

STATE OF MINNESOTA

NINETY-THIRD SESSION — 2023

 FORTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 13, 2023

The House of Representatives convened at 12:30 p.m. and was called to order by Dan Wolgamott, Speaker pro tempore.

Prayer was offered by the Reverend Mark Pattie, Salem Covenant Church, New Brighton, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Acomb	Demuth	Heintzeman	Kozlowski	Niska	Schultz
Agbaje	Dotseth	Hemmingsen-Jaeger	Koznick	Noor	Scott
Altendorf	Edelson	Her	Kraft	Norris	Sencer-Mura
Anderson, P. H.	Elkins	Hicks	Kresha	Novotny	Skraba
Bahner	Engen	Hill	Lee, F.	O'Driscoll	Smith
Bakeberg	Feist	Hollins	Lee, K.	Olson, B.	Stephenson
Baker	Finke	Hornstein	Liebling	Olson, L.	Swedzinski
Becker-Finn	Fischer	Howard	Lillie	O'Neill	Tabke
Bennett	Fogelman	Hudella	Lislegard	Pelowski	Torkelson
Berg	Franson	Hudson	Long	Pérez-Vega	Urdahl
Bierman	Frazier	Huot	McDonald	Perryman	Vang
Bliss	Frederick	Hussein	Mekeland	Petersburg	West
Brand	Freiberg	Igo	Moller	Pfarr	Wiener
Burkel	Garofalo	Jacob	Mueller	Pinto	Wiens
Carroll	Gillman	Johnson	Murphy	Pryor	Witte
Cha	Gomez	Jordan	Myers	Pursell	Wolgamott
Clardy	Greenman	Joy	Nadeau	Quam	Xiong
Coulter	Grossell	Keeler	Nash	Rehm	Youakim
Curran	Hansen, R.	Klevorn	Nelson, M.	Reyer	Zelevnikar
Daniels	Hanson, J.	Knudsen	Nelson, N.	Richardson	Spk. Hortman
Davids	Harder	Koegel	Neu Brindley	Robbins	
Davis	Hassan	Kotyza-Witthuhn	Newton	Schomacker	

A quorum was present.

Anderson, P. E.; Backer; Daudt and Kiel were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 447, A bill for an act relating to civil law; amending certain policy provisions related to forfeiture, name change, property, survival of cause of action after death, mediation for debtors owning agricultural property, State Board of Public Defense, construction contracts, civil rights, gender identity, data, notaries public, and health care incident open discussion; amending Minnesota Statutes 2022, sections 13.072, subdivision 1; 13.32, subdivisions 3, 5; 13.643, subdivision 6; 15.71, by adding subdivisions; 15.72, by adding a subdivision; 82B.195, subdivision 3; 169A.63, subdivision 8; 245I.12, subdivision 1; 259.11; 259.13, subdivisions 1, 5; 325F.992, subdivision 3; 336.9-601; 337.01, subdivision 3; 337.05, subdivision 1; 357.17; 359.04; 363A.02, subdivision 1; 363A.03, subdivisions 23, 44, by adding a subdivision; 363A.04; 363A.06, subdivision 1; 363A.07, subdivision 2; 363A.08, subdivisions 1, 2, 3, 4, by adding a subdivision; 363A.09, subdivisions 1, 2, 3, 4; 363A.11, subdivisions 1, 2; 363A.12, subdivision 1; 363A.13, subdivisions 1, 2, 3, 4; 363A.15; 363A.16, subdivision 1; 363A.17; 363A.21, subdivision 1; 504B.301; 508.52; 517.04; 517.08, subdivisions 1a, 1b; 518.191, subdivisions 1, 3; 550.365, subdivision 2; 559.209, subdivision 2; 573.01; 573.02, subdivisions 1, 2; 582.039, subdivision 2; 583.25; 583.26, subdivision 2; 600.23; 609.5314, subdivision 3; 611.215, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 145; 259; 359; repealing Minnesota Statutes 2022, sections 346.02; 363A.20, subdivision 3; 363A.27; 504B.305; 582.14.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 1830, A bill for an act relating to state government; appropriating money for the legislature, certain constitutional offices, and certain boards, offices, agencies, councils, departments, commissions, societies, centers, Minnesota State Retirement System, retirement plans, retirement associations, retirement fund; making appropriation reductions and cancellations; making deficiency appropriations; providing for revenue recovery; providing a statutory appropriation of funds to the legislature for sums sufficient to operate the house of representatives, senate, and Legislative Coordinating Commission; changing provisions for the legislative audit commission; making budget provisions; requiring Compensation Council to prescribe salaries for constitutional officers; requiring accountability and performance management measures; establishing the Office of Enterprise Translation; providing for grant administration and grant agreements; making county and local cybersecurity grants; changing human burial provisions; establishing the public land survey system monument grant program, the legislative task force on aging, the State Emblems Redesign Commission, and the infrastructure resilience advisory task force; requiring mixed-use Ford Building Site Redevelopment; providing for the Capitol Mall Design Framework; requiring the legislature to certify appropriation amounts for fiscal years 2026 and 2027; requiring a study of issues facing small agencies; making technical changes; requiring reports; amending Minnesota Statutes 2022, sections 1.135, subdivisions 2, 4, 6, by adding a subdivision; 1.141, subdivision 1; 3.099, subdivision 3; 3.97, subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 4.045; 10.44; 10.45; 15A.0815, subdivisions 1, 2; 15A.082, subdivisions 1, 2, 3, 4; 16A.122, subdivision 2; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16A.152, subdivision 4; 16B.97, subdivisions 2, 3, 4; 16B.98, subdivisions 5, 6, 8, by adding subdivisions; 16B.991; 16E.14, subdivision 4; 16E.21, subdivisions 1, 2; 43A.08, subdivision 1; 138.912, subdivisions 1, 2; 145.951; 307.08; 349A.02, subdivision 1; 381.12, subdivision 2; 462A.22, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; 16B; 16E; 381; repealing Minnesota Statutes 2022, sections 1.135, subdivisions 3, 5; 1.141, subdivisions 3, 4, 6; 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; 15A.0815, subdivisions 3, 4, 5; 124D.23, subdivision 9; 383C.806; Laws 2014, chapter 287, section 25, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
STATE GOVERNMENT APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **LEGISLATURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$151,648,000</u>	<u>\$123,297,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Senate</u>	<u>41,045,000</u>	<u>43,845,000</u>
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Subd. 3. <u>House of Representatives</u>	<u>48,046,000</u>	<u>48,558,000</u>
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Subd. 4. <u>Legislative Coordinating Commission</u>	<u>62,557,000</u>	<u>30,894,000</u>
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\$15,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

\$148,000 in the first year and \$104,000 in the second year are for the Legislative Task Force on Aging. This is a onetime appropriation.

