59.5 one of whom must be a person who either is or has been a resident in an assisted living  
 59.6 facility preferably within the five years prior to initial appointment, and one of whom must  
 59.7 be a person who has or had a family member residing in an assisted living facility preferably  
 59.8 within the five years prior to initial appointment;

59.9 (2) two Minnesota home care licensees representing basic and comprehensive levels of  
 59.10 licensure who may be a managerial official, an administrator, a supervising registered nurse,  
 59.11 or an unlicensed personnel performing home care tasks;

59.12 (3) one member representing the Minnesota Board of Nursing;

59.13 (4) one member representing the Office of Ombudsman for Long-Term Care;

59.14 (5) one member representing the Office of Ombudsman for Mental Health and  
 59.15 Developmental Disabilities;

59.16 (6) one member of a county health and human services or county adult protection office;

59.17 (7) two Minnesota assisted living facility licensees representing assisted living facilities  
 59.18 and assisted living facilities with dementia care levels of licensure who may be the facility's  
 59.19 assisted living director, managerial official, or clinical nurse supervisor;

59.20 (8) one organization representing long-term care providers, home care providers, and  
 59.21 assisted living providers in Minnesota; and

59.22 (9) one representative of a consumer advocacy organization representing individuals  
 59.23 receiving long-term care from licensed home care providers or assisted living facilities.

59.24 (b) When a vacancy occurs for an appointment identified in paragraph (a), the  
 59.25 commissioner must select an applicant for appointment within 81 calendar days of the  
 59.26 position being posted by the secretary of state, if the application of a qualified and, if  
 59.27 applicable, a licensee in good standing applicant is received within 21 days of posting. If  
 59.28 no qualified applications are received within the first 21 days, the commissioner must select  
 59.29 an applicant for appointment within 60 calendar days of receiving the application of a  
 59.30 qualified and, if applicable, a licensee in good standing applicant.

59.31 Sec. 12. Minnesota Statutes 2024, section 144G.09, subdivision 2, is amended to read:

59.32 Subd. 2. **Regulatory functions.** (a) The commissioner shall:

60.1 (1) license, survey, and monitor without advance notice assisted living facilities in  
60.2 accordance with this chapter and rules;

60.3 (2) survey every provisional licensee within one year of the provisional license issuance  
60.4 date subject to the provisional licensee providing assisted living services to residents;

60.5 (3) survey assisted living facility licensees at least once every two years;

60.6 (4) investigate complaints of assisted living facilities;

60.7 (5) issue correction orders and assess civil penalties under sections 144G.30 and 144G.31;

60.8 (6) take action as authorized in section 144G.20; ~~and~~

60.9 (7) approve or disapprove proposed increases in amounts charged for housing or assisted  
60.10 living services under sections 144G.19, subdivision 5, and 144G.40, subdivision 4; and

60.11 ~~(7)~~ (8) take other action reasonably required to accomplish the purposes of this chapter.

60.12 (b) The commissioner shall review blueprints for all new facility construction and must  
60.13 approve the plans before construction may be commenced.

60.14 (c) The commissioner shall provide on-site review of the construction to ensure that all  
60.15 physical environment standards are met before the facility license is complete.

60.16 Sec. 13. Minnesota Statutes 2024, section 144G.15, is amended to read:

60.17 **144G.15 CONSIDERATION OF APPLICATIONS.**

60.18 Subdivision 1. Consideration. (a) Before issuing a provisional license or license or  
60.19 renewing a license, the commissioner shall consider an applicant's compliance history in  
60.20 providing care in this state or any other state in a facility that provides care to children, the  
60.21 elderly, ill individuals, or individuals with disabilities.

60.22 (b) The applicant's compliance history shall include repeat violation, rule violations, and  
60.23 any license or certification involuntarily suspended or terminated during an enforcement  
60.24 process.

60.25 (c) Before issuing a provisional license for an assisted living facility with a licensed  
60.26 resident capacity of six or fewer, the commissioner shall also consider the population, size,  
60.27 land use plan, availability of community services, and the number and size of existing  
60.28 licensed assisted living facilities in the town, municipality, or county in which the applicant  
60.29 seeks to operate an assisted living facility.

60.30 Subd. 2. Colocation of certain home and community-based residential settings. The  
60.31 commissioner must not grant a provisional license for an assisted living facility with a

61.1 licensed resident capacity of six or fewer until the commissioner of human services  
 61.2 determines that the proposed location of the assisted living facility meets the standard  
 61.3 described in section 245A.042, subdivision 7. This paragraph applies regardless of the  
 61.4 services to be provided in the proposed assisted living facility and regardless of whether  
 61.5 any residents of the facility will receive publicly funded services.

61.6 **Subd. 3. Grounds for licensing action.** ~~(e)~~ The commissioner may deny, revoke, suspend,  
 61.7 restrict, or refuse to renew the license or impose conditions if:

61.8 (1) the applicant fails to provide complete and accurate information on the application  
 61.9 and the commissioner concludes that the missing or corrected information is needed to  
 61.10 determine if a license shall be granted;

61.11 (2) the applicant, knowingly or with reason to know, made a false statement of a material  
 61.12 fact in an application for the license or any data attached to the application or in any matter  
 61.13 under investigation by the department;

61.14 (3) the applicant refused to allow agents of the commissioner to inspect its books, records,  
 61.15 and files related to the license application, or any portion of the premises;

61.16 (4) the applicant willfully prevented, interfered with, or attempted to impede in any way:  
 61.17 (i) the work of any authorized representative of the commissioner, the ombudsman for  
 61.18 long-term care, or the ombudsman for mental health and developmental disabilities; or (ii)  
 61.19 the duties of the commissioner, local law enforcement, city or county attorneys, adult  
 61.20 protection, county case managers, or other local government personnel;

61.21 (5) the applicant, owner, controlling individual, managerial official, or assisted living  
 61.22 director for the facility has a history of noncompliance with federal or state regulations that  
 61.23 were detrimental to the health, welfare, or safety of a resident or a client; or

61.24 (6) the applicant violates any requirement in this chapter.

61.25 ~~(d) If a license is denied, the applicant has the reconsideration rights available under~~  
 61.26 ~~section 144G.16, subdivision 4.~~

61.27 Sec. 14. Minnesota Statutes 2024, section 144G.16, is amended by adding a subdivision  
 61.28 to read:

61.29 **Subd. 8. Notice to affected municipality.** (a) No later than five days, excluding weekends  
 61.30 and holidays, after issuing a provisional license to an assisted living facility with a licensed  
 61.31 resident capacity of six or fewer, the commissioner must provide the following information

62.1 about the provisional licensee and the facility to the affected municipality or other political  
 62.2 subdivision:

62.3 (1) business name of the provisional licensee;

62.4 (2) street address of the facility;

62.5 (3) license category;

62.6 (4) licensed resident capacity; and

62.7 (5) contact information for an authorized agent of the provisional licensee.

62.8 (b) The commissioner may provide notice through electronic communication or by  
 62.9 submitting a written document to the official address of the municipality or other political  
 62.10 subdivision.

62.11 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to provisional  
 62.12 licenses issued on or after that date.

62.13 Sec. 15. Minnesota Statutes 2025 Supplement, section 144G.19, subdivision 5, is amended  
 62.14 to read:

62.15 Subd. 5. **Change of ownership; existing contracts.** (a) Following a change of ownership,  
 62.16 the new licensee must honor the terms of an assisted living contract in effect at the time of  
 62.17 the change of ownership until the end of the contract term. A new licensee that proposes to  
 62.18 increase the amount charged for housing or assisted living services in an assisted living  
 62.19 contract replacing a contract in effect at the time of the change of ownership must provide  
 62.20 the commissioner with justification for and specific documentation supporting the proposed  
 62.21 increase.

62.22 (b) The commissioner must review the justification and documentation provided under  
 62.23 paragraph (a) and approve or disapprove the proposed increase. The commissioner may  
 62.24 request from the new licensee additional documentation or information the commissioner  
 62.25 deems necessary to conduct the review. An assisted living facility must not implement a  
 62.26 proposed increase described in paragraph (a) unless the commissioner approves the proposed  
 62.27 increase.

62.28 Sec. 16. Minnesota Statutes 2024, section 144G.195, subdivision 1, is amended to read:

62.29 Subdivision 1. **New license not required.** (a) ~~Beginning March 15, 2025,~~ An assisted  
 62.30 living facility with a licensed resident capacity of five residents or fewer may operate under

63.1 the licensee's current license if the facility is relocated with the approval of the commissioner  
63.2 of health during the period the current license is valid.

63.3 (b) A licensee is not required to apply for a new license solely because the licensee  
63.4 receives approval to relocate a facility. The licensee's license for the relocated facility  
63.5 remains valid until the expiration date specified on the existing license. The commissioner  
63.6 of health must apply the licensing and survey cycle previously established for the facility's  
63.7 prior location to the facility's new location.

63.8 (c) A licensee must notify the commissioner of health, on a form developed by the  
63.9 commissioner, of the licensee's intent to relocate the licensee's facility and submit a  
63.10 nonrefundable relocation fee of \$3,905. The commissioner must deposit all relocation fees  
63.11 in the state treasury to be credited to the state government special revenue fund.

63.12 (d) The licensee must obtain plan review approval for the building to which the licensee  
63.13 intends to relocate the facility and a certificate of occupancy from the commissioner of labor  
63.14 and industry or the commissioner of labor and industry's delegated authority for the building.  
63.15 Upon issuance of a certificate of occupancy, the commissioner of health must review and  
63.16 inspect the building to which the licensee intends to relocate the facility ~~and approve or~~  
63.17 ~~deny the license relocation within 30 calendar days~~ and must request from the commissioner  
63.18 of human services a determination of whether the location to which the licensee intends to  
63.19 relocate complies with the standards described in section 245A.042, subdivision 7. The  
63.20 commissioner of health must approve or deny the license relocation within 30 calendar days  
63.21 after inspecting the building and receiving a determination from the commissioner of human  
63.22 services.

63.23 (e) A licensee ~~may only relocate a facility within the geographic boundaries of the~~  
63.24 ~~municipality in which the facility is currently located or within the geographic boundaries~~  
63.25 ~~of a contiguous municipality~~ located in the seven-county metropolitan area may not relocate  
63.26 outside of the seven-county metropolitan area. A licensee located outside of the seven-county  
63.27 metropolitan area may not relocate more than two hours or 120 miles from the licensee's  
63.28 previous location nor relocate within the seven-county metropolitan area.

63.29 (f) A licensee may only relocate one time in any three-year period, except that the  
63.30 commissioner may approve an additional relocation within a three-year period upon a  
63.31 licensee's demonstration of an extenuating circumstance, including but not limited to the  
63.32 criteria outlined in section 256B.49, subdivision 28a, paragraph (c).

64.1 (g) A licensee that receives approval from the commissioner to relocate a facility must  
 64.2 provide each resident with a new assisted living contract and comply with the coordinated  
 64.3 move requirements under section 144G.55.

64.4 (h) A licensee denied approval by the commissioner of health to relocate a facility may  
 64.5 continue to operate the facility in its current location, follow the requirements in section  
 64.6 144G.57 and close the facility, or notify the commissioner of health of the licensee's intent  
 64.7 to relocate the facility to an alternative new location. If the licensee notifies the commissioner  
 64.8 of the licensee's intent to relocate the facility to an alternative new location, ~~paragraph (e)~~  
 64.9 ~~applies, including all provisions of this section apply, including paragraph (c) and the~~  
 64.10 ~~timelines for approving or denying the license relocation for the alternative new location.~~

64.11 (g) If the commissioner of health approves a relocation under this subdivision, the  
 64.12 commissioner must comply with the provisions of section 144G.16, subdivision 8.

64.13 Sec. 17. Minnesota Statutes 2024, section 144G.31, subdivision 7, is amended to read:

64.14 Subd. 7. **Additional penalties.** In addition to any fine imposed under this section, the  
 64.15 commissioner may:

64.16 (1) assess a penalty amount based on costs related to an investigation that results in a  
 64.17 final order assessing a fine or other enforcement action authorized by this chapter; and

64.18 (2) increase a fine if the violation results in serious injury or death and the commissioner  
 64.19 determines the licensee's conduct was sufficiently egregious to warrant an increase,  
 64.20 notwithstanding the fine amount provided in subdivision 4, paragraph (a), clause (5).

64.21 Sec. 18. Minnesota Statutes 2024, section 144G.40, is amended by adding a subdivision  
 64.22 to read:

64.23 Subd. 4. **Increase in amount charged for housing or services.** (a) If an assisted living  
 64.24 facility proposes to increase the amount charged for housing or assisted living services by  
 64.25 an amount that exceeds the change in the Consumer Price Index for All Urban Consumers  
 64.26 published by the federal Bureau of Labor Statistics, for the most recent 12-month period  
 64.27 for which data is available, the assisted living facility must provide the commissioner with  
 64.28 justification for and specific documentation supporting the proposed increase.

64.29 (b) The documentation required under paragraph (a) must include:

64.30 (1) data on operational costs, including but not limited to the cost of staffing, utilities,  
 64.31 maintenance, and other day-to-day expenses necessary to operate the facility;

65.1 (2) data on the proposed imposition of any new fees, but is not limited to a raw food  
 65.2 fee, community fee, pharmacy choice or coordination fee, hospice choice or coordination  
 65.3 fee, or activities fee;

65.4 (3) the facility's balance sheet, including projected revenues and expenses for the next  
 65.5 fiscal year;

65.6 (4) data on costs related to compliance with new regulatory requirements, including but  
 65.7 not limited to health and safety requirements;

65.8 (5) data on capital improvements to, upgrades to, or expansion of the facility, including  
 65.9 but not limited to building renovations or new construction;

65.10 (6) a comparison of the facility's costs and fees and the costs and fees of similar facilities  
 65.11 in the region where the facility is located;

65.12 (7) data on whether the facility's residents have increased needs or are requesting new  
 65.13 amenities; and

65.14 (8) the percentage of revenue devoted to administrative costs and the percentage of  
 65.15 revenue devoted to marketing costs.