\$500,000 each year is to provide translation services for legislative business. This is a onetime appropriation and is available until June 30, 2027.

Legislative Auditor. \$10,459,000 in the first year and \$11,526,000 in the second year are for the Office of the Legislative Auditor.

Revisor of Statutes. \$22,250,000 in the first year and \$8,714,000 in the second year are for the Office of the Revisor of Statutes. Of these amounts, \$14,000,000 in the first year is available until June 30, 2027.

Legislative Reference Library. \$2,055,000 in the first year and \$2,184,000 in the second year are for the Legislative Reference Library.

Legislative Budget Office. \$2,454,000 in the first year and \$2,669,000 in the second year are for the Legislative Budget Office.

Sec. 3. GOVERNOR AND LIEUTENANT GOVERNOR \$9,258,000 \$9,216,000

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) \$19,000 each year is for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. STATE AUDITOR \$15,809,000 \$14,254,000

The base for this appropriation is \$14,268,000 in fiscal year 2026 and \$14,278,000 in fiscal year 2027.

\$500,000 the first year is for assistance and grants to towns to facilitate use of the Small City and Town Accounting System.

\$500,000 the first year is to provide a regulatory compliance and oversight dashboard.

Sec. 5. ATTORNEY GENERAL \$56,296,000 \$43,825,000

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>53,380,000</u>	<u>40,909,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>2,521,000</u>	<u>2,521,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

\$2,500,000 from the general fund the first year is for antitrust and nonprofit oversight.

Sec. 6. **SECRETARY OF STATE** **\$10,267,000** **\$10,379,000**

The base for this appropriation is \$10,247,000 in fiscal year 2026 and \$10,379,000 in fiscal year 2027.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **\$800,000** **\$800,000**

These amounts are for information technology project costs, including enhanced cybersecurity, geospatial coding, and cloud integration. This is a onetime appropriation.

Sec. 8. **STATE BOARD OF INVESTMENT** **\$139,000** **\$139,000**

Sec. 9. **ADMINISTRATIVE HEARINGS** **\$12,512,000** **\$10,260,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,744,000</u>	<u>444,000</u>
<u>Workers' Compensation</u>	<u>9,768,000</u>	<u>9,816,000</u>

\$263,000 each year is for municipal boundary adjustments.

The base for the general fund appropriation is \$559,000 in fiscal year 2026 and \$459,000 in fiscal year 2027.

Sec. 10. **INFORMATION TECHNOLOGY SERVICES** **\$79,415,000** **\$79,840,000**

The base for this appropriation is \$10,553,000 in fiscal year 2026 and \$10,572,000 in fiscal year 2027.

During the biennium ending June 30, 2025, the Office of MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If the access fees not charged to public noncommercial educational television broadcast stations total more than \$400,000 for the biennium, the office may charge for access fees in excess of these amounts.

(a) **Cybersecurity Grant Program.** \$2,204,000 the first year and \$3,521,000 the second year are for a state and local cybersecurity improvement grant program for political subdivisions and Minnesota Tribal governments, as established in Minnesota Statutes, section 16E.35. This is a onetime appropriation and is available until June 30, 2027.

(b) Statewide Cybersecurity Enhancements. \$10,280,000 the first year and \$16,875,000 the second year are to procure, implement, and support advanced cybersecurity tools that combat persistent and evolving cybersecurity threats. This is a onetime appropriation and is available until June 30, 2027.

(c) Executive Branch Cloud Transformation. \$10,685,000 the first year and \$22,910,000 the second year are to support planning, migration, modernization, infrastructure, training, and services required for executive branch cloud transformation to modernize enterprise information technology delivery for state agency business partners. This is a onetime appropriation and is available until June 30, 2027.

(d) Targeted Application Modernization. \$25,000,000 the first year and \$20,000,000 the second year are to modernize targeted applications to improve user experiences with digital services provided by state agencies, enable service delivery transformation, and systematically address aging technology. This is a onetime appropriation and is available until June 30, 2027.

(e) Children's Cabinet IT Innovation. \$3,000,000 the first year and \$1,000,000 the second year are to provide technology capabilities that support centering Minnesota children and their families over agency structures and provide dedicated information technology resources to deliver innovative digital services to children and families. This is a onetime appropriation and is available until June 30, 2027.

(f) MnGeo: Expanding Data-Driven Decision Making with GIS Data. \$358,000 the first year and \$376,000 the second year are to enhance the state's ability to lead collaborative geographic data collection and to produce additional publicly available data. The base for this appropriation is \$395,000 in fiscal year 2026 and \$414,000 in fiscal year 2027.

(g) Supporting Accessible Technology in State Government. \$1,200,000 the first year is to support accessible government in Minnesota. This is a onetime appropriation and is available until June 30, 2027.

(h) Public Land Survey System. \$16,000,000 the first year and \$4,000,000 the second year are for the grant program authorized by Minnesota Statutes, section 381.125. Up to four percent of this appropriation may be used by the chief geospatial information officer for the administration of the grant program. This is a onetime appropriation and is available until June 30, 2027.

\$1,000,000 each year is for grants to counties to employ county technical staff to aid surveyors marking public land survey corners. This is a onetime appropriation.

Sec. 11. **ADMINISTRATION****Subdivision 1. Total Appropriation****\$77,765,000****\$47,756,000**

The base for this appropriation is \$33,581,000 in fiscal year 2026 and \$33,343,000 in fiscal year 2027.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Government and Citizen Services**43,918,000****19,188,000**

The base for this appropriation is \$15,513,000 in fiscal year 2026 and \$15,525,000 in fiscal year 2027.

\$5,000,000 the first year is to implement the updated Capitol Mall Design Framework, prioritizing the framework plans identified in article 2, section 54. This appropriation is available until December 31, 2024.

Council on Developmental Disabilities. \$222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. \$200,000 each year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Procurement Technical Assistance Center. \$350,000 each year is for the Procurement Technical Assistance Center.

Office of the State Archaeologist. \$806,000 the first year and \$822,000 the second year are for the Office of the State Archaeologist. The base for this appropriation is \$773,000 in fiscal year 2026. The base for this appropriation in fiscal year 2027 and each year thereafter is \$785,000.

Of these amounts, \$236,000 the first year and \$242,000 the second year are for the Archaeological and Cemetery Site Inventory Portal. The base in fiscal year 2026 is \$193,000 and \$205,000 in fiscal year 2027 and each year thereafter.

Disparity Study. \$500,000 the first year and \$1,000,000 the second year are to conduct a disparity study required under Minnesota Statutes, section 16C.16, subdivision 5. This is a onetime appropriation.

Grants Administration Oversight. \$7,405,000 the first year and \$1,771,000 the second year are for the Office of Grant Management, including grant administration oversight, systems, and equity. This appropriation is available until June 30, 2027. The base for this appropriation in fiscal year 2026 and each year thereafter is \$570,000.

Of these amounts, \$735,000 the first year and \$201,000 the second year are for a study to develop a road map on the need for an enterprise grants management system and to implement the study's recommendation. This is a onetime appropriation.

Small Agency Resource Team. \$940,000 the first year and \$856,000 the second year are for the Small Agency Resource Team.

Of these amounts, \$102,000 the first year is to complete the small agency study required by article 2, section 56.

State Historic Preservation Office. \$1,274,000 the first year and \$1,352,000 the second year are for the State Historic Preservation Office. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,012,000.

Of these amounts, \$485,000 the first year and \$500,000 the second year are for electronic project systems and critical database integration and are available through June 30, 2027. The base for this appropriation in fiscal year 2026 and each year thereafter is \$160,000.

Risk Management Fund Property Self-Insurance. \$12,500,000 the first year is for transfer to the risk management fund under Minnesota Statutes, section 16B.85. This is a onetime appropriation.

Office of Enterprise Translations. \$1,306,000 the first year and \$1,159,000 the second year are to establish the Office of Enterprise Translations. \$250,000 each year may be transferred to the language access service account established in Minnesota Statutes, section 16B.373.

Parking Fund. \$3,255,000 the first year and \$1,085,000 the second year are for a transfer to the state parking account to maintain the operations of the parking and transit program on the Capitol complex.

Subd. 3. <u>Strategic Management Services</u>	<u>2,414,000</u>	<u>2,485,000</u>
Subd. 4. <u>Fiscal Agent</u>	<u>31,433,000</u>	<u>26,083,000</u>

The base for this appropriation is \$15,583,000 in fiscal year 2026 and \$15,333,000 in fiscal year 2027.

The appropriations under this subdivision are to the commissioner of administration for the following purposes specified.

In-Lieu of Rent. \$11,129,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) \$1,550,000 each year is for matching grants for public television.

(b) \$250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) \$1,500,000 each year is for block grants to public television stations under Minnesota Statutes, section 129D.13, for operational costs. The base for this appropriation is \$500,000 in fiscal year 2026 and thereafter. Of this amount, up to three percent is for the commissioner of administration to administer the grants.

(d) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) to (c) for equipment or matching grants.

Public Radio. (a) \$1,742,000 the first year and \$1,492,000 the second year are for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages. The base for this appropriation is \$992,000 in fiscal year 2026 and \$742,000 in fiscal year 2027.

(b) \$142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment, including equipment under \$500.

(c) \$850,000 the first year and \$1,000,000 the second year are for grants to public educational radio stations for the purchase of emergency equipment and increased cybersecurity and broadcast technology. This is a onetime appropriation.

(d) \$1,250,000 the first year is for grants to public educational radio stations to provide a diverse community radio news service. This appropriation is available until June 30, 2027.

(e) \$1,020,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(f) The appropriations in paragraphs (a) to (e) may not be used for indirect costs claimed by an institution or governing body.

(g) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) to (d). No grantee is eligible for a grant unless they are a member of the Association of Minnesota Public Educational Radio Stations on or before July 1, 2023.

(h) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Real Estate and Construction Services. \$12,000,000 the first year and \$8,000,000 the second year are to facilitate space consolidation and the transition to a hybrid work environment, including but not limited to the design, remodel, equipping, and furnishing of the space. This appropriation may also be used for relocation and rent loss. This is a onetime appropriation and is available through June 30, 2027.

Sec. 12. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$1,070,000

\$510,000

The base for this appropriation in fiscal year 2026 and each year thereafter is \$455,000.

\$500,000 the first year is to support commemorative artwork activities. This is a onetime appropriation and is available until June 30, 2028.

\$130,000 in fiscal year 2024 and \$55,000 in fiscal year 2025 are for mandatory zoning and design rules. This is a onetime appropriation.

Sec. 13. MINNESOTA MANAGEMENT AND BUDGET

\$52,558,000

\$52,856,000

The base for this appropriation is \$49,356,000 in fiscal year 2026 and thereafter.

(a) \$466,000 in fiscal year 2024 and \$622,000 in fiscal year 2025 are for the establishment of a statewide internal audit office.

(b) \$2,700,000 each year is for the establishment of an enterprise accountability and performance unit.

(c) \$1,000,000 each year is for administration and staffing of the Children's Cabinet established in Minnesota Statutes, section 4.045.