65.16 (c) The commissioner must review the justification and documentation provided under  
 65.17 paragraph (a) and approve or disapprove the proposed increase. The commissioner may  
 65.18 request from the facility additional documentation or information the commissioner deems  
 65.19 necessary to conduct the review. An assisted living facility must not implement a proposed  
 65.20 increase described in paragraph (a) unless the commissioner approves the proposed increase.

65.21 (d) If the commissioner approves the proposed increase, approval must be conditioned  
 65.22 on the facility maintaining or improving the quality of care it provides, including but not  
 65.23 limited to hiring additional staff, improving staff training, updating medical equipment, or  
 65.24 upgrading physical environment elements of the facility.

65.25 Sec. 19. Minnesota Statutes 2024, section 144G.41, subdivision 1, is amended to read:

65.26 Subdivision 1. **Minimum requirements.** All assisted living facilities shall:

65.27 (1) distribute to residents the assisted living bill of rights;

65.28 (2) provide services in a manner that complies with the Nurse Practice Act in sections  
 65.29 148.171 to 148.285;

65.30 (3) utilize a person-centered planning and service delivery process;

66.1 (4) have and maintain a system for delegation of health care activities to unlicensed  
66.2 personnel by a registered nurse, including supervision and evaluation of the delegated  
66.3 activities as required by the Nurse Practice Act in sections 148.171 to 148.285;

66.4 (5) provide a means for residents to request assistance for health and safety needs 24  
66.5 hours per day, seven days per week;

66.6 (6) allow residents the ability to furnish and decorate the resident's unit within the terms  
66.7 of the assisted living contract;

66.8 (7) permit residents access to food at any time;

66.9 (8) allow residents to choose the resident's visitors and times of visits;

66.10 (9) allow the resident the right to choose a roommate if sharing a unit;

66.11 (10) notify the resident of the resident's right to have and use a lockable door to the  
66.12 resident's unit. The licensee shall provide the locks on the unit. Only a staff member with  
66.13 a specific need to enter the unit shall have keys, and advance notice must be given to the  
66.14 resident before entrance, when possible. An assisted living facility must not lock a resident  
66.15 in the resident's unit;

66.16 (11) develop and implement a staffing plan for determining its staffing level that:

66.17 (i) includes an evaluation, to be conducted at least twice a year, of the appropriateness  
66.18 of staffing levels in the facility;

66.19 (ii) ensures sufficient staffing at all times to meet the scheduled and reasonably  
66.20 foreseeable unscheduled needs of each resident as required by the residents' assessments  
66.21 and service plans on a 24-hour per day basis; and

66.22 (iii) ensures that the facility can respond promptly and effectively to individual resident  
66.23 emergencies and to emergency, life safety, and disaster situations affecting staff or residents  
66.24 in the facility;

66.25 (12) ensure that one or more persons are available 24 hours per day, seven days per  
66.26 week, who are responsible for responding to the requests of residents for assistance with  
66.27 health or safety needs. Such persons must be:

66.28 (i) awake;

66.29 (ii) located in the same building, in an attached building, or on a contiguous campus  
66.30 with the facility in order to respond within a reasonable amount of time;

66.31 (iii) capable of communicating with residents;

- 67.1 (iv) capable of providing or summoning the appropriate assistance; and
- 67.2 (v) capable of following directions; ~~and~~
- 67.3 (13) provide staff access to an on-call registered nurse 24 hours per day, seven days per
- 67.4 week;
- 67.5 (14) ensure a plan to immediately attend to resident needs in a medical emergency; and
- 67.6 (15) ensure that a person trained in emergency medical response is on site 24 hours per
- 67.7 day, seven days per week.

67.8 Sec. 20. Minnesota Statutes 2024, section 144G.41, subdivision 2, is amended to read:

67.9 Subd. 2. **Policies and procedures.** (a) Each assisted living facility must have policies

67.10 and procedures in place to address the following ~~and keep them current~~:

- 67.11 (1) requirements in section 626.557, reporting of maltreatment of vulnerable adults;
- 67.12 (2) conducting and handling background studies on employees;
- 67.13 (3) orientation, training, and competency evaluations of staff, and a process for evaluating
- 67.14 staff performance;
- 67.15 (4) handling complaints regarding staff or services provided by staff;
- 67.16 (5) conducting initial evaluations of residents' needs and the providers' ability to provide
- 67.17 those services;
- 67.18 (6) conducting initial and ongoing resident evaluations and assessments of resident
- 67.19 needs, including assessments by a registered nurse or appropriate licensed health professional,
- 67.20 and how changes in a resident's condition are identified, managed, and communicated to
- 67.21 staff and other health care providers as appropriate;
- 67.22 (7) orientation to and implementation of the assisted living bill of rights;
- 67.23 (8) infection control practices;
- 67.24 (9) reminders for medications, treatments, or exercises, if provided;
- 67.25 (10) conducting appropriate screenings, or documentation of prior screenings, to show
- 67.26 that staff are free of tuberculosis, consistent with current United States Centers for Disease
- 67.27 Control and Prevention standards;
- 67.28 (11) ensuring that nurses and licensed health professionals have current and valid licenses
- 67.29 to practice;
- 67.30 (12) medication and treatment management;

68.1 (13) delegation of tasks by registered nurses or licensed health professionals;

68.2 (14) supervision of registered nurses and licensed health professionals; ~~and~~

68.3 (15) supervision of unlicensed personnel performing delegated tasks; and

68.4 (16) medical emergency procedures initiated when a resident is experiencing a medical  
 68.5 emergency, including but not limited to a resident falling, having a heart event, having  
 68.6 difficulty breathing, bleeding, or choking.

68.7 (b) Each assisted living facility must keep all policies and procedures current and make  
 68.8 them available to a resident or the resident's representative upon request. Policies and  
 68.9 procedures covering emergency situations must be provided to prospective residents before  
 68.10 admission to an assisted living facility and provided to current residents at the time of a  
 68.11 nursing assessment as required under section 144G.70, subdivision 2.

68.12 Sec. 21. Minnesota Statutes 2024, section 144G.41, is amended by adding a subdivision  
 68.13 to read:

68.14 Subd. 9. **Automatic external defibrillator.** (a) For purposes of this subdivision,  
 68.15 "automatic external defibrillator" has the meaning given in section 403.51, subdivision 1.

68.16 (b) A facility must:

68.17 (1) maintain an automatic external defibrillator in each building on the assisted living  
 68.18 facility campus where residents may be present; and

68.19 (2) ensure each of its automatic external defibrillators is maintained and regularly tested  
 68.20 according to the manufacturer's recommendations.

68.21 **EFFECTIVE DATE.** This section is effective August 1, 2026.

68.22 Sec. 22. Minnesota Statutes 2024, section 144G.45, subdivision 3, is amended to read:

68.23 Subd. 3. **Local laws apply; delegating inspection authority.** (a) Assisted living facilities  
 68.24 shall comply with all applicable state and local governing laws, regulations, standards,  
 68.25 ordinances, and codes for fire safety, building, and zoning requirements, except a facility  
 68.26 with a licensed resident capacity of six or fewer is exempt from rental licensing regulations  
 68.27 imposed by any town, municipality, or county.

68.28 (b) At the request of a county or local unit of government, the commissioner may delegate  
 68.29 to a county agency or local unit of government the commissioner's authority to inspect an  
 68.30 existing assisted living facility with a licensed resident capacity of six or fewer that is in  
 68.31 the jurisdiction of the county or local unit of government for compliance with applicable

69.1 physical plant licensing requirements and zoning ordinances. If the commissioner delegates  
 69.2 the commissioner's authority to a county agency or local unit of government under this  
 69.3 subdivision, the commissioner must execute a formal delegation of authority that clearly  
 69.4 specifies what authority is being delegated to the county agency or local unit of government,  
 69.5 that the commissioner is responsible for any costs incurred by the county agency or local  
 69.6 unit of government for conducting inspections under delegated authority, and that the county  
 69.7 agency or local unit of government must not assess any additional fees for conducting an  
 69.8 inspection under delegated authority. When conducting an inspection under delegated  
 69.9 authority, the county agency or local unit of government must provide the subject of the  
 69.10 inspection with a copy of the delegation of authority.

69.11 (c) When a county agency or local unit of government is conducting an inspection under  
 69.12 delegated authority as provided in paragraph (b), the county agency or local unit of  
 69.13 government and the commissioner must coordinate their inspections to minimize visits to  
 69.14 and disruptions of the facility. A county agency or local unit of government conducting an  
 69.15 inspection must notify the commissioner of any violations or concerns within ten working  
 69.16 days of the inspection. A county agency or local unit of government that conducts inspections  
 69.17 under this subdivision must not inspect an assisted living facility more frequently than  
 69.18 annually, except a follow-up inspection is permitted before the next annual inspection to  
 69.19 verify correction of a violation discovered during the most recent inspection.

69.20 (d) The commissioner must ensure that laws, rules, and codes are uniformly enforced  
 69.21 throughout the state by reviewing at least every four years each county agency and local  
 69.22 unit of government conducting inspections under this subdivision for compliance with this  
 69.23 subdivision and other applicable laws and rules. The commissioner must ensure that a county  
 69.24 agency or local unit of government to which the commissioner has delegated the  
 69.25 commissioner's authority under this subdivision has at all times sufficient expertise to  
 69.26 conduct delegated inspections competently, and if the county agency or local unit of  
 69.27 government does not, the commissioner must immediately revoke the delegation of authority.

69.28 **EFFECTIVE DATE.** This section is effective January 1, 2027.

69.29 Sec. 23. Minnesota Statutes 2024, section 144G.61, subdivision 2, is amended to read:

69.30 Subd. 2. **Training and evaluation of unlicensed personnel.** (a) Training and competency  
 69.31 evaluations for all unlicensed personnel must include the following:

69.32 (1) documentation requirements for all services provided;

- 70.1 (2) reports of changes in the resident's condition to the supervisor designated by the  
70.2 facility;
- 70.3 (3) basic infection control, including blood-borne pathogens;
- 70.4 (4) maintenance of a clean and safe environment;
- 70.5 (5) appropriate and safe techniques in personal hygiene and grooming, including:
- 70.6 (i) hair care and bathing;
- 70.7 (ii) care of teeth, gums, and oral prosthetic devices;
- 70.8 (iii) care and use of hearing aids; and
- 70.9 (iv) dressing and assisting with toileting;
- 70.10 (6) training on the prevention of falls;
- 70.11 (7) standby assistance techniques and how to perform them;
- 70.12 (8) medication, exercise, and treatment reminders;
- 70.13 (9) basic nutrition, meal preparation, food safety, and assistance with eating;
- 70.14 (10) preparation of modified diets as ordered by a licensed health professional;
- 70.15 (11) communication skills that include preserving the dignity of the resident and showing  
70.16 respect for the resident and the resident's preferences, cultural background, and family;
- 70.17 (12) awareness of confidentiality and privacy;
- 70.18 (13) understanding appropriate boundaries between staff and residents and the resident's  
70.19 family;
- 70.20 (14) procedures to use in handling various emergency situations; ~~and~~
- 70.21 (15) awareness of commonly used health technology equipment and assistive devices;  
70.22 and
- 70.23 (16) procedures to use when handling various emergency medical situations, including  
70.24 but not limited to a resident falling, having a heart event, having difficulty breathing,  
70.25 bleeding, or choking.
- 70.26 (b) In addition to paragraph (a), training and competency evaluation for unlicensed  
70.27 personnel providing assisted living services must include:
- 70.28 (1) observing, reporting, and documenting resident status;

- 71.1 (2) basic knowledge of body functioning and changes in body functioning, injuries, or  
 71.2 other observed changes that must be reported to appropriate personnel;
- 71.3 (3) reading and recording temperature, pulse, and respirations of the resident;
- 71.4 (4) recognizing physical, emotional, cognitive, and developmental needs of the resident;
- 71.5 (5) safe transfer techniques and ambulation;
- 71.6 (6) range of motioning and positioning; and
- 71.7 (7) administering medications or treatments as required.

71.8 Sec. 24. Minnesota Statutes 2024, section 144G.63, subdivision 2, is amended to read:

71.9 Subd. 2. **Content of required orientation.** (a) The orientation must contain the following  
 71.10 topics:

- 71.11 (1) an overview of this chapter;
- 71.12 (2) an introduction and review of the facility's policies and procedures related to the  
 71.13 provision of assisted living services by the individual staff person;
- 71.14 (3) handling of emergencies and use of emergency services;
- 71.15 (4) compliance with and reporting of the maltreatment of vulnerable adults under section  
 71.16 626.557 to the Minnesota Adult Abuse Reporting Center (MAARC);
- 71.17 (5) the assisted living bill of rights and staff responsibilities related to ensuring the  
 71.18 exercise and protection of those rights;
- 71.19 (6) the principles of person-centered planning and service delivery and how they apply  
 71.20 to direct support services provided by the staff person;
- 71.21 (7) handling of residents' complaints, reporting of complaints, and where to report  
 71.22 complaints, including information on the Office of Health Facility Complaints;
- 71.23 (8) consumer advocacy services of the Office of Ombudsman for Long-Term Care,  
 71.24 Office of Ombudsman for Mental Health and Developmental Disabilities, Managed Care  
 71.25 Ombudsman at the Department of Human Services, county-managed care advocates, or  
 71.26 other relevant advocacy services; ~~and~~
- 71.27 (9) a review of the types of assisted living services the staff member will be providing  
 71.28 and the facility's category of licensure; and
- 71.29 (10) cardiopulmonary resuscitation, the use of automatic external defibrillators, the  
 71.30 facility's process for checking a resident's code status before initiating lifesaving measures,

72.1 and requesting emergency medical assistance as soon as practicable after an automatic  
 72.2 external defibrillator is used.

72.3 (b) In addition to the topics in paragraph (a), orientation may also contain training on  
 72.4 providing services to residents with hearing loss. Any training on hearing loss provided  
 72.5 under this subdivision must be high quality and research based, may include online training,  
 72.6 and must include training on one or more of the following topics:

72.7 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,  
 72.8 and the challenges it poses to communication;

72.9 (2) health impacts related to untreated age-related hearing loss, such as increased  
 72.10 incidence of dementia, falls, hospitalizations, isolation, and depression; or

72.11 (3) information about strategies and technology that may enhance communication and  
 72.12 involvement, including communication strategies, assistive listening devices, hearing aids,  
 72.13 visual and tactile alerting devices, communication access in real time, and closed captions.