(d) \$317,000 each year is to increase the agency's capacity to proactively raise awareness about the capital budget process and provide technical assistance around the requirements associated with the capital budget process and receiving general fund or general obligation bond funding for capital projects, including compliance requirements that must be met at various stages of capital project development, with particular focus on nonprofits, American Indian communities, and communities of color that have traditionally not participated in the state capital budget process. This appropriation may also be used to increase the agency's capacity to coordinate with other state agencies regarding the administration of grant agreements, programs, and technical assistance related to capital projects governed by the provisions of Minnesota Statutes, chapter 16A, and other applicable laws and statutes.

Sec. 14. **REVENUE****Subdivision 1. Total Appropriation****\$194,566,000****\$203,778,000**

The base for this appropriation is \$203,728,000 in fiscal year 2026 and thereafter.

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>190,306,000</u>	<u>199,518,000</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

Subd. 2. Tax System Management**161,715,000****168,851,000**

The base for this appropriation is \$168,749,000 in fiscal year 2026 and \$168,823,000 in fiscal year 2027.

Appropriations by Fund

<u>General</u>	<u>157,455,000</u>	<u>164,591</u>
<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
<u>Highway User Tax</u>		
<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

Taxpayer Assistance. (a) \$750,000 each year is for the commissioner of revenue to make grants to one or more eligible organizations, qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986 to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. Debt Collection Management**32,851,000****34,927,000**

The base for this appropriation is \$34,979,000 in fiscal year 2026 and \$34,905,000 in fiscal year 2027.

Sec. 15. <u>GAMBLING CONTROL BOARD</u>	<u>\$6,362,000</u>	<u>\$6,331,000</u>
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These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 16. <u>RACING COMMISSION</u>	<u>\$1,933,000</u>	<u>\$954,000</u>
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Appropriations by Fund

<u>General</u>	<u>1,000,000</u>	<u>-0-</u>
<u>Special Revenue</u>	<u>933,000</u>	<u>954,000</u>

The special revenue fund appropriations are from the racing and card playing regulation accounts in the special revenue fund.

\$1,000,000 in fiscal year 2024 from the general fund is for costs related to the federal Horseracing Integrity and Safety Act.

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's operating budget must not exceed \$40,000,000 in fiscal year 2024 and \$40,000,000 in fiscal year 2025.

Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	<u>\$1,229,000</u>	<u>\$391,000</u>
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\$850,000 the first year is for upgrades necessary to support the installation of solar panels on the roof of the ice arena complex at the National Sports Center.

Sec. 19. <u>COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE</u>	<u>\$795,000</u>	<u>\$816,000</u>
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Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	<u>\$664,000</u>	<u>\$680,000</u>
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Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u>	<u>\$623,000</u>	<u>\$645,000</u>
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Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	<u>\$1,337,000</u>	<u>\$1,360,000</u>
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Sec. 23. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. <u>Total Appropriation</u>	<u>\$26,001,000</u>	<u>\$26,957,000</u>
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The base for this appropriation in fiscal year 2026 and each year thereafter is \$26,457,000.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Programs25,680,00026,636,000

Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

(a) \$375,000 each year is to support statewide historic sites and museums and enhance in-person school programs.

(b) \$45,000 the first year is for the State Emblems Redesign Commission.

(c) The base for this appropriation in fiscal year 2026 and each year thereafter is \$26,136,000.

Subd. 3. Fiscal Agent321,000321,000(a) Global Minnesota39,00039,000(b) Minnesota Air National Guard Museum17,00017,000(c) Hockey Hall of Fame100,000100,000(d) Farmamerica115,000115,000(e) Minnesota Military Museum50,00050,000

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 24. BOARD OF THE ARTS**Subdivision 1. Total Appropriation****\$7,774,000****\$7,787,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Services835,000848,000**Subd. 3. Grants Program**4,800,0004,800,000**Subd. 4. Regional Arts Councils**2,139,0002,139,000

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. **MINNESOTA HUMANITIES CENTER** **\$3,470,000** **\$3,470,000**

\$500,000 each year is for Healthy Eating, Here at Home grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program. The base for this appropriation in fiscal year 2026 and each year thereafter is \$631,000.

\$2,500,000 each year is for civility and cultural awareness programs and grants. If the center awards grants, it may retain up to five percent of the amount allocated to grants for administrative costs associated with the grants. This is a onetime appropriation and is available until June 30, 2027.

Sec. 26. **BOARD OF ACCOUNTANCY** **\$844,000** **\$859,000**

Sec. 27. **BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN** **\$893,000** **\$913,000**

Sec. 28. **BOARD OF COSMETOLOGIST EXAMINERS** **\$3,379,000** **\$3,599,000**

Sec. 29. **BOARD OF BARBER EXAMINERS** **\$442,000** **\$452,000**

Sec. 30. **GENERAL CONTINGENT ACCOUNTS** **\$2,500,000** **\$2,000,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>2,000,000</u>	<u>1,500,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers' Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30. The general fund base is \$1,000,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. **TORT CLAIMS** **\$161,000** **\$161,000**

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available both years.

Sec. 32. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation** **\$14,543,000** **\$14,372,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Combined Legislators and Constitutional Officers Retirement Plan** **8,543,000** **8,372,000**

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. **Judges Retirement Plan** **6,000,000** **6,000,000**

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION** **\$25,000,000** **\$25,000,000**

(a) \$9,000,000 the first year and \$9,000,000 the second year are for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are \$16,000,000 on September 15, 2024, and \$16,000,000 on September 15, 2025. These amounts are estimated to be needed under Minnesota Statutes, section 353.505.

Sec. 34. **TEACHERS RETIREMENT ASSOCIATION** **\$29,831,000** **\$29,831,000**

The amounts estimated to be needed are as follows:

Special Direct State Aid. \$27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. \$2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. **ST. PAUL TEACHERS RETIREMENT FUND** **\$14,827,000** **\$14,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. **REDUCTION IN APPROPRIATION AND CANCELLATION; COVID-19 MANAGEMENT.**

The fiscal year 2022 general fund appropriation in Laws 2022, chapter 50, article 3, section 1, is reduced by \$58,334,000 and that amount is canceled to the general fund.

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

Sec. 37. **APPROPRIATION REDUCTION FOR EXECUTIVE AGENCIES.**

(a) The commissioner of management and budget must reduce general fund appropriations to executive agencies for agency operations for the biennium ending June 30, 2025, by \$8,672,000 due to savings from reduced transfers to the Governor's Office account in the special revenue fund.

(b) If savings are obtained through reduced transfers from nongeneral funds other than those established in the state constitution or protected by federal law, the commissioner of management and budget may transfer the amount of savings to the general fund. The amount transferred to the general fund from other funds reduces the required general fund reduction in this section. Reductions made in 2025 must be reflected as reductions in agency base budgets for fiscal years 2026 and 2027.

Sec. 38. **CAPITOL MALL DESIGN FRAMEWORK.**

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the Capitol Area Architectural and Planning Board to update the Capitol Mall Design Framework and for initial implementation of the framework. This is a onetime appropriation and is available until December 31, 2024.

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

Sec. 39. **SCIENCE MUSEUM OF MINNESOTA REVENUE RECOVERY.**

\$500,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are appropriated from the general fund to the Science Museum of Minnesota for revenue recovery. This is a onetime appropriation.

Sec. 40. **OFFICE OF ADMINISTRATIVE HEARINGS; DEFICIENCY APPROPRIATION.**

\$196,000 in fiscal year 2023 is appropriated from the general fund to the Office of Administrative Hearings to maintain fair, timely, and impartial hearings in campaign and data practices matters. This is a onetime appropriation and is available until June 30, 2025.

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

Sec. 41. **ST. ANTHONY FALLS STUDY.**

\$1,000,000 in fiscal year 2024 is appropriated from the general fund to the Board of Regents of the University of Minnesota for a geophysical study and hazard assessment of the St. Anthony Falls area and St. Anthony Falls cutoff wall. The study must include a field-based investigation of the cutoff wall and other subsurface structures, modeling of the surrounding area, examination of public safety and infrastructure risks posed by potential failure of the cutoff wall or surrounding area, and emergency response plan for identified risks. By conducting this study, the Board of Regents does not consent to accepting liability for the current condition or risks posed by a potential failure of the cutoff wall. By July 1, 2025, the Board of Regents must submit a report to the legislative committees with jurisdiction over state and local government policy and finance. This appropriation is available until June 30, 2025.

Sec. 42. **STATE FACILITIES ASSET PRESERVATION.**

\$7,019,000 is transferred from the general fund to the asset preservation account in the special revenue fund established in Minnesota Statutes, section 16B.24, subdivision 5, paragraph (d).

ARTICLE 2
STATE AND LOCAL GOVERNMENT POLICY

Section 1. Minnesota Statutes 2022, section 1.135, subdivision 2, is amended to read:

Subd. 2. **Official seal.** The seal described in subdivision ~~3~~ 3a is the "Great Seal of the State of Minnesota." When the seal, the impression of the seal, the scene within the seal, or its likeness is reproduced at state expense, it must conform to subdivision 3 and section 4.04. A seal, impression, scene, or likeness which does not conform to these provisions is not official.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 2. Minnesota Statutes 2022, section 1.135, is amended by adding a subdivision to read:

Subd. 3a. **Official seal; May 11, 2024, and thereafter.** The Great Seal of the State of Minnesota is the design as certified in the report of the State Emblems Redesign Commission, as established by this act.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 3. Minnesota Statutes 2022, section 1.135, subdivision 4, is amended to read:

Subd. 4. **Additional effects; size.** Every effort shall be made to reproduce the seal with justification to the 12 o'clock position ~~and with attention to the authenticity of the illustrations used to create the scene within the seal. The description of the scene in this section does not preclude the graphic inclusion of the effects of movement, sunlight, or falling water when the seal is reproduced. Nor does.~~ This section does not prohibit the enlargement, proportioned reduction, or embossment of the seal for its use in unofficial acts.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 4. Minnesota Statutes 2022, section 1.135, subdivision 6, is amended to read:

Subd. 6. **State's duties.** State agencies and departments using the seal, its impression, ~~the scene within the seal~~ or its likeness shall make every effort to bring any seal, impression, ~~scene~~, or likeness currently fixed to a permanent object into accordance with this section and section 4.04. Expendable material to which the seal in effect prior to May 11, 2024, or any impression, scene, or likeness of that seal is currently affixed may be used until the supply is exhausted or until January 1, 2025, whichever occurs first. All unused dies and engravings of the Great Seal shall be given to the Minnesota Historical Society, along with all historical information available about the seal, to be retained in the society's permanent collection.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 5. Minnesota Statutes 2022, section 1.141, subdivision 1, is amended to read:

Subdivision 1. **Adoption.** The design of the state flag ~~proposed by the Legislative Interim Commission acting under Laws 1955, chapter 632,~~ as certified in the report of the State Emblems Redesign Commission, as established by this act, is adopted as the official state flag.

EFFECTIVE DATE. This section is effective May 11, 2024.

Sec. 6. Minnesota Statutes 2022, section 3.099, subdivision 3, is amended to read:

Subd. 3. **Leaders.** The senate Committee on Rules and Administration for the senate and the house of representatives Committee on Rules and Legislative Administration for the house of representatives may each designate for their respective body up to ~~three~~ five leadership positions to receive up to 140 percent of the compensation of other members.

At the commencement of each biennial legislative session, each house of the legislature shall adopt a resolution designating its majority and minority leader.

The majority leader is the person elected by the caucus of members in each house which is its largest political affiliation. The minority leader is the person elected by the caucus which is its second largest political affiliation.

Sec. 7. **[3.1985] LEGISLATIVE FUNDING; APPROPRIATION.**

Subdivision 1. **Definition.** As used in this section, "sums sufficient to operate" means funds necessary to support the functions of the respective entity receiving the appropriation. These sums may include but are not limited to those necessary for member and employee compensation and expenses, supplies and facilities management, safety and security, payments required under lease agreements for real property, and other expenses associated with legislative sessions, interim activities, public hearings, public outreach, and related activities.