72.14 **EFFECTIVE DATE.** This section is effective August 1, 2026.

72.15 Sec. 25. Minnesota Statutes 2024, section 144G.63, subdivision 5, is amended to read:

72.16 Subd. 5. **Required annual training.** (a) All staff that perform direct services must  
 72.17 complete at least eight hours of annual training for each 12 months of employment. The  
 72.18 training may be obtained from the facility or another source and must include topics relevant  
 72.19 to the provision of assisted living services. The annual training must include:

72.20 (1) training on reporting of maltreatment of vulnerable adults under section 626.557;

72.21 (2) review of the assisted living bill of rights and staff responsibilities related to ensuring  
 72.22 the exercise and protection of those rights;

72.23 (3) review of infection control techniques used in the home and implementation of  
 72.24 infection control standards including a review of hand washing techniques; the need for and  
 72.25 use of protective gloves, gowns, and masks; appropriate disposal of contaminated materials  
 72.26 and equipment, such as dressings, needles, syringes, and razor blades; disinfecting reusable  
 72.27 equipment; disinfecting environmental surfaces; and reporting communicable diseases;

72.28 (4) effective approaches to use to problem solve when working with a resident's  
 72.29 challenging behaviors, and how to communicate with residents who have dementia,  
 72.30 Alzheimer's disease, or related disorders;

72.31 (5) review of the facility's policies and procedures relating to the provision of assisted  
 72.32 living services and how to implement those policies and procedures; ~~and~~

73.1 (6) the principles of person-centered planning and service delivery and how they apply  
73.2 to direct support services provided by the staff person; and

73.3 (7) cardiopulmonary resuscitation, the use of automatic external defibrillators, the  
73.4 facility's process for checking a resident's code status before initiating lifesaving measures,  
73.5 and requesting emergency medical assistance as soon as practicable after an automatic  
73.6 external defibrillator is used.

73.7 (b) In addition to the topics in paragraph (a), annual training may also contain training  
73.8 on providing services to residents with hearing loss. Any training on hearing loss provided  
73.9 under this subdivision must be high quality and research based, may include online training,  
73.10 and must include training on one or more of the following topics:

73.11 (1) an explanation of age-related hearing loss and how it manifests itself, its prevalence,  
73.12 and challenges it poses to communication;

73.13 (2) the health impacts related to untreated age-related hearing loss, such as increased  
73.14 incidence of dementia, falls, hospitalizations, isolation, and depression; or

73.15 (3) information about strategies and technology that may enhance communication and  
73.16 involvement, including communication strategies, assistive listening devices, hearing aids,  
73.17 visual and tactile alerting devices, communication access in real time, and closed captions.

73.18 **EFFECTIVE DATE.** This section is effective August 1, 2026.

73.19 Sec. 26. Minnesota Statutes 2024, section 144G.63, is amended by adding a subdivision  
73.20 to read:

73.21 **Subd. 5a. Orientation and annual training; other staff.** (a) All staff who are not subject  
73.22 to the orientation requirements in subdivisions 1 and 2 must complete an orientation on the  
73.23 topics specified under paragraph (b) within 160 hours of the employment start date. All  
73.24 staff who are not subject to the annual training requirements in subdivision 5 must complete  
73.25 annual training on the topics specified under paragraph (b).

73.26 (b) The orientation and annual training must include training on cardiopulmonary  
73.27 resuscitation, the use of automatic external defibrillators, the facility's process for checking  
73.28 a resident's code status before initiating lifesaving measures, and requesting emergency  
73.29 medical assistance as soon as practicable after an automatic external defibrillator is used.

73.30 **EFFECTIVE DATE.** This section is effective August 1, 2026.

74.1 **Sec. 27. [144G.65] NURSING STAFF REQUIREMENTS.**

74.2 **Subdivision 1. Onsite registered nurse.** (a) Except when waived under subdivision 5,  
74.3 the facility must have a registered nurse onsite 24 hours per day. The registered nurse must  
74.4 be available to provide direct resident care.

74.5 (b) For any periods when the onsite registered nurse requirements in paragraph (a) are  
74.6 waived under subdivision 5, a facility must have a registered nurse, licensed nurse  
74.7 practitioner, physician assistant, or physician available to respond immediately to telephone  
74.8 calls from the facility.

74.9 **Subd. 2. Staffing competencies.** The facility must ensure that all nurses have the specific  
74.10 competencies and skill sets necessary to care for residents' needs, as identified through  
74.11 resident assessments, and described in the service plan. Providing care includes but is not  
74.12 limited to assessing, evaluating, planning, and implementing resident care plans and  
74.13 responding to residents' needs.

74.14 **Subd. 3. Required staff ratio.** (a) The minimum staffing standard for personnel in  
74.15 assisted living facilities is as specified in this subdivision.

74.16 (b) A facility must provide nursing care to all residents in accordance with each resident's  
74.17 service plan while also providing a minimum of 3.48 hours per resident per 24 hours for  
74.18 total nurse staffing, including but not limited to a minimum of 0.55 hours per resident per  
74.19 24 hours for registered nurses and a minimum of 2.45 hours per resident per 24 hours for  
74.20 nurse aides and licensed nurse practitioners per resident per 24 hours.

74.21 (c) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty,  
74.22 productive nursing hours of all nurses and nursing assistants, calculated on the basis of any  
74.23 given 24-hour period. "Productive nursing hours" means all on-duty hours during which  
74.24 nurses and nursing assistants are engaged in nursing duties. Not included are vacations,  
74.25 holidays, sick leave, in-service classroom training, or lunches. Also not included are the  
74.26 nonproductive nursing hours of the in-service training director. In a facility with more than  
74.27 60 licensed beds, the hours of the director of nursing are excluded.

74.28 (d) An assisted living facility that is issued a notice of noncompliance for a violation of  
74.29 this subdivision shall be assessed a civil fine of \$300 for each day of noncompliance.

74.30 **Subd. 4. Nursing supervision.** (a) Except when waived under subdivision 5, the facility  
74.31 must designate a registered nurse to serve as a charge nurse for each shift.

74.32 (b) Except when waived under subdivision 5, the facility must designate a registered  
74.33 nurse to serve as the director of nursing on a full-time basis. The director of nursing may

75.1 serve as a charge nurse only when the facility has an average daily occupancy of 60 or fewer  
75.2 residents.

75.3 Subd. 5. Exemption process. (a) The commissioner shall establish a process for  
75.4 exemption to the requirements under subdivisions 1 and 4. A facility shall submit a request  
75.5 for exemption under this subdivision on a form developed and in a manner established by  
75.6 the commissioner. A requesting facility shall provide in writing to the commissioner the  
75.7 following information at a minimum:

75.8 (1) the specific requirement from which exemption is sought;

75.9 (2) a detailed explanation of the physical proximity of the requesting facility to other  
75.10 facilities within reasonable distance providing the same services as the requesting facility;

75.11 (3) the reason the facility is unable to comply with the requirement;

75.12 (4) the reason that compliance with the requirement will impose substantial hardship,  
75.13 including but not limited to the risk of the facility closing and requiring residents to move;  
75.14 and

75.15 (5) the reason that a waiver will not significantly harm residents.

75.16 Following the submission of an exemption request, the commissioner must provide public  
75.17 notice of the requested exemption and allow a public comment period.

75.18 (b) The commissioner shall evaluate requests for exemption under this subdivision by  
75.19 reviewing the application materials and all comments submitted during the public comment  
75.20 period. As part of the evaluation process, the commissioner may:

75.21 (1) inspect the facility;

75.22 (2) confer with the facility manager or designee;

75.23 (3) contact residents or their representatives to determine whether they believe a waiver  
75.24 is in the residents' best interest; and

75.25 (4) contact individuals who submitted public comment during the public comment period.

75.26 (c) The commissioner may grant an exemption if the commissioner determines that  
75.27 compliance with the requirement from which the exemption is sought cannot be accomplished  
75.28 without substantial hardship to the facility and granting an exemption will not significantly  
75.29 harm residents. The commissioner may not grant an exemption if it will create an imminent  
75.30 risk of harm to a resident.

76.1 (d) An exemption granted under this subdivision is in effect for 90 days. After 90 days,  
76.2 the facility may request a renewal of the exemption. After one renewal, the facility must  
76.3 submit a new request for exemption under this subdivision.

76.4 Sec. 28. Minnesota Statutes 2025 Supplement, section 145D.40, is amended by adding a  
76.5 subdivision to read:

76.6 Subd. 5. **Health care professional.** "Health care professional" means an individual who  
76.7 is licensed or registered by the state to provide health care services within the professional's  
76.8 scope of practice and in accordance with state law.

76.9 Sec. 29. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 1, is amended  
76.10 to read:

76.11 Subdivision 1. **Notice.** At least 120 days prior to the transfer of ownership or control of  
76.12 a nonprofit nursing home or nonprofit assisted living facility to a for-profit entity, the nursing  
76.13 home or assisted living facility must provide written notice to the attorney general, the  
76.14 commissioner of health, and the commissioner of human services of its intent to transfer  
76.15 ownership or control to a for-profit entity.

76.16 Sec. 30. Minnesota Statutes 2025 Supplement, section 145D.41, subdivision 2, is amended  
76.17 to read:

76.18 Subd. 2. **Information.** Together with the notice, the for-profit entity seeking to acquire  
76.19 ownership or control of the nonprofit nursing home or nonprofit assisted living facility must  
76.20 provide to the attorney general, commissioner of health, and commissioner of human services:

76.21 (1) the names of each individual with an interest in the for-profit entity and the percentage  
76.22 of interest each individual holds in the for-profit entity;

76.23 (2) a complete and detailed description of the for-profit entity's corporate structure;

76.24 (3) the names of each individual holding an interest in, and the percentage of interest  
76.25 held in, any affiliate, subsidiary, or otherwise related entity that the for-profit entity has a  
76.26 contract to provide goods or services for the operation or maintenance of the nursing home  
76.27 or assisted living facility or has a contract for goods and services to be provided to residents,  
76.28 including any real estate investment trusts if permitted under section 145D.42;

76.29 (4) for the previous five years, any filings required to be made to any federal or state  
76.30 agency;

76.31 (5) the for-profit entity's current balance sheet;

- 77.1 (6) all application materials required under section 144A.03 or 144G.12, as applicable;
- 77.2 (7) a description of the condition of the buildings the for-profit entity seeks to acquire
- 77.3 or manage, identifying any cooling problems, electric medical devices present, recent exterior
- 77.4 additions and replacements, external building conditions, recent flush toilet breakdowns,
- 77.5 foreclosure status in the previous 12 months, heat risk, heating problems, indoor air quality,
- 77.6 recent interior additions and replacements, and mold, as those terms are defined and described
- 77.7 in Appendix A of the American Housing Survey for the United States: 2023;
- 77.8 (8) an affidavit and evidence; and
- 77.9 (9) other information required by the attorney general, commissioner of health, and
- 77.10 commissioner of human services.

77.11 Sec. 31. Minnesota Statutes 2025 Supplement, section 145D.41, is amended by adding a

77.12 subdivision to read:

77.13 Subd. 3. **Affidavit and evidence.** In addition to the notice required under subdivision

77.14 1, a for-profit entity seeking to acquire ownership or control of a nonprofit nursing home

77.15 or nonprofit assisted living facility must submit to the attorney general an affidavit and

77.16 evidence sufficient to demonstrate that:

77.17 (1) the for-profit entity has the financial, managerial, and operational ability to operate

77.18 or manage the nursing home or assisted living facility consistent with the requirements of:

77.19 (i) for a nursing home, sections 144A.01 to 144A.1888, chapter 256R, and Minnesota Rules,

77.20 chapter 4658; or (ii) for an assisted living facility, chapter 144G and Minnesota Rules,

77.21 chapter 4659;

77.22 (2) neither the for-profit entity nor any of its owners, managerial officials, or managers

77.23 have committed a crime listed in, or been found civilly liable for an offense listed in, section

77.24 144A.03, subdivision 1, paragraph (b), clause (13), or 144G.12, subdivision 1, clause (13),

77.25 as applicable;

77.26 (3) in the preceding ten years, there have been no judgments and no filed, pending, or

77.27 completed public or private litigations, tax liens, written complaints, administrative actions,

77.28 or investigations by a government agency against the for-profit entity or any of its owners,

77.29 managerial officials, or managers;

77.30 (4) in the preceding ten years, the for-profit entity has not defaulted in the payment of

77.31 money collected for others and has not discharged debts through bankruptcy proceedings;

78.1 (5) the for-profit entity will invest sufficient capital in the nursing home or assisted living  
 78.2 facility to maintain or improve the facility's infrastructure and staffing;

78.3 (6)(i) housing costs or costs for services in a nursing home or assisted living facility in  
 78.4 the United States over which the for-profit entity acquired ownership or control have not  
 78.5 increased by more than the increase in the Consumer Price Index for all urban consumers  
 78.6 published by the federal Bureau of Labor Statistics for the 12 months preceding the month  
 78.7 in which the increase became effective; or (ii) if housing costs or costs for services in the  
 78.8 nursing home or assisted living facility increased by more than the increase in the Consumer  
 78.9 Price Index as described in item (i), the increase was justified;

78.10 (7) within five years after acquiring ownership or control of any other nursing home or  
 78.11 assisted living facility in the United States, the for-profit entity did not sell or otherwise  
 78.12 transfer ownership or control of the nursing home or assisted living facility to another person;  
 78.13 and

78.14 (8) after acquiring ownership or control of another nursing home in the United States,  
 78.15 that nursing home, with respect to the Centers for Medicare and Medicaid Services rating  
 78.16 system:

78.17 (i) maintained or improved the nursing home's rating if upon acquisition of ownership  
 78.18 or control the rating was three or more stars; or

78.19 (ii) improved the nursing home's rating to at least three stars if upon acquisition of  
 78.20 ownership or control the rating was one or two stars.