Subd. 2. **House of representatives.** (a) Sums sufficient to operate the house of representatives are appropriated from the general fund or other funds, as appropriate, to the house of representatives.

(b) No later than June 30 of each odd-numbered year, the controller of the house of representatives must certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal year beginning July 1 of the same odd-numbered year.

(c) No later than October 15 and January 15 of each year, the controller of the house of representatives must certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by October 15 of an even-numbered year and January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) Amounts certified under paragraphs (b) and (c) must be the amounts determined by a majority vote conducted during a public meeting of the house of representatives Committee on Rules and Legislative Administration. The committee must accept public comment on the proposed amounts.

(e) At any time between the date funds are certified under this subdivision and the last date for adjusting the certified amount, the Legislative Advisory Commission may convene a meeting to review and provide advice on the certified amount. At its discretion, the Committee on Rules and Legislative Administration may incorporate the advice of the commission when making an adjustment to the certified amount.

Subd. 3. **Senate.** (a) Sums sufficient to operate the senate are appropriated from the general fund or other funds, as appropriate, to the senate.

(b) No later than June 30 of each odd-numbered year, the secretary of the senate must certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal year beginning July 1 of the same odd-numbered year.

(c) No later than October 15 and January 15 of each year, the secretary of the senate must certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by October 15 of an even-numbered year and January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) Amounts certified under paragraphs (b) and (c) must be the amounts determined by a majority vote conducted during a public meeting of the senate Committee on Rules and Administration. The committee must accept public comment on the proposed amounts.

(e) At any time between the date funds are certified under this subdivision and the last date for adjusting the certified amount, the Legislative Advisory Commission may convene a meeting to review and provide advice on the certified amount. At its discretion, the senate Committee on Rules and Administration may incorporate the advice of the commission when making an adjustment to the certified amount.

Subd. 4. Legislative Coordinating Commission. (a) Sums sufficient to operate the Legislative Coordinating Commission are appropriated from the general fund or other funds, as appropriate, to the Legislative Coordinating Commission.

(b) No later than June 30 of each odd-numbered year, the executive director of the Legislative Coordinating Commission must certify to the commissioner of management and budget the amounts to be appropriated under this section for the fiscal biennium beginning July 1 of the same odd-numbered year.

(c) No later than October 15 and January 15 of each year, the executive director must certify to the commissioner of management and budget any changes to the current biennium's appropriations. Certifications provided by October 15 of an even-numbered year and January 15 of an odd-numbered year must include estimated amounts to be appropriated for the fiscal biennium beginning the next July 1.

(d) The amounts certified under paragraphs (b) and (c) must be the amounts recommended by the Legislative Coordinating Commission by majority vote in a public meeting, and approved by majority votes of both the house Committee on Rules and Legislative Administration and the senate Committee on Rules and Administration in public meetings. The commission and committees must accept public comment on the proposed amounts in the meetings where the amounts are recommended or approved. The total amount certified must identify specific amounts appropriated for each of the following joint legislative offices:

- (1) the Legislative Budget Office;
- (2) the Legislative Coordinating Commission;
- (3) the Legislative Reference Library;
- (4) the Office of the Legislative Auditor; and
- (5) the Office of the Revisor of Statutes.

Subd. 5. Other appropriations. Nothing in this section precludes the house of representatives, the senate, or a joint legislative office or commission of the Legislative Coordinating Commission from receiving a direct appropriation by law or another statutory appropriation for a specific purpose provided in the direct or statutory appropriation. If the house of representatives, the senate, or a joint legislative office or commission receives a direct or statutory appropriation, the amount appropriated is distinct from and must not be considered during the biennial appropriation certification process under subdivision 2, 3, or 4.

EFFECTIVE DATE; APPLICABILITY. This section is effective July 1, 2025, and applies to appropriations for fiscal years 2026 and thereafter.

Sec. 8. Minnesota Statutes 2022, section 3.97, subdivision 2, is amended to read:

Subd. 2. **Membership; terms; meetings; compensation; powers.** The Legislative Audit Commission consists of:

- (1) three members of the senate appointed by the ~~Subcommittee on Committees of the Committee on Rules and Administration of the senate~~ majority leader;

- (2) three members of the senate appointed by the senate minority leader;
- (3) three members of the house of representatives appointed by the speaker of the house; and
- (4) three members of the house of representatives appointed by the house of representatives minority leader.

Members shall serve until replaced, or until they are not members of the legislative body from which they were appointed. Appointing authorities shall fill vacancies on the commission within 30 days of a vacancy being created.

The commission shall meet in January of each odd-numbered year to elect its chair and vice-chair. They shall serve until successors are elected. The chair and vice-chair shall alternate biennially between the senate and the house of representatives, and shall be of different political parties. The commission shall meet at the call of the chair. The members shall serve without compensation but be reimbursed for their reasonable expenses as members of the legislature. The commission may exercise the powers prescribed by section 3.153.

Sec. 9. Minnesota Statutes 2022, section 3.972, subdivision 3, is amended to read:

Subd. 3. **Audit contracts.** ~~Notwithstanding any other law,~~ A state department, board, commission, or other state agency ~~shall not negotiate a contract~~ contracting with a public accountant for an audit, except a contract negotiated by the state auditor for an audit of a local government, ~~unless the contract has been reviewed by the legislative auditor.~~ The legislative auditor shall not participate in the selection of the public accountant but shall review and submit written comments on the proposed contract within seven days of its receipt. Upon completion of the audit, the legislative auditor shall be given must provide the legislative auditor with a copy of the final report of the audit upon completion of the audit.

Sec. 10. Minnesota Statutes 2022, section 3.978, subdivision 2, is amended to read:

Subd. 2. **Inquiry and inspection power; duty to aid legislative auditor.** All public officials and their deputies and employees, and all corporations, firms, and individuals having business involving the receipt, disbursement, or custody of public funds shall at all times: (1) afford reasonable facilities for examinations by the legislative auditor; ~~make;~~ (2) provide returns and reports required by the legislative auditor; (3) attend and answer under oath the legislative auditor's lawful inquiries; (4) produce and exhibit all books, accounts, documents, data of any classification, and property that the legislative auditor requests to inspect; and (5) in all things cooperate with the legislative auditor.