78.21 **Sec. 32. [145D.42] PROHIBITED PRACTICES.**

78.22 A for-profit entity that acquires ownership or control of a nonprofit nursing home or  
 78.23 nonprofit assisted living facility is prohibited from:

78.24 (1) interfering with the professional judgment of a health care professional providing  
 78.25 care in the nursing home or assisted living facility or with a health care professional's  
 78.26 diagnosis or treatment of residents in the nursing home or assisted living facility;

78.27 (2) providing unequal treatment with regard to charges for housing or services based on  
 78.28 whether the resident pays for housing or services with private funds or through a public  
 78.29 program;

78.30 (3) engaging in any act, practice, or course of business that would strip an asset from an  
 78.31 acquired nursing home or assisted living facility or that would otherwise undermine the

79.1 quality of, safety of, or access to care and services provided by the nursing home or assisted  
 79.2 living facility;

79.3 (4) engaging in self-dealing;

79.4 (5) engaging in any acts, practices, or courses of business that result in an adverse impact  
 79.5 on the health, safety, and well-being and quality of care of the residents of the nursing home  
 79.6 or assisted living facility;

79.7 (6) spending less than 75 percent of the funds received by the nursing home or assisted  
 79.8 living facility from public programs and state appropriations on the direct care of residents;

79.9 (7) raising resident housing costs beyond the Consumer Price Index for all urban  
 79.10 consumers published by the federal Bureau of Labor Statistics for the 12 months preceding  
 79.11 the month in which the increase became effective unless the for-profit entity can demonstrate  
 79.12 that the increase was justified by legitimate business expenses;

79.13 (8) allowing a diminution of maintenance or a deterioration in the operations and  
 79.14 infrastructure of the nursing home or assisted living facility that results in unsafe conditions  
 79.15 or violations of building and other relevant codes, diminishes the property value of the  
 79.16 facility, or jeopardizes the health and well-being of the residents; or

79.17 (9) for a nursing home:

79.18 (i) failing to improve in the Centers for Medicare and Medicaid Services rating if the  
 79.19 nursing home's current rating is one or two stars; or

79.20 (ii) allowing a decline in the Centers for Medicare and Medicaid Services rating if the  
 79.21 nursing home's current rating is at least three stars.

79.22 **Sec. 33. [145D.43] ENFORCEMENT AND REMEDIES; NURSING HOMES AND**  
 79.23 **ASSISTED LIVING FACILITIES.**

79.24 Subdivision 1. **Equitable remedies.** (a) In addition to other remedies provided by law,  
 79.25 the attorney general may bring an action in district court to enjoin or unwind a transaction  
 79.26 or seek other equitable relief if a nonprofit assisted living facility, nonprofit nursing home,  
 79.27 or for-profit entity violates sections 145D.41 and 145D.42.

79.28 (b) In seeking injunctive relief under this section, the attorney general is not required to  
 79.29 establish irreparable harm but must instead establish that a violation of sections 145D.41  
 79.30 and 145D.42 occurred.

79.31 Subd. 2. **Failure to provide information.** Failure of the entities involved in a transaction  
 79.32 subject to sections 145D.41 and 145D.42 to provide timely information as required by the

80.1 attorney general, the commissioner of health, or the commissioner of human services is an  
80.2 independent and sufficient ground for a court to enjoin or unwind the transaction or provide  
80.3 other equitable relief, provided the attorney general notifies the entities of the inadequacy  
80.4 of the information provided and provides the entities with a reasonable opportunity to remedy  
80.5 the inadequacy.

80.6 Subd. 3. **Enforcement.** In addition to the remedies provided under this section or other  
80.7 law, the attorney general may enforce sections 145D.41 and 145D.42 pursuant to section  
80.8 8.31.

80.9 Subd. 4. **Civil penalties; attorney fees.** (a) An officer, director, or other executive found  
80.10 to have violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to  
80.11 \$50,000 for each violation. A nonprofit assisted living facility, nonprofit nursing home, or  
80.12 for-profit entity that is a party to or materially participated in a transaction found to have  
80.13 violated sections 145D.41 and 145D.42 shall be subject to a civil penalty of up to \$500,000.

80.14 (b) A court may also award reasonable attorney fees and costs of investigation and  
80.15 litigation for an action brought under this section.

80.16 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to violations  
80.17 occurring on or after that date.

80.18 Sec. 34. **DIRECTION TO COMMISSIONER OF HEALTH; SMALL ASSISTED**  
80.19 **LIVING FACILITY LICENSURE.**

80.20 (a) The commissioner of health must convene a group of interested parties to examine  
80.21 the licensing requirements under Minnesota Statutes, chapter 144G, for assisted living  
80.22 facilities with a licensed resident capacity of five residents or fewer. The group must develop  
80.23 a new licensing category applicable to such facilities to account for health and safety  
80.24 requirements and practical realities of operating small assisted living facilities that  
80.25 predominantly serve individuals receiving customized living services under the federally  
80.26 approved brain injury, community access for disability inclusion, and elderly waiver plans.

80.27 (b) The commissioner must develop draft legislative language to establish a new assisted  
80.28 living license category for facilities with a licensed resident capacity of five residents or  
80.29 fewer.

80.30 (c) The commissioner must submit the draft legislation to the chairs and ranking minority  
80.31 members of the legislative committees with jurisdiction over health and human services  
80.32 policy and finance by January 1, 2028.

81.1 **Sec. 35. SPECIAL PROJECTS GRANT PROGRAM FOR HOME CARE**  
 81.2 **PROVIDERS.**

81.3 By December 31, 2028, the commissioner of health must distribute the balance as of  
 81.4 January 1, 2027, in the special revenue account under Minnesota Statutes, section 144A.474,  
 81.5 subdivision 11, paragraph (j), under a competitive grant program for special projects for  
 81.6 improving home care client quality of care and outcomes in Minnesota, with a specific focus  
 81.7 on workforce and clinical outcomes, including projects consistent with criteria in Minnesota  
 81.8 Statutes, section 144A.4799, subdivision 3, paragraph (c). Grants must be distributed to  
 81.9 home care providers licensed under Minnesota Statutes, chapter 144A, or organizations  
 81.10 with experience in or knowledge of home care operations, compliance, client needs, or best  
 81.11 practices. Each grant must be \$1,000 at minimum. A provider with a temporary license  
 81.12 under Minnesota Statutes, chapter 144A, is not eligible to apply for a grant. Any amount  
 81.13 that has not been awarded as a grant by December 31, 2028, must be used for the annual  
 81.14 distributions under Minnesota Statutes, section 144A.474, subdivision 11, paragraph (j),  
 81.15 beginning January 1, 2029.

81.16 **Sec. 36. REPEALER.**

81.17 Minnesota Statutes 2024, section 144A.04, subdivision 7, is repealed.

81.18 **ARTICLE 5**

81.19 **DIRECT CARE AND TREATMENT**

81.20 Section 1. Minnesota Statutes 2024, section 15.43, subdivision 3, is amended to read:

81.21 Subd. 3. **Other exemptions.** ~~The commissioners~~ commissioner of ~~human services and~~  
 81.22 ~~corrections and Direct Care and Treatment executive board~~ may by rule prescribe procedures  
 81.23 for the acceptance of gifts from any person or organization, provided that such gifts are  
 81.24 accepted by the commissioner or executive board, or a designated representative of the  
 81.25 commissioner or executive board, and that such gifts are used solely for the direct benefit  
 81.26 of patients, clients, or inmates under the jurisdiction of the accepting state officer.

81.27 Sec. 2. Minnesota Statutes 2025 Supplement, section 144.121, subdivision 1a, is amended  
 81.28 to read:

81.29 Subd. 1a. **Fees for ionizing radiation-producing equipment.** (a) A facility with ionizing  
 81.30 radiation-producing equipment and other sources of ionizing radiation must pay an initial  
 81.31 or annual renewal registration fee consisting of a base facility fee of \$155 and an additional  
 81.32 fee for each x-ray tube, as follows:

82.1	(1) medical or veterinary equipment	\$ 130
82.2	(2) dental x-ray equipment	\$ 60
82.3	(3) x-ray equipment not used on	\$ 130
82.4	humans or animals	
82.5	(4) devices with sources of ionizing	\$ 130
82.6	radiation not used on humans or	
82.7	animals	
82.8	(5) security screening system	\$ 160
82.9	(6) radiation therapy and accelerator	\$ 1,000
82.10	x-ray equipment	
82.11	(7) industrial accelerator x-ray	\$ 300
82.12	equipment	

82.13 (b) Electron microscopy equipment is exempt from the registration fee requirements of  
82.14 this section.

82.15 (c) For purposes of this section, a security screening system means ionizing  
82.16 radiation-producing equipment designed and used for security screening of humans who  
82.17 are in the custody of a correctional or detention facility or who are civilly committed in a  
82.18 secure treatment facility, and used by the facility to image and identify contraband items  
82.19 concealed within or on all sides of a human body.

82.20 (d) For purposes of this section, a correctional or detention facility is a facility licensed  
82.21 under section 241.021 and operated by a state agency or political subdivision charged with  
82.22 detection, enforcement, or incarceration in respect to state criminal and traffic laws.

82.23 (e) For purposes of this section, a secure treatment facility includes the facilities listed  
82.24 in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13.

82.25 (f) The commissioner shall adopt rules to establish requirements for the use of security  
82.26 screening systems. Notwithstanding section 14.125, the authority to adopt these rules does  
82.27 not expire.

82.28 Sec. 3. Minnesota Statutes 2024, section 144.121, subdivision 9, is amended to read:

82.29 Subd. 9. **Exemption from examination requirements; operators of security screening**  
82.30 **systems.** (a) An employee of a correctional ~~or~~ detention, or secure treatment facility who  
82.31 operates a security screening system and the facility in which the system is being operated  
82.32 are exempt from the requirements of subdivisions 5 and 6.

82.33 (b) An employee of a correctional or detention facility who operates a security screening  
82.34 system and the facility in which the system is being operated must meet the requirements  
82.35 of a variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota

83.1 Rules, parts 4717.7000 to 4717.7050. This paragraph expires on December 31 of the year  
 83.2 that the permanent rules adopted by the commissioner governing security screening systems  
 83.3 are published in the State Register.

83.4 (c) An employee of a secure treatment facility who operates a security screening system  
 83.5 and the facility in which the system is being operated must meet the requirements of a  
 83.6 variance to Minnesota Rules, parts 4732.0305 and 4732.0565, issued under Minnesota  
 83.7 Rules, parts 4717.7000 to 4717.7050.

83.8 Sec. 4. Minnesota Statutes 2024, section 246.54, subdivision 2, is amended to read:

83.9 Subd. 2. **Exceptions.** (a) Regardless of the facility to which the client is committed,  
 83.10 subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:

83.11 (1) clients who are committed as sexual psychopathic personalities under section 253D.02,  
 83.12 subdivision 15; and

83.13 (2) clients who are committed as sexually dangerous persons under section 253D.02,  
 83.14 subdivision 16.

83.15 (b) A county that is classified as economically distressed is not responsible for the costs  
 83.16 of care under this section. The executive board must classify a county as economically  
 83.17 distressed if:

83.18 (1) more than 15 percent of the county's population is living in poverty, according to  
 83.19 the most recent data published by the United States Census Bureau; and

83.20 (2) more than 70 percent of the total acreage in the county is exempt from property  
 83.21 taxation under chapter 272.

83.22 The executive board must not require any other county to pay to the state of Minnesota any  
 83.23 portion of the cost of care subject to the exception under this paragraph.

## 83.24 ARTICLE 6

### 83.25 MISCELLANEOUS

83.26 Section 1. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 17, is  
 83.27 amended to read:

83.28 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"  
 83.29 means motor vehicle transportation provided by a public or private person that serves  
 83.30 Minnesota health care program beneficiaries who do not require emergency ambulance  
 83.31 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

84.1 (b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means  
84.2 a census-tract based classification system under which a geographical area is determined  
84.3 to be urban, rural, or super rural. This paragraph expires July 1, ~~2026~~ 2027, for medical  
84.4 assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

84.5 (c) Medical assistance covers medical transportation costs incurred solely for obtaining  
84.6 emergency medical care or transportation costs incurred by eligible persons in obtaining  
84.7 emergency or nonemergency medical care when paid directly to an ambulance company,  
84.8 nonemergency medical transportation company, or other recognized providers of  
84.9 transportation services. Medical transportation must be provided by:

84.10 (1) nonemergency medical transportation providers who meet the requirements of this  
84.11 subdivision;

84.12 (2) ambulances, as defined in section 144E.001, subdivision 2;

84.13 (3) taxicabs that meet the requirements of this subdivision;

84.14 (4) public transportation, within the meaning of "public transportation" as defined in  
84.15 section 174.22, subdivision 7; or

84.16 (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472,  
84.17 subdivision 1, paragraph (p).

84.18 (d) Medical assistance covers nonemergency medical transportation provided by  
84.19 nonemergency medical transportation providers enrolled in the Minnesota health care  
84.20 programs. All nonemergency medical transportation providers must comply with the  
84.21 operating standards for special transportation service as defined in sections 174.29 to 174.30  
84.22 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the  
84.23 commissioner and reported on the claim as the individual who provided the service. All  
84.24 nonemergency medical transportation providers shall bill for nonemergency medical  
84.25 transportation services in accordance with Minnesota health care programs criteria. Publicly  
84.26 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the  
84.27 requirements outlined in this paragraph.

84.28 (e) An organization may be terminated, denied, or suspended from enrollment if:

84.29 (1) the provider has not initiated background studies on the individuals specified in  
84.30 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

84.31 (2) the provider has initiated background studies on the individuals specified in section  
84.32 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

85.1 (i) the commissioner has sent the provider a notice that the individual has been  
85.2 disqualified under section 245C.14; and

85.3 (ii) the individual has not received a disqualification set-aside specific to the special  
85.4 transportation services provider under sections 245C.22 and 245C.23.

85.5 (f) The administrative agency of nonemergency medical transportation must:

85.6 (1) adhere to the policies defined by the commissioner;

85.7 (2) pay nonemergency medical transportation providers for services provided to  
85.8 Minnesota health care programs beneficiaries to obtain covered medical services;

85.9 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled  
85.10 trips, and number of trips by mode; and

85.11 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single  
85.12 administrative structure assessment tool that meets the technical requirements established  
85.13 by the commissioner, reconciles trip information with claims being submitted by providers,  
85.14 and ensures prompt payment for nonemergency medical transportation services. This  
85.15 paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1,  
85.16 ~~2027~~ 2028, for prepaid medical assistance.