Sec. 11. Minnesota Statutes 2022, section 3.979, subdivision 2, is amended to read:

Subd. 2. **Access to data by commission members.** Members of the commission have access to not public data that is collected or used by the legislative auditor ~~and classified as not public or as private or confidential~~ only as authorized by resolution of the commission. The commission may not authorize its members to have access to private or confidential data on individuals collected or used in connection with the collection of any tax.

Sec. 12. Minnesota Statutes 2022, section 3.979, subdivision 3, is amended to read:

Subd. 3. **Audit data.** (a) "Audit" as used in this subdivision means a financial audit, program evaluation, special review, ~~or investigation, or assessment of an allegation or report submitted to the legislative auditor.~~ Notwithstanding any other law, data relating to an audit are ~~not public or with respect to data on individuals are confidential or protected nonpublic~~ until the final report of the audit has been released by the legislative auditor or the audit is no longer being actively pursued. Upon release of a final audit report by the legislative auditor, data relating to an audit are public except data otherwise classified as not public. Unless the data is subject to a more restrictive classification by another law, upon the legislative auditor's decision to no longer actively pursue an audit without the release of a final audit report, data relating to an audit are private or nonpublic.

(b) Data related to an audit but not published in the audit report and that the legislative auditor reasonably believes will be used in litigation ~~are not public and with respect to data on individuals~~ are confidential or protected nonpublic until the litigation has been completed or is no longer being actively pursued.

(c) Data that could reasonably be used to determine the identity of an individual or entity supplying data for an audit are private or nonpublic if the data supplied ~~by the individual~~ were needed for an audit and ~~the individual~~ would not have been provided ~~the data~~ to the legislative auditor without an assurance that the ~~individual's~~ identity of the individual or entity would remain private or nonpublic, or the legislative auditor reasonably believes that the ~~subject data~~ would not have been provided ~~the data~~.

(d) ~~The definitions of terms provided in section 13.02 apply for purposes of this subdivision.~~ Data related to an audit that were obtained from a nongovernmental entity have the classification that the data would have if obtained from the government entity for which the data were created, collected, or maintained by the nongovernmental entity.

(e) The legislative auditor may disseminate data of any classification to:

(1) a government entity, other than a law enforcement agency or prosecuting authority, if the dissemination of the data aids a pending audit; or

(2) a law enforcement agency or prosecuting authority if there is reason to believe that the data are evidence of criminal activity within the agency's or authority's jurisdiction.

Notwithstanding the classification of data as confidential or protected nonpublic, an individual or entity who supplies information for an audit may authorize the legislative auditor to release data that would identify the individual or entity for the purpose of conducting the audit. Data disseminated pursuant to this paragraph are subject to section 13.03, subdivision 4, paragraph (c).

Sec. 13. Minnesota Statutes 2022, section 3.979, is amended by adding a subdivision to read:

Subd. 6. **Definitions.** The definitions of terms provided in section 13.02 apply for purposes of this section.

Sec. 14. Minnesota Statutes 2022, section 4.045, is amended to read:

4.045 CHILDREN'S CABINET.

The Children's Cabinet shall consist of the commissioners of education, human services, employment and economic development, public safety, corrections, management and budget, health, administration, Housing Finance Agency, and transportation, ~~and the director of the Office of Strategic and Long Range Planning.~~ The governor shall designate one member to serve as cabinet chair. The chair is responsible for ensuring that the duties of the Children's Cabinet are performed.

Sec. 15. Minnesota Statutes 2022, section 10.44, is amended to read:

10.44 HOUSE, SENATE, COURT, ELECTED OFFICE BUDGETS; HOW TREATED.

The budgets of the ~~house of representatives, senate,~~ constitutional officers, district courts, court of appeals, and supreme court must be submitted to and considered by the appropriate committees of the legislature in the same manner as the budgets of executive agencies.

EFFECTIVE DATE. This section is effective and applies to budgets proposed for fiscal years 2026 and thereafter.

Sec. 16. Minnesota Statutes 2022, section 10.45, is amended to read:

10.45 BUDGETS; INFORMATION.

The budgets of the house of representatives, the senate, the Legislative Coordinating Commission, each constitutional officer, the district courts, court of appeals, and supreme court shall be public information and shall be divided into expense categories. The categories shall include, among others, travel and telephone expenses.

EFFECTIVE DATE. This section is effective and applies to budgets adopted for fiscal years 2026 and thereafter.

Sec. 17. Minnesota Statutes 2022, section 15A.0815, subdivision 1, is amended to read:

Subdivision 1. **Salary limits.** ~~The governor or other appropriate appointing authority shall set the salary rates for positions listed in this section within the salary limits listed in subdivisions 2 to 4. The governor's or other appointing authority's action is subject to approval of the Legislative Coordinating Commission and the legislature as provided by subdivision 5 and section 3.855 based upon the salaries prescribed by the Compensation Council established under section 15A.082.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 18. Minnesota Statutes 2022, section 15A.0815, subdivision 2, is amended to read:

Subd. 2. ~~**Group I salary limits**~~ **Agency head salaries.** ~~The salary for a position listed in this subdivision shall not exceed 133 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year be determined by the Compensation Council under section 15A.082. The commissioner of management and budget must publish the limit salaries on the department's website. This subdivision applies to the following positions:~~

Commissioner of administration;

Commissioner of agriculture;

Commissioner of education;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of health;

Commissioner, Minnesota Office of Higher Education;

Commissioner, Minnesota IT Services;

Commissioner, Housing Finance Agency;

Commissioner of human rights;

Commissioner of human services;