85.17 (g) Effective July 1, ~~2026~~ 2027, for medical fee-for-service and January 1, ~~2027~~ 2028,  
85.18 for prepaid medical assistance, the administrative agency of nonemergency medical  
85.19 transportation must:

85.20 (1) adhere to the policies defined by the commissioner;

85.21 (2) pay nonemergency medical transportation providers for services provided to  
85.22 Minnesota health care program beneficiaries to obtain covered medical services; and

85.23 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled  
85.24 trips, and number of trips by mode.

85.25 (h) Until the commissioner implements the single administrative structure and delivery  
85.26 system under subdivision 18e, clients shall obtain their level-of-service certificate from the  
85.27 commissioner or an entity approved by the commissioner that does not dispatch rides for  
85.28 clients using modes of transportation under paragraph (n), clauses (4), (5), (6), and (7). This  
85.29 paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1,  
85.30 ~~2027~~ 2028, for prepaid medical assistance.

85.31 (i) The commissioner may use an order by the recipient's attending physician, advanced  
85.32 practice registered nurse, physician assistant, or a medical or mental health professional to

86.1 certify that the recipient requires nonemergency medical transportation services.

86.2 Nonemergency medical transportation providers shall perform driver-assisted services for  
86.3 eligible individuals, when appropriate. Driver-assisted service includes passenger pickup  
86.4 at and return to the individual's residence or place of business, assistance with admittance  
86.5 of the individual to the medical facility, and assistance in passenger securement or in securing  
86.6 of wheelchairs, child seats, or stretchers in the vehicle.

86.7 (j) Nonemergency medical transportation providers must take clients to the health care  
86.8 provider using the most direct route, and must not exceed 30 miles for a trip to a primary  
86.9 care provider or 60 miles for a trip to a specialty care provider, unless the client receives  
86.10 authorization from the local agency. This paragraph expires July 1, ~~2026~~ 2027, for medical  
86.11 assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

86.12 (k) Effective July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1,  
86.13 ~~2027~~ 2028, for prepaid medical assistance, nonemergency medical transportation providers  
86.14 must take clients to the health care provider using the most direct route and must not exceed  
86.15 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider,  
86.16 unless the client receives authorization from the administrator.

86.17 (l) Nonemergency medical transportation providers may not bill for separate base rates  
86.18 for the continuation of a trip beyond the original destination. Nonemergency medical  
86.19 transportation providers must maintain trip logs, which include pickup and drop-off times,  
86.20 signed by the medical provider or client, whichever is deemed most appropriate, attesting  
86.21 to mileage traveled to obtain covered medical services. Clients requesting client mileage  
86.22 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical  
86.23 services.

86.24 (m) The administrative agency shall use the level of service process established by the  
86.25 commissioner to determine the client's most appropriate mode of transportation. If public  
86.26 transit or a certified transportation provider is not available to provide the appropriate service  
86.27 mode for the client, the client may receive a onetime service upgrade.

86.28 (n) The covered modes of transportation are:

86.29 (1) client reimbursement, which includes client mileage reimbursement provided to  
86.30 clients who have their own transportation, or to family or an acquaintance who provides  
86.31 transportation to the client;

86.32 (2) volunteer transport, which includes transportation by volunteers using their own  
86.33 vehicle;

87.1 (3) unassisted transport, which includes transportation provided to a client by a taxicab  
87.2 or public transit. If a taxicab or public transit is not available, the client can receive  
87.3 transportation from another nonemergency medical transportation provider;

87.4 (4) assisted transport, which includes transport provided to clients who require assistance  
87.5 by a nonemergency medical transportation provider;

87.6 (5) lift-equipped/ramp transport, which includes transport provided to a client who is  
87.7 dependent on a device and requires a nonemergency medical transportation provider with  
87.8 a vehicle containing a lift or ramp;

87.9 (6) protected transport, which includes transport provided to a client who has received  
87.10 a prescreening that has deemed other forms of transportation inappropriate and who requires  
87.11 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety  
87.12 locks, a video recorder, and a transparent thermoplastic partition between the passenger and  
87.13 the vehicle driver; and (ii) who is certified as a protected transport provider; and

87.14 (7) stretcher transport, which includes transport for a client in a prone or supine position  
87.15 and requires a nonemergency medical transportation provider with a vehicle that can transport  
87.16 a client in a prone or supine position.

87.17 (o) The local agency shall be the single administrative agency and shall administer and  
87.18 reimburse for modes defined in paragraph (n) according to paragraphs (r) to (t) when the  
87.19 commissioner has developed, made available, and funded the web-based single administrative  
87.20 structure, assessment tool, and level of need assessment under subdivision 18e. The local  
87.21 agency's financial obligation is limited to funds provided by the state or federal government.  
87.22 This paragraph expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January  
87.23 1, ~~2027~~ 2028, for prepaid medical assistance.

87.24 (p) The commissioner shall:

87.25 (1) verify that the mode and use of nonemergency medical transportation is appropriate;

87.26 (2) verify that the client is going to an approved medical appointment; and

87.27 (3) investigate all complaints and appeals.

87.28 (q) The administrative agency shall pay for the services provided in this subdivision and  
87.29 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,  
87.30 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary  
87.31 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.  
87.32 This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1,  
87.33 2027, for prepaid medical assistance.

88.1 (r) Payments for nonemergency medical transportation must be paid based on the client's  
88.2 assessed mode under paragraph (m), not the type of vehicle used to provide the service. The  
88.3 medical assistance reimbursement rates for nonemergency medical transportation services  
88.4 that are payable by or on behalf of the commissioner for nonemergency medical  
88.5 transportation services are:

88.6 (1) \$0.22 per mile for client reimbursement;

88.7 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer  
88.8 transport;

88.9 (3) equivalent to the standard fare for unassisted transport when provided by public  
88.10 transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency  
88.11 medical transportation provider;

88.12 (4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;

88.13 (5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;

88.14 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

88.15 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for  
88.16 an additional attendant if deemed medically necessary. This paragraph expires July 1, ~~2026~~  
88.17 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical  
88.18 assistance.

88.19 (s) Effective July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1,  
88.20 ~~2027~~ 2028, for prepaid medical assistance, payments for nonemergency medical  
88.21 transportation must be paid based on the client's assessed mode under paragraph (m), not  
88.22 the type of vehicle used to provide the service.

88.23 (t) The base rate for nonemergency medical transportation services in areas defined  
88.24 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in  
88.25 paragraph (r), clauses (1) to (7). The mileage rate for nonemergency medical transportation  
88.26 services in areas defined under RUCA to be rural or super rural areas is:

88.27 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage  
88.28 rate in paragraph (r), clauses (1) to (7); and

88.29 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage  
88.30 rate in paragraph (r), clauses (1) to (7). This paragraph expires July 1, ~~2026~~ 2027, for medical  
88.31 assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

89.1 (u) For purposes of reimbursement rates for nonemergency medical transportation  
 89.2 services under paragraphs (r) to (t), the zip code of the recipient's place of residence shall  
 89.3 determine whether the urban, rural, or super rural reimbursement rate applies. This paragraph  
 89.4 expires July 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028,  
 89.5 for prepaid medical assistance.

89.6 (v) The commissioner, when determining reimbursement rates for nonemergency medical  
 89.7 transportation, shall exempt all modes of transportation listed under paragraph (n) from  
 89.8 Minnesota Rules, part 9505.0445, item R, subitem (2).

89.9 (w) Effective for the first day of each calendar quarter in which the price of gasoline as  
 89.10 posted publicly by the United States Energy Information Administration exceeds \$3.00 per  
 89.11 gallon, the commissioner shall adjust the rate paid per mile in paragraph (r) by one percent  
 89.12 up or down for every increase or decrease of ten cents for the price of gasoline. The increase  
 89.13 or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase  
 89.14 or decrease must be calculated using the average of the most recently available price of all  
 89.15 grades of gasoline for Minnesota as posted publicly by the United States Energy Information  
 89.16 Administration. This paragraph expires July 1, ~~2026~~ 2027, for medical assistance  
 89.17 fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance.

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

89.19 Sec. 2. Minnesota Statutes 2025 Supplement, section 256B.0625, subdivision 18i, is  
 89.20 amended to read:

89.21 Subd. 18i. **Administration of nonemergency medical transportation.** Effective July  
 89.22 1, ~~2026~~ 2027, for medical assistance fee-for-service and January 1, ~~2027~~ 2028, for prepaid  
 89.23 medical assistance, the commissioner must contract either statewide or regionally for the  
 89.24 administration of the nonemergency medical transportation program in compliance with  
 89.25 the provisions of this chapter. The contract must include the administration of the  
 89.26 nonemergency medical transportation benefit for those enrolled in managed care as described  
 89.27 in section 256B.69.

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

89.29 Sec. 3. Laws 2025, First Special Session chapter 3, article 8, section 43, the effective date,  
 89.30 is amended to read:

89.31 **EFFECTIVE DATE.** Paragraph (b) is effective July 1, ~~2026~~ 2027, for medical assistance  
 89.32 fee-for-service and January 1, ~~2027~~ 2028, for prepaid medical assistance. Paragraph (c) is

90.1 effective on the latest of the following: (1) January 1, 2026; (2) federal approval of the  
 90.2 medical assistance program changes in this section; (3) federal approval of the amendments  
 90.3 in this act to Minnesota Statutes, section 256B.76, subdivision 6; (4) federal approval of  
 90.4 the amendments in this act to Minnesota Statutes, section 256B.761; or (5) federal approval  
 90.5 of all necessary federal waivers to implement the managed care organization assessment in  
 90.6 Minnesota Statutes, section 295.525. The commissioner of human services shall notify the  
 90.7 revisor of statutes when federal approval is obtained.

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

90.9 **ARTICLE 7**

90.10 **DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS**

90.11 Section 1. **HUMAN SERVICES APPROPRIATIONS.**

90.12 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
 90.13 parentheses, are subtracted from the appropriations in Laws 2025, First Special Session  
 90.14 chapter 9, article 12, to the agency and for the purposes specified in this article. The  
 90.15 appropriations are from the general fund or other named fund and are available for the fiscal  
 90.16 years indicated for each purpose. The figures "2026" and "2027" used in this article mean  
 90.17 that the addition to or subtraction from the appropriation listed under them is available for  
 90.18 the fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean  
 90.19 the addition to or subtraction from the base level adjustment set in Laws 2025, First Special  
 90.20 Session chapter 9, article 12. Appropriations and reductions to appropriations for the fiscal  
 90.21 year ending June 30, 2026, are effective the day following final enactment unless a different  
 90.22 effective date is explicit.

		<b><u>APPROPRIATIONS</u></b>	
		<b><u>Available for the Year</u></b>	
		<b><u>Ending June 30</u></b>	
		<b><u>2026</u></b>	<b><u>2027</u></b>
90.23			
90.24			
90.25			
90.26			
90.27	Sec. 2. <b><u>TOTAL APPROPRIATION</u></b>	<b><u>\$ (822,000)</u></b>	<b><u>\$ 19,672,000</u></b>

90.28 The amounts that may be spent for each  
 90.29 purpose are specified in the following sections  
 90.30 and subdivisions.

90.31	Sec. 3. <b><u>CENTRAL OFFICE; OPERATIONS</u></b>	<b><u>\$ -0-</u></b>	<b><u>\$ 5,455,000</u></b>
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91.1 Subdivision 1. **Assessment of Administrative**  
 91.2 **Roles**

91.3 \$3,000,000 in fiscal year 2027 is for an  
 91.4 assessment of the administrative roles and  
 91.5 responsibilities of the state agency, counties,  
 91.6 and Tribal Nations in administering human  
 91.7 services programs. This is a onetime  
 91.8 appropriation and is available until June 30,  
 91.9 2029.

91.10 Subd. 2. **Base Level Adjustment**

91.11 The general fund base is increased by  
 91.12 \$1,542,000 in fiscal year 2028 and increased  
 91.13 by \$1,580,000 in fiscal year 2029.

91.14 Sec. 4. **CENTRAL OFFICE; HEALTH CARE** \$ -0- \$ 482,000

91.15 **Base Level Adjustment.** The general fund  
 91.16 base is increased by \$953,000 in fiscal year  
 91.17 2028 and increased by \$918,000 in fiscal year  
 91.18 2029.

91.19 Sec. 5. **CENTRAL OFFICE; AGING AND**  
 91.20 **DISABILITY SERVICES** \$ -0- \$ 11,306,000

91.21 Subdivision 1. **MnCHOICES Redesign Working**  
 91.22 **Group**

91.23 \$550,000 in fiscal year 2027 is for a contract  
 91.24 related to the MnCHOICES redesign working  
 91.25 group. The base for this appropriation is  
 91.26 \$500,000 in fiscal year 2028, \$250,000 in  
 91.27 fiscal year 2029, \$0 in fiscal year 2030, and  
 91.28 \$0 in fiscal year 2031.

91.29 Subd. 2. **Waiver Case Management Quality**  
 91.30 **Working Group**

91.31 \$350,000 in fiscal year 2027 is for a contract  
 91.32 related to the waiver case management quality  
 91.33 working group. The base for this appropriation

92.1 is \$150,000 in fiscal year 2028 and \$0 in fiscal  
92.2 year 2029.

92.3 **Subd. 3. Case Management and Home and**  
92.4 **Community-Based Services Rates Study**

92.5 \$200,000 in fiscal year 2027 is for a rates  
92.6 study for case management and home and  
92.7 community-based services. This is a onetime  
92.8 appropriation and is available until June 30,  
92.9 2028. The base for this appropriation is  
92.10 \$400,000 in fiscal year 2028, \$200,000 in  
92.11 fiscal year 2029, \$0 in fiscal year 2030, and  
92.12 \$0 in fiscal year 2031.

92.13 **Subd. 4. Base Level Adjustment**

92.14 The general fund base is increased by  
92.15 \$21,386,000 in fiscal year 2028 and increased  
92.16 by \$23,413,000 in fiscal year 2029.

92.17 **Sec. 6. CENTRAL OFFICE; BEHAVIORAL**  
92.18 **HEALTH**

\$                      -0- \$                      150,000

92.19 **Subdivision 1. Access to Services for**  
92.20 **Incarcerated Individuals Evaluation**

92.21 \$150,000 in fiscal year 2027 is for community  
92.22 engagement and evaluation related reentry  
92.23 services.

92.24 **Subd. 2. Base Level Adjustment**

92.25 The general fund base is increased by  
92.26 \$353,000 in fiscal year 2028 and increased by  
92.27 \$336,000 in fiscal year 2029.

92.28 **Sec. 7. CENTRAL OFFICE; OFFICE OF**  
92.29 **INSPECTOR GENERAL**

\$                      -0- \$                      1,284,000

92.30 **Base Level Adjustment.** The general fund  
92.31 base is increased by \$1,500,000 in fiscal year  
92.32 2028 and increased by \$1,500,000 in fiscal  
92.33 year 2029.

93.1	<b>Sec. 8. <u>FORECASTED PROGRAMS;</u></b>			
93.2	<b><u>HOUSING SUPPORT</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 10,057,000</u></b>
93.3	<b>Sec. 9. <u>FORECASTED PROGRAMS;</u></b>			
93.4	<b><u>MEDICAL ASSISTANCE</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ (422,000)</u></b>
93.5	<b>Sec. 10. <u>FORECASTED PROGRAMS;</u></b>			
93.6	<b><u>BEHAVIORAL HEALTH FUND</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ (19,220,000)</u></b>
93.7	<b>Sec. 11. <u>GRANT PROGRAMS; REFUGEE</u></b>			
93.8	<b><u>SERVICE GRANTS</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 10,000,000</u></b>
93.9	<b><u>Human Services Response Contingency</u></b>			
93.10	<b><u>Account. \$10,000,000 in fiscal year 2026 is</u></b>			
93.11	<b><u>for the human services response contingency</u></b>			
93.12	<b><u>account established under Minnesota Statutes,</u></b>			
93.13	<b><u>section 256.044. This is a onetime</u></b>			
93.14	<b><u>appropriation.</u></b>			
93.15	<b>Sec. 12. <u>GRANT PROGRAMS; OTHER</u></b>			
93.16	<b><u>LONG-TERM CARE GRANTS</u></b>	<b>\$</b>	<b><u>(822,000)</u></b>	<b><u>\$ 75,000</u></b>
93.17	<b><u>Supported-decision-making programs.</u></b>			
93.18	<b><u>\$2,000,000 in fiscal year 2027 is for</u></b>			
93.19	<b><u>supported-decision-making grants under Laws</u></b>			
93.20	<b><u>2023, chapter 61, article 1, section 61. This is</u></b>			
93.21	<b><u>a onetime appropriation and is available until</u></b>			
93.22	<b><u>June 30, 2028.</u></b>			
93.23	<b>Sec. 13. <u>GRANT PROGRAMS; DISABILITY</u></b>			
93.24	<b><u>GRANTS</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ (145,000)</u></b>
93.25	<b><u>Base Level Adjustment. The general fund</u></b>			
93.26	<b><u>base is decreased by \$956,000 in fiscal year</u></b>			
93.27	<b><u>2028 and decreased by \$956,000 in fiscal year</u></b>			
93.28	<b><u>2029.</u></b>			
93.29	<b>Sec. 14. <u>GRANT PROGRAMS; SUBSTANCE</u></b>			
93.30	<b><u>USE DISORDER GRANTS</u></b>	<b>\$</b>	<b><u>-0-</u></b>	<b><u>\$ 300,000</u></b>
93.31	<b><u>Todd County; Peer Recovery Support.</u></b>			
93.32	<b><u>\$300,000 in fiscal year 2027 is for a grant to</u></b>			
93.33	<b><u>Todd County for a contract with an</u></b>			
93.34	<b><u>organization operating in Todd County to</u></b>			
93.35	<b><u>provide daily peer recovery support services</u></b>			
93.36	<b><u>and special sessions for individuals who are</u></b>			

94.1 in substance use recovery, are transitioning  
 94.2 out of incarceration, or have experienced  
 94.3 trauma.

94.4 **Sec. 15. GRANT PROGRAMS; SUBSTANCE**  
 94.5 **USE DISORDER GRANTS**

<b>\$</b>	<b><u>-0-</u></b>	<b>\$</b>	<b><u>350,000</u></b>
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94.6 **Thrive Family Recovery Resources.**

94.7 \$350,000 in fiscal year 2027 is for a grant to  
 94.8 Thrive Family Recovery Resources for a pilot  
 94.9 program that provides family peer services,  
 94.10 education, resource navigation, and general  
 94.11 support for families impacted by substance  
 94.12 use disorder. By January 20, 2027, the  
 94.13 commissioner must submit a report to the  
 94.14 chairs and ranking minority members of the  
 94.15 legislative committees with jurisdiction over  
 94.16 human services that evaluates the results of  
 94.17 the pilot program and makes recommendations  
 94.18 for developing an ongoing grant program to  
 94.19 provide supportive services and education for  
 94.20 families impacted by substance use disorder.  
 94.21 This is a onetime appropriation.

94.22 Sec. 16. Laws 2023, chapter 61, article 1, section 67, subdivision 3, as amended by Laws  
 94.23 2024, chapter 125, article 8, section 10, is amended to read:

94.24 Subd. 3. **Evaluation and report.** (a) The Metropolitan Center for Independent Living  
 94.25 must contract with a third party to evaluate the pilot project's impact on health care costs,  
 94.26 retention of personal care assistants, and patients' and providers' satisfaction of care. The  
 94.27 evaluation must include the number of participants, the hours of care provided by participants,  
 94.28 and the retention of participants from semester to semester.

94.29 (b) By January 15, ~~2026~~ 2028, the Metropolitan Center for Independent Living must  
 94.30 report the findings under paragraph (a) to the chairs and ranking minority members of the  
 94.31 legislative committees with jurisdiction over human services finance and policy.

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

95.1 Sec. 17. Laws 2023, chapter 61, article 9, section 2, subdivision 5, as amended by Laws  
 95.2 2024, chapter 125, article 8, section 12, is amended to read:

95.3	<b>Subd. 5. Central Office; Aging and Disability</b>		
95.4	<b>Services</b>	40,115,000	11,995,000

95.5 **(a) Employment Supports Alignment Study.**

95.6 \$50,000 in fiscal year 2024 and \$200,000 in  
 95.7 fiscal year 2025 are to conduct an interagency  
 95.8 employment supports alignment study. The  
 95.9 base for this appropriation is \$150,000 in fiscal  
 95.10 year 2026 and \$100,000 in fiscal year 2027.

95.11 **(b) Case Management Training**

95.12 **Curriculum.** \$377,000 in fiscal year 2024 and  
 95.13 \$377,000 in fiscal year 2025 are to develop  
 95.14 and implement a curriculum and training plan  
 95.15 to ensure all lead agency assessors and case  
 95.16 managers have the knowledge and skills  
 95.17 necessary to fulfill support planning and  
 95.18 coordination responsibilities for individuals  
 95.19 who use home and community-based disability  
 95.20 services and live in own-home settings. This  
 95.21 is a onetime appropriation.

95.22 **(c) Office of Ombudsperson for Long-Term**

95.23 **Care.** \$875,000 in fiscal year 2024 and  
 95.24 \$875,000 in fiscal year 2025 are for additional  
 95.25 staff and associated direct costs in the Office  
 95.26 of Ombudsperson for Long-Term Care.

95.27 **(d) Direct Care Services Corps Pilot Project.**

95.28 \$500,000 in fiscal year 2024 is from the  
 95.29 general fund for a grant to the Metropolitan  
 95.30 Center for Independent Living for the direct  
 95.31 care services corps pilot project. Up to \$25,000  
 95.32 may be used by the Metropolitan Center for  
 95.33 Independent Living for administrative costs.  
 95.34 This is a onetime appropriation and is  
 95.35 available until June 30, ~~2026~~ 2027.

96.1 (e) **Research on Access to Long-Term Care**  
96.2 **Services and Financing.** Any unexpended  
96.3 amount of the fiscal year 2023 appropriation  
96.4 referenced in Laws 2021, First Special Session  
96.5 chapter 7, article 17, section 16, estimated to  
96.6 be \$300,000, is canceled. The amount canceled  
96.7 is appropriated in fiscal year 2024 for the same  
96.8 purpose.

96.9 (f) **Native American Elder Coordinator.**  
96.10 \$441,000 in fiscal year 2024 and \$441,000 in  
96.11 fiscal year 2025 are for the Native American  
96.12 elder coordinator position under Minnesota  
96.13 Statutes, section 256.975, subdivision 6.

96.14 (g) **Grant Administration Carryforward.**

96.15 (1) Of this amount, \$8,154,000 in fiscal year  
96.16 2024 is available until June 30, 2027.

96.17 (2) Of this amount, \$1,071,000 in fiscal year  
96.18 2025 is available until June 30, 2027.

96.19 (3) Of this amount, \$19,000,000 in fiscal year  
96.20 2024 is available until June 30, 2029.

96.21 (h) **Base Level Adjustment.** The general fund  
96.22 base is increased by \$8,189,000 in fiscal year  
96.23 2026 and increased by \$8,093,000 in fiscal  
96.24 year 2027.

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

96.26 Sec. 18. Laws 2024, chapter 125, article 1, section 47, is amended to read:

96.27 Sec. 47. **DIRECTION TO COMMISSIONER; PEDIATRIC HOSPITAL-TO-HOME**  
96.28 **TRANSITION PILOT PROGRAM.**

96.29 (a) The commissioner of human services must award a single competitive grant to a  
96.30 home care nursing provider to develop and implement, in coordination with the commissioner  
96.31 of health, Fairview Masonic Children's Hospital, Gillette Children's Specialty Healthcare,  
96.32 and Children's Minnesota of St. Paul and Minneapolis, a pilot program to expedite and

97.1 facilitate pediatric hospital-to-home discharges for patients receiving services in this state  
 97.2 under medical assistance, including under the community alternative care waiver, community  
 97.3 access for disability inclusion waiver, and developmental disabilities waiver.

97.4 (b) Grant money awarded under this section must be used only to support the  
 97.5 administrative, training, and auxiliary services necessary to reduce:

97.6 (1) delayed discharge days due to unavailability of home care nursing staffing to  
 97.7 accommodate complex pediatric patients;

97.8 (2) avoidable rehospitalization days for pediatric patients;

97.9 (3) unnecessary emergency department utilization by pediatric patients following  
 97.10 discharge;

97.11 (4) long-term nursing needs for pediatric patients; and

97.12 (5) the number of school days missed by pediatric patients.

97.13 (c) Grant money must not be used to supplant payment rates for services covered under  
 97.14 Minnesota Statutes, chapter 256B.

97.15 (d) No later than December 15, ~~2026~~ 2027, the commissioner must prepare a report  
 97.16 summarizing the impact of the pilot program that includes but is not limited to: (1) the  
 97.17 number of delayed discharge days eliminated; (2) the number of rehospitalization days  
 97.18 eliminated; (3) the number of unnecessary emergency department admissions eliminated;  
 97.19 (4) the number of missed school days eliminated; and (5) an estimate of the return on  
 97.20 investment of the pilot program.

97.21 (e) The commissioner must submit the report under paragraph (d) to the chairs and  
 97.22 ranking minority members of the legislative committees with jurisdiction over health and  
 97.23 human services finance and policy.

97.24 Sec. 19. Laws 2024, chapter 125, article 8, section 2, subdivision 4, is amended to read:

97.25	<b>Subd. 4. Central Office; Aging and Disability</b>		
97.26	<b>Services</b>	(2,664,000)	4,164,000

97.27 **(a) Tribal Vulnerable Adult and**  
 97.28 **Developmental Disabilities Targeted Case**  
 97.29 **Management Medical Assistance Benefit.**

97.30 \$200,000 in fiscal year 2025 is for a contract  
 97.31 to develop a Tribal vulnerable adult and  
 97.32 developmental disabilities targeted case

98.1 management medical assistance benefit under  
98.2 Minnesota Statutes, section 256B.0924. This  
98.3 is a onetime appropriation. Notwithstanding  
98.4 Minnesota Statutes, section 16A.28,  
98.5 subdivision 3, this appropriation is available  
98.6 until June 30, 2027.

98.7 **(b) Disability Services Person-Centered**  
98.8 **Engagement and Navigation Study.**  
98.9 \$600,000 in fiscal year 2025 is for the  
98.10 disability services person-centered engagement  
98.11 and navigation study. This is a onetime  
98.12 appropriation. Notwithstanding Minnesota  
98.13 Statutes, section 16A.28, subdivision 3, this  
98.14 appropriation is available until June 30, 2026.

98.15 **(c) Pediatric Hospital-to-Home Transition**  
98.16 **Pilot Program Administration.** \$300,000 in  
98.17 fiscal year 2025 is for a contract related to the  
98.18 pediatric hospital-to-home transition pilot  
98.19 program. This is a onetime appropriation.  
98.20 Notwithstanding Minnesota Statutes, section  
98.21 16A.28, subdivision 3, this appropriation is  
98.22 available until June 30, ~~2027~~ 2028.

98.23 **(d) Reimbursement for Community-First**  
98.24 **Services and Supports Workers Report.**  
98.25 \$250,000 in fiscal year 2025 is for a contract  
98.26 related to the reimbursement for  
98.27 community-first services and supports workers  
98.28 report. This is a onetime appropriation.  
98.29 Notwithstanding Minnesota Statutes, section  
98.30 16A.28, subdivision 3, this appropriation is  
98.31 available until June 30, 2026.

98.32 **(e) Carryforward Authority.**  
98.33 Notwithstanding Minnesota Statutes, section  
98.34 16A.28, subdivision 3, \$758,000 in fiscal year  
98.35 2025 is available until June 30, 2026, and

99.1 \$2,687,000 in fiscal year 2025 is available  
99.2 until June 30, 2027.

99.3 (f) **Base Level Adjustment.** The general fund  
99.4 base is increased by \$340,000 in fiscal year  
99.5 2026 and increased by \$340,000 in fiscal year  
99.6 2027.