Commissioner of labor and industry;
Commissioner of management and budget;
Commissioner of natural resources;
Commissioner, Pollution Control Agency;
Commissioner of public safety;
Commissioner of revenue;
Commissioner of employment and economic development;
Commissioner of transportation; ~~and~~
Commissioner of veterans affairs;:
Executive director of the Gambling Control Board;
Executive director of the Minnesota State Lottery;
Commissioner of Iron Range resources and rehabilitation;
Commissioner, Bureau of Mediation Services;
Ombudsman for mental health and developmental disabilities;
Ombudsperson for corrections;
Chair, Metropolitan Council;
Chair, Metropolitan Airports Commission;
School trust lands director;
Executive director of pari-mutuel racing; and
Commissioner, Public Utilities Commission.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 19. Minnesota Statutes 2022, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year to ~~assist the legislature in establishing~~ establish the compensation of constitutional officers, justices of the supreme court, judges of the court of appeals and district court, and the heads of state and metropolitan agencies included in section 15A.0815.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 20. Minnesota Statutes 2022, section 15A.082, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Compensation Council consists of 16 members: eight nonjudges appointed by the chief justice of the supreme court, of whom no more than four may belong to the same political party; and one member from each congressional district appointed by the governor, of whom no more than four may belong to the same political party. Appointments must be made after the first Monday in January and before January ~~15~~ 31. The compensation and removal of members appointed by the governor or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. The Legislative Coordinating Commission shall provide the council with administrative and support services.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 21. Minnesota Statutes 2022, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations.** ~~(a) By April May 1 in each odd-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations must prescribe salaries for constitutional officers, justices of the supreme court, and judges of the court of appeals and district court, and for the agency and metropolitan agency heads identified in section 15A.0815. The recommended prescribed salary for each other office must take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that. The salary recommendations for judges and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the Compensation Council determines thereafter, unless the legislature by law provides otherwise.~~

~~(b) The council shall also submit to the speaker of the house and the president of the senate recommendations for the salary ranges of the heads of state and metropolitan agencies, to be effective retroactively from January 1 of that year if enacted into law. The recommendations shall include the appropriate group in section 15A.0815 to which each agency head should be assigned and the appropriate limitation on the maximum range of the salaries of the agency heads in each group, expressed as a percentage of the salary of the governor.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 22. Minnesota Statutes 2022, section 15A.082, subdivision 4, is amended to read:

Subd. 4. **Criteria.** In making compensation ~~recommendations~~ determinations, the council shall consider the amount of compensation paid in government service and the private sector to persons with similar qualifications, the amount of compensation needed to attract and retain experienced and competent persons, and the ability of the state to pay the recommended compensation.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to salary rates adopted by the council for fiscal year 2024 and thereafter.

Sec. 23. **[16A.091] ACCOUNTABILITY AND PERFORMANCE MANAGEMENT.**

(a) The commissioner of management and budget is responsible for the coordination, development, assessment, and communication of information, performance measures, planning, and policy concerning the state's future.

(b) The commissioner must develop a statewide system of economic, social, and environmental performance measures. The commissioner must provide information to assist public and elected officials with understanding the status of these performance measures.

Sec. 24. Minnesota Statutes 2022, section 16A.122, subdivision 2, is amended to read:

Subd. 2. **Transfers from grants prohibited.** Unless otherwise provided by law or section 16B.98, subdivision 14, an agency must not use grant or flow-through funds for salaries or other operating purposes.

Sec. 25. Minnesota Statutes 2022, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 14.46; 14.53; 16B.2975, subdivision 4; 16B.48; 16B.54; 16B.58; 16B.85; 16E.14; 43A.55; and 176.591; ~~and the fund established in section 43A.30; and the account established in section 16A.1286.~~

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 26. Minnesota Statutes 2022, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill ~~up to \$10,000,000 in~~ each fiscal year for statewide systems services provided to state agencies, ~~judicial branch agencies, the University of Minnesota in the executive, legislative, and judicial branches,~~ the Minnesota State Colleges and Universities, and other entities. Each entity shall be billed based on that entity's usage of the statewide systems. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. ~~Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of management and budget and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.~~ The commissioner shall develop billing policies and procedures.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 27. Minnesota Statutes 2022, section 16A.152, subdivision 4, is amended to read:

Subd. 4. **Reduction.** (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, reduce the amount in the budget reserve account as needed to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the Legislative Advisory Commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

(f) The commissioner is prohibited from reducing an allotment or appropriation made under section 3.1985.

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

Sec. 28. **[16B.373] OFFICE OF ENTERPRISE TRANSLATIONS.**

Subdivision 1. Office establishment. (a) The commissioner shall establish an Office of Enterprise Translations. The office must:

(1) provide translation services for written material for executive agencies;

(2) create and maintain language-specific landing webpages in Spanish, Hmong, and Somali and other languages that may be determined by the commissioner, in consultation with the state demographer, with links to translated materials at state agency websites; and

(3) serve as a resource to executive agencies in areas such as best practices and standards for the translation of written materials.

(b) The commissioner shall determine the process and requirements for state agencies to request translations of written materials.

Subd. 2. Language access service account established. The language access service account is created in the special revenue fund for reimbursing state agencies for expenses incurred in providing language translation services.

Sec. 29. Minnesota Statutes 2022, section 16B.97, subdivision 2, is amended to read:

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. ~~An~~ Executive agency agencies shall fully cooperate with the commissioner in the creation, management, and oversight of state grants and must do what the commissioner requires under this section. The commissioner may adopt rules to carry out grants governance, oversight, and management.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 30. Minnesota Statutes 2022, section 16B.97, subdivision 3, is amended to read:

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and propose establish and enforce policy and procedure improvements to the governor, legislature, executive agencies, and the federal government;

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies; and

(5) participate in conferences and other appropriate activities related to grants management issues;

(6) suspend or debar grantees from eligibility to receive state-issued grants for up to three years for reasons specified in Minnesota Rules, part 1230.1150, subpart 2. A grantee may obtain an administrative hearing pursuant to sections 14.57 to 14.62 before a suspension or debarment is effective by filing a written request for hearing within 20 days of notification of suspension or debarment;

(7) establish offices for the purpose of carrying out grants governance