99.7 Sec. 20. Laws 2024, chapter 125, article 8, section 2, subdivision 14, as amended by Laws  
99.8 2025, First Special Session chapter 9, article 12, section 29, is amended to read:

99.9 Subd. 14. **Grant Programs; Disabilities Grants** 1,650,000 9,574,000

99.10 (a) **Capital Improvement for Accessibility.**  
99.11 \$400,000 in fiscal year 2025 is for a payment  
99.12 to Anoka County to make capital  
99.13 improvements to existing space in the Anoka  
99.14 County Human Services building in the city  
99.15 of Blaine, including making bathrooms fully  
99.16 compliant with the Americans with Disabilities  
99.17 Act with adult changing tables and ensuring  
99.18 barrier-free access for the purposes of  
99.19 improving and expanding the services an  
99.20 existing building tenant can provide to adults  
99.21 with developmental disabilities. This is a  
99.22 onetime appropriation.

99.23 (b) **Dakota County Disability Services**  
99.24 **Workforce Shortage Pilot Project.** \$500,000  
99.25 in fiscal year 2025 is for a grant to Dakota  
99.26 County for innovative solutions to the  
99.27 disability services workforce shortage. Up to  
99.28 \$250,000 of this amount must be used to  
99.29 develop and test an online application for  
99.30 matching requests for services from people  
99.31 with disabilities to available staff, and up to  
99.32 \$250,000 of this amount must be used to  
99.33 develop a communities-for-all program that  
99.34 engages businesses, community organizations,

100.1 neighbors, and informal support systems to  
100.2 promote community inclusion of people with  
100.3 disabilities. By October 1, 2026, the  
100.4 commissioner shall report the outcomes and  
100.5 recommendations of these pilot projects to the  
100.6 chairs and ranking minority members of the  
100.7 legislative committees with jurisdiction over  
100.8 human services finance and policy. This is a  
100.9 onetime appropriation. Notwithstanding  
100.10 Minnesota Statutes, section 16A.28,  
100.11 subdivision 3, this appropriation is available  
100.12 until June 30, 2027.

100.13 **(c) Pediatric Hospital-to-Home Transition**  
100.14 **Pilot Program.** \$1,040,000 in fiscal year 2025  
100.15 is for the pediatric hospital-to-home pilot  
100.16 program. This is a onetime appropriation.  
100.17 Notwithstanding Minnesota Statutes, section  
100.18 16A.28, subdivision 3, this appropriation is  
100.19 available until June 30, ~~2027~~ 2028.

100.20 **(d) Artists With Disabilities Support.**  
100.21 \$690,000 in fiscal year 2025 is for a payment  
100.22 to a nonprofit organization licensed under  
100.23 Minnesota Statutes, chapter 245D, located on  
100.24 Minnehaha Avenue West in Saint Paul, and  
100.25 that supports artists with disabilities in creating  
100.26 visual and performing art that challenges  
100.27 society's views of persons with disabilities.  
100.28 This is a onetime appropriation.  
100.29 Notwithstanding Minnesota Statutes, section  
100.30 16A.28, subdivision 3, this appropriation is  
100.31 available until June 30, 2027.

100.32 **(e) Emergency Relief Grants for Rural**  
100.33 **EIDBI Providers.** \$600,000 in fiscal year  
100.34 2025 is for emergency relief grants for EIDBI  
100.35 providers. This is a onetime appropriation.

101.1 Notwithstanding Minnesota Statutes, section  
101.2 16A.28, subdivision 3, this appropriation is  
101.3 available until June 30, 2027.

101.4 **(f) Self-Advocacy Grants for Persons with**  
101.5 **Intellectual and Developmental Disabilities.**

101.6 \$250,000 in fiscal year 2025 is for  
101.7 self-advocacy grants under Minnesota Statutes,  
101.8 section 256.477, subdivision 1, paragraph (a),  
101.9 clauses (5) to (7), and for administrative costs.  
101.10 This is a onetime appropriation and is  
101.11 available until June 30, 2027.

101.12 **(g) Electronic Visit Verification**

101.13 **Implementation Grants.** \$864,000 in fiscal  
101.14 year 2025 is for electronic visit verification  
101.15 implementation grants. This is a onetime  
101.16 appropriation. Notwithstanding Minnesota  
101.17 Statutes, section 16A.28, subdivision 3, this  
101.18 appropriation is available until June 30, 2027.

101.19 **(h) Aging and Disability Services for**

101.20 **Immigrant and Refugee Communities.**  
101.21 \$250,000 in fiscal year 2025 is for a payment  
101.22 to SEWA-AIFW to address aging, disability,  
101.23 and mental health needs for immigrant and  
101.24 refugee communities. This is a onetime  
101.25 appropriation and is available until June 30,  
101.26 2027.

101.27 **(i) License Transition Support for Small**

101.28 **Disability Waiver Providers.** \$3,150,000 in  
101.29 fiscal year 2025 is for license transition  
101.30 payments to small disability waiver providers.  
101.31 This is a onetime appropriation.  
101.32 Notwithstanding Minnesota Statutes, section  
101.33 16A.28, subdivision 3, this appropriation is  
101.34 available until June 30, 2027.

102.1 **(j) Own home services provider**  
 102.2 **capacity-building grants.** \$1,519,000 in fiscal  
 102.3 year 2025 is for the own home services  
 102.4 provider capacity-building grant program.  
 102.5 Notwithstanding Minnesota Statutes, section  
 102.6 16A.28, subdivision 3, this appropriation is  
 102.7 available until June 30, 2027. This is a onetime  
 102.8 appropriation.

102.9 **(k) Continuation of Centers for**  
 102.10 **Independent Living HCBS Access Grants.**  
 102.11 \$311,000 in fiscal year 2024 is for continued  
 102.12 funding of grants awarded under Laws 2021,  
 102.13 First Special Session chapter 7, article 17,  
 102.14 section 19, as amended by Laws 2022, chapter  
 102.15 98, article 15, section 15. This is a onetime  
 102.16 appropriation and is available until June 30,  
 102.17 2025.

102.18 **(l) Base Level Adjustment.** The general fund  
 102.19 base is increased by \$811,000 in fiscal year  
 102.20 2026 and increased by \$811,000 in fiscal year  
 102.21 2027.

102.22 Sec. 21. Laws 2025, First Special Session chapter 3, article 20, section 19, subdivision 1,  
 102.23 is amended to read:

102.24 Subdivision 1. ~~Intensive Residential Treatment~~  
 102.25 ~~Services~~ Community Health Unit; Hennepin  
 102.26 County

102.27 \$563,000 in fiscal year 2026 is for a grant to  
 102.28 the city of Brooklyn Park ~~as start-up funding~~  
 102.29 ~~for an intensive residential treatment services~~  
 102.30 ~~and residential crisis stabilization services~~  
 102.31 ~~facility~~ for the city of Brooklyn Park's  
 102.32 Community Health Unit, operating out of the  
 102.33 Brooklyn Park Police Department. This is a  
 102.34 onetime appropriation and is available until  
 102.35 June 30, ~~2027~~ 2028.

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

103.2 Sec. 22. **TRANSFERS AND CANCELLATIONS.**

103.3 Subdivision 1. **MnCHOICES modification grants.** The fiscal year 2027 general fund  
103.4 base appropriation for MnCHOICES modifications first established under Laws 2023,  
103.5 chapter 61, article 9, section 2, subdivision 16, is reduced from \$125,000 to \$0. The general  
103.6 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

103.7 Subd. 2. **Day training and habilitation facility grants.** The fiscal year 2028 and fiscal  
103.8 year 2029 general fund base appropriations for grant allocations to counties for day training  
103.9 and habilitation services for adults with developmental disabilities when provided as a social  
103.10 service under Minnesota Statutes, sections 252.41 to 252.46, are reduced from \$811,000 to  
103.11 \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year  
103.12 2029.

103.13 Subd. 3. **Innovation grants.** The fiscal year 2027 general fund base appropriation for  
103.14 the innovation grants program under Minnesota Statutes, section 256B.0921, is reduced  
103.15 from \$1,925,000 to \$0. The general fund base for this purpose is \$0 in fiscal year 2028 and  
103.16 \$0 in fiscal year 2029.

103.17 Subd. 4. **Preadmission screening grant program.** The fiscal year 2027 general fund  
103.18 base appropriation for the preadmission screening grant program under Minnesota Statutes,  
103.19 section 256.975, subdivision 7d, paragraph (b), is reduced from \$20,000 to \$0. The general  
103.20 fund base for this purpose is \$0 in fiscal year 2028 and \$0 in fiscal year 2029.

103.21 Subd. 5. **2023 long-term services and supports loan program.** Any unencumbered  
103.22 and unexpended amount of the long-term services and supports program under Minnesota  
103.23 Statutes, section 256.4792, subdivision 8a, estimated to be \$70,854,000, is transferred from  
103.24 the special revenue fund to the general fund and is canceled.

103.25 Subd. 6. **2024 long-term services and supports loan program.** Any unencumbered  
103.26 and unexpended amount of the fiscal year 2026 general fund base appropriation for the  
103.27 long-term services and supports loan program first established under Laws 2024, chapter  
103.28 125, article 8, section 2, subdivision 12, paragraph (e), estimated to be \$822,000, is canceled.

103.29 Subd. 7. **Human services response contingency account transfer.** The commissioner  
103.30 of management and budget must transfer \$10,000,000 in fiscal year 2026 from the general  
103.31 fund to the human services response contingency account established under Minnesota  
103.32 Statutes, section 256.044. This is a onetime transfer.

104.1 Sec. 23. APPROPRIATIONS GIVEN EFFECT ONCE.

104.2 If an appropriation or transfer in this article is enacted more than once during the 2026  
104.3 regular session, the appropriation or transfer must be given effect once.

104.4 Sec. 24. EXPIRATION OF UNCODIFIED LANGUAGE.

104.5 All uncodified language contained in this article expires on June 30, 2027, unless a  
104.6 different expiration date is explicit.

104.7 **ARTICLE 8**

104.8 **OTHER AGENCY APPROPRIATIONS**

104.9 Section 1. OTHER AGENCY APPROPRIATIONS.

104.10 The sums shown in the columns marked "Appropriations" are added to or, if shown in  
104.11 parentheses, are subtracted from the appropriations in Laws 2025, First Special Session  
104.12 chapter 9, article 14, to the agencies and for the purposes specified in this article. The  
104.13 appropriations are from the general fund or other named fund and are available for the fiscal  
104.14 years indicated for each purpose. The figures "2026" and "2027" used in this article mean  
104.15 that the addition or subtraction from the appropriation listed under them is available for the  
104.16 fiscal year ending June 30, 2026, or June 30, 2027, respectively. Base adjustments mean  
104.17 the addition to or subtraction from the base level adjustment set in Laws 2025, First Special  
104.18 Session chapter 9, article 14. Supplemental appropriations and reductions to appropriations  
104.19 for the fiscal year ending June 30, 2026, are effective the day following final enactment  
104.20 unless a different effective date is explicit.

104.21 **APPROPRIATIONS**  
104.22 **Available for the Year**  
104.23 **Ending June 30**

104.24 **2026** **2027**

104.25 **Sec. 2. COMMISSIONER OF HEALTH;**  
104.26 **TOTAL APPROPRIATION** **\$** **-0-** **\$** **4,871,000**

104.27 The amounts that may be spent for each  
104.28 purpose are specified in the following sections.

104.29 **Sec. 3. HEALTH PROTECTION** **\$** **-0-** **\$** **4,871,000**

104.30 **Subdivision 1. Small Assisted Living Facility**  
104.31 **Licensure**

104.32 \$150,000 in fiscal year 2027 is appropriated  
104.33 from the general fund to the commissioner of  
104.34 health to develop small assisted living facility

105.1 licensure draft legislation. This is a onetime  
 105.2 appropriation and is available until June 30,  
 105.3 2028.

105.4 **Subd. 2. Base Level Adjustment**

105.5 The general fund base is increased by  
 105.6 \$17,566,000 in fiscal year 2028 and increased  
 105.7 by \$17,347,000 in fiscal year 2029.

105.8 **Sec. 4. ATTORNEY GENERAL; OVERSIGHT AND ENFORCEMENT OF**  
 105.9 **MINNESOTA STATUTES, SECTIONS 145D.41 TO 145D.43.**

105.10 \$112,000 in fiscal year 2027 is appropriated from the general fund to the attorney general  
 105.11 for oversight and enforcement of Minnesota Statutes, sections 145D.41 to 145D.43.

105.12 Sec. 5. Laws 2024, chapter 125, article 8, section 2, subdivision 20, is amended to read:

105.13 **Subd. 20. Direct Care and Treatment -**  
 105.14 **Operations**

-0- 6,094,000

105.15 **(a) Free Communication Services for**  
 105.16 **Patients and Clients.** \$1,368,000 in fiscal  
 105.17 year 2025 is for free communication services  
 105.18 under article 6, section 1. This is a onetime  
 105.19 appropriation. Notwithstanding Minnesota  
 105.20 Statutes, section 16A.28, subdivision 3, this  
 105.21 appropriation is available until June 30, 2026.

105.22 **(b) Direct Care and Treatment Capacity;**  
 105.23 **Miller Building.** \$1,796,000 in fiscal year  
 105.24 2025 is to design a replacement facility for the  
 105.25 Miller Building on the Anoka Metro Regional  
 105.26 Treatment Center campus. This is a onetime  
 105.27 appropriation. Notwithstanding Minnesota  
 105.28 Statutes, section 16A.28, subdivision 3, this  
 105.29 appropriation is available until June 30, 2027.

105.30 **(c) Direct Care and Treatment County**  
 105.31 **Correctional Facility Support Pilot**  
 105.32 **Program.** \$2,387,000 in fiscal year 2025 is  
 105.33 to establish a two-year county correctional

106.1 facility support pilot program. The pilot  
106.2 program must: (1) provide education and  
106.3 support to counties and county correctional  
106.4 facilities on protocols and best practices for  
106.5 the provision of involuntary medications for  
106.6 mental health treatment; (2) provide technical  
106.7 assistance to expand access to injectable  
106.8 psychotropic medications in county  
106.9 correctional facilities; and (3) survey county  
106.10 correctional facilities and their contracted  
106.11 medical providers on their capacity to provide  
106.12 injectable psychotropic medications, including  
106.13 involuntary administration of medications,  
106.14 and barriers to providing these services. This  
106.15 is a onetime appropriation. Notwithstanding  
106.16 Minnesota Statutes, section 16A.28,  
106.17 subdivision 3, this appropriation is available  
106.18 until June 30, ~~2026~~ 2027.

106.19 **(d) Advisory Committee for Direct Care**  
106.20 **and Treatment.** \$482,000 in fiscal year 2025  
106.21 is for the administration of the advisory  
106.22 committee for the operation of Direct Care  
106.23 and Treatment. This is a onetime  
106.24 appropriation. Notwithstanding Minnesota  
106.25 Statutes, section 16A.28, subdivision 3, this  
106.26 appropriation is available until June 30, 2027.

106.27 **(e) Base Level Adjustment.** The general fund  
106.28 base is increased by \$31,000 in fiscal year  
106.29 2026 and increased by \$0 in fiscal year 2027.

107.1 Sec. 6. Laws 2025, First Special Session chapter 3, article 21, section 3, subdivision 2, is  
107.2 amended to read:

107.3 Subd. 2. **Substance Use Treatment, Recovery,**  
107.4 **and Prevention Grants**

107.5 \$3,000,000 in fiscal year 2026 and \$3,000,000  
107.6 in fiscal year 2027 are from the general fund  
107.7 for substance use treatment, recovery, and  
107.8 prevention grants under Minnesota Statutes,  
107.9 section 342.72. The commissioner may use  
107.10 up to \$300,000 of this appropriation for  
107.11 administration.

107.12 Sec. 7. **APPROPRIATIONS GIVEN EFFECT ONCE.**

107.13 If an appropriation or transfer in this article is enacted more than once during the 2026  
107.14 regular session, the appropriation or transfer must be given effect once.

107.15 Sec. 8. **EXPIRATION OF UNCODIFIED LANGUAGE.**

107.16 All uncodified language contained in this article expires on June 30, 2027, unless a  
107.17 different expiration date is explicit.

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Article locations for S4476-1

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ARTICLE 2	AGING AND DISABILITY SERVICES.....	Page.Ln 8.5
ARTICLE 3	BEHAVIORAL HEALTH.....	Page.Ln 35.6
ARTICLE 4	LONG-TERM CARE FACILITY REGULATION.....	Page.Ln 49.9
ARTICLE 5	DIRECT CARE AND TREATMENT.....	Page.Ln 81.18
ARTICLE 6	MISCELLANEOUS.....	Page.Ln 83.24
ARTICLE 7	DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS.....	Page.Ln 90.9
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#### **144A.04 QUALIFICATIONS FOR LICENSE.**

Subd. 7. **Minimum nursing staff requirement.** The minimum staffing standard for nursing personnel in certified nursing homes is as specified in this subdivision.

(a) The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized resident day. Upon transition to the 34 group, RUG-III resident classification system, the 0.95 hours per standardized resident day shall no longer apply.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, part 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day. For the purpose of determining a facility's census, the commissioner of health shall exclude the resident days claimed by the facility for resident therapeutic leave or bed hold days.

(c) Calculation of nursing hours per standardized resident day is performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.

(d) A nursing home that is issued a notice of noncompliance under section 144A.10, subdivision 5, for a violation of this subdivision, shall be assessed a civil fine of \$300 for each day of noncompliance, subject to section 144A.10, subdivisions 7 and 8.

#### **256B.055 ELIGIBILITY CATEGORIES.**

Subd. 14. **Persons detained by law.** (a) Medical assistance may be paid for an inmate of a correctional facility who is conditionally released as authorized under section 241.26, 244.065, or 631.425, if the individual does not require the security of a public detention facility and is housed in a halfway house or community correction center, or under house arrest and monitored by electronic surveillance in a residence approved by the commissioner of corrections, and if the individual meets the other eligibility requirements of this chapter.

(b) An individual who is enrolled in medical assistance, and who is charged with a crime and incarcerated for less than 12 months shall be suspended from eligibility at the time of incarceration until the individual is released. Upon release, medical assistance eligibility is reinstated without reapplication using a reinstatement process and form, if the individual is otherwise eligible.

(c) An individual, regardless of age, who is considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1010, and who meets the eligibility requirements in section 256B.056, is not eligible for medical assistance, except for covered services received while an inpatient in a medical institution as defined in Code of Federal Regulations, title 42, section 435.1010. Security issues, including costs, related to the inpatient treatment of an inmate are the responsibility of the entity with jurisdiction over the inmate.

#### **256B.0921 HOME AND COMMUNITY-BASED SERVICES INNOVATION POOL.**

The commissioner of human services shall develop an initiative to provide incentives for innovation in: (1) achieving integrated competitive employment; (2) achieving integrated competitive employment for youth under age 25 upon their graduation from school; (3) living in the most integrated setting; and (4) other outcomes determined by the commissioner. The commissioner shall seek requests for proposals and shall contract with one or more entities to provide incentive payments for meeting identified outcomes.

#### **256B.4907 ADVISORY TASK FORCE ON WAIVER REIMAGINE.**

Subdivision 1. **Membership; co-chairs.** (a) The Advisory Task Force on Waiver Reimagine consists of the following members:

(1) one member of the house of representatives, appointed by the speaker of the house;

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(2) one member of the house of representatives, appointed by the leader of the house of representatives Democratic-Farmer-Labor caucus;

(3) one member of the senate, appointed by the senate majority leader;

(4) one member of the senate, appointed by the senate minority leader;

(5) four individuals currently receiving disability waiver services who are under the age of 65, appointed by the governor;

(6) one county employee who conducts long-term care consultation services assessments for persons under the age of 65, appointed by the Minnesota Association of County Social Services Administrators;

(7) one representative of the Department of Human Services with knowledge of the requirements for a provider to participate in disability waiver service programs and of the administration of benefits, appointed by the commissioner of human services;

(8) one employee of the Minnesota Council on Disability, appointed by the Minnesota Council on Disability;

(9) two representatives of disability advocacy organizations, appointed by the governor;

(10) two family members of individuals who are receiving disability waiver services, appointed by the governor;

(11) two providers of disability waiver services for persons who are under the age of 65, appointed by the governor;

(12) one employee from the Office of Ombudsman for Mental Health and Developmental Disabilities, appointed by the ombudsman;

(13) one employee from the Olmstead Implementation Office, appointed by the director of the office;

(14) the assistant commissioner of the Department of Human Services administration that oversees disability services; and

(15) a member of the Minnesota Disability Law Center, appointed by the executive director of Mid-Minnesota Legal Aid.

(b) Each appointing authority must make appointments by September 30, 2025. Appointments made by an agency or commissioner may also be made by a designee.

(c) In making task force appointments, the governor must ensure representation from greater Minnesota.

(d) The Office of Collaboration and Dispute Resolution must convene the task force.

(e) The task force members must elect co-chairs from the membership of the task force at the first task force meeting.

**Subd. 2. Meetings; administrative support.** (a) The first meeting of the task force must be convened no later than November 30, 2025. The task force must meet at least quarterly. Meetings are subject to chapter 13D. The task force may meet by telephone or interactive technology consistent with section 13D.015.

(b) The Department of Human Services shall provide meeting space and administrative and research support to the task force.

**Subd. 3. Duties.** (a) The task force must make findings and recommendations related to waiver reimagine in Minnesota, including but not limited to the following:

(1) consolidation of the existing four disability home and community-based waiver service programs into two waiver programs;

(2) budgets based on the needs of the individual that are not tied to location of services, including resources beyond those required to meet assessed needs that may be necessary for the individual to live in the least restrictive environment;

(3) criteria and processes for provider rate exceptions and individualized budget exceptions;

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(4) appropriate assessments, including the MnCHOICES 2.0 assessment tool, in determining service needs and individualized budgets;

(5) covered services under each disability waiver program, including any proposed adjustments to the menu of services;

(6) service planning and authorization processes for disability waiver services;

(7) a plan of support, financial and otherwise, to live in the person's own home and in the most integrated setting as defined under Title 2 of the Americans with Disabilities Act Integration Mandate and in Minnesota's Olmstead Plan;

(8) intended and unintended outcomes of waiver reimagine; and

(9) other items related to waiver reimagine as necessary.

(b) The task force must seek input from the public, counties, persons receiving disability waiver services, families of persons receiving disability waiver services, providers, state agencies, and advocacy groups.

(c) The task force must hold public meetings to gather information to fulfill the purpose of the task force. The meetings must be accessible by remote participants.

(d) The Department of Human Services shall provide relevant data and research to the task force to facilitate the task force's work.

Subd. 4. **Compensation; expenses.** Members of the task force may receive compensation and expense reimbursement as provided in section 15.059, subdivision 3.

Subd. 5. **Report.** (a) The task force shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over disability waiver services no later than January 15, 2027, that describes any concerns or recommendations related to waiver reimagine as identified by the task force.

(b) The report required under Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 4, as amended by Laws 2024, chapter 108, article 1, section 28, must be presented to the task force prior to December 15, 2026.

Subd. 6. **Task force does not expire.** Notwithstanding section 15.059, subdivision 6, the task force under this section does not expire.

**256S.205 CUSTOMIZED LIVING SERVICES; DISPROPORTIONATE SHARE RATE ADJUSTMENTS.**

Subd. 7. **Expiration.** This section expires May 31, 2028.

***Laws 2019, First Special Session chapter 9, article 5, section 86, as amended by Laws 2020, First Special Session chapter 2, article 3, section 2***

Sec. 2. Laws 2019, First Special Session chapter 9, article 5, section 86, is amended to read:

**Sec. 86. DISABILITY WAIVER RECONFIGURATION.**

Subdivision 1. **Intent.** It is the intent of the legislature to reform the medical assistance waiver programs for people with disabilities to simplify administration of the programs. Disability waiver reconfiguration must incentivize inclusive, person-centered, individualized supports and services; enhance each person's self-determination and personal authority over the person's service choice; align benefits across waivers; ensure equity across programs and populations; promote long-term sustainability of waiver services; and maintain service stability and continuity of care while prioritizing, promoting, and creating incentives for independent, integrated, and individualized supports and services chosen by each person through an informed decision-making process and person-centered planning.

Subd. 2. **Report.** By January 15, 2021, the commissioner of human services shall submit a report to the members of the legislative committees with jurisdiction over human services on any necessary waivers, state plan amendments, requests for new funding or realignment of existing funds, any changes to state statute or rule, and any other federal authority necessary to implement this section. The report must include information about the commissioner's work to collect feedback and input from providers, persons accessing home and community-based services waivers and their families, and client advocacy organizations.

Subd. 3. **Proposal.** By January 15, 2021, the commissioner shall develop a proposal to reconfigure the medical assistance waivers provided in sections 256B.092 and 256B.49. The proposal shall include all necessary plans for implementing two home and community-based services waiver programs, as authorized under section 1915(c) of the Social Security Act that serve persons who are determined to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities. The proposal must include in each home and community-based waiver program options to self-direct services. Before submitting the final report to the legislature, the commissioner shall publish a draft report with sufficient time for interested persons to offer additional feedback.

**EFFECTIVE DATE.** This section is effective the day following final enactment.  
***Laws 2021, First Special Session chapter 7, article 13, section 73, as amended by Laws 2025, First Special Session chapter 9, article 2, section 56***

Sec. 56. Laws 2021, First Special Session chapter 7, article 13, section 73, is amended to read:

**Sec. 73. WAIVER REIMAGINE PHASE II.**

(a) Effective January 1, 2027, or upon federal approval, whichever is later, the commissioner of human services must implement a two-home and community-based services waiver program structure, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(b) The commissioner of human services must implement an individualized budget methodology, as authorized under section 1915(c) of the federal Social Security Act, that serves persons who are determined by a certified assessor to require the levels of care provided in a nursing home, a hospital, a neurobehavioral hospital, or an intermediate care facility for persons with developmental disabilities.

(c) The commissioner must develop an individualized budget methodology exception to support access to self-directed home care nursing services. Lead agencies must submit budget exception requests to the commissioner in a manner identified by the commissioner. Eligibility for the budget exception in this paragraph is limited to persons meeting all of the following criteria in the person's most recent assessment:

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

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

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

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

(e) The commissioner of human services may seek all federal authority necessary to implement this section.

(f) The commissioner must ensure that the new waiver service menu and individual budgets allow people to live in their own home, family home, or any home and community-based setting of their choice. The commissioner must ensure, within available resources and subject to state and federal regulations and law, that waiver reimagine does not result in unintended service disruptions.

(g) No later than July 1, 2026, the commissioner must:

(1) develop and implement an online support planning and tracking tool to provide information in an accessible format to support informed choice for people using disability waiver services that allows access to the total budget available to a person, the services for which they are eligible, and the services they have chosen and used;

(2) explore operability options that facilitate real-time tracking of a person's remaining available budget throughout the service year; and

(3) seek input from people with disabilities about the online support planning and tracking tool prior to the tool's implementation.

**EFFECTIVE DATE.** This section is effective the day following final enactment.  
*Laws 2021, First Special Session chapter 7, article 13, section 75, subdivision 1, as amended by Laws 2024, chapter 108, article 1, section 28;*

**Sec. 75. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; WAIVER REIMAGINE AND INFORMED CHOICE STAKEHOLDER CONSULTATION.**

Subdivision 1. **Stakeholder consultation; generally.** (a) The commissioner of human services must consult with and seek input and assistance from stakeholders concerning potential adjustments to the streamlined service menu from waiver reimagine phase I and to the existing rate exemption criteria and process.

(b) The commissioner of human services must consult with ~~and~~<sub>2</sub> seek input and assistance from, and collaborate with stakeholders concerning the development and implementation of waiver reimagine phase II, including criteria and a process for individualized budget exemptions, and how waiver reimagine phase II can support and expand informed choice and informed decision making, including integrated employment, independent living, and self-direction, consistent with Minnesota Statutes, section 256B.4905.

(c) The commissioner of human services must consult with, seek input and assistance from, and collaborate with stakeholders concerning the implementation and revisions of the MnCHOICES 2.0 assessment tool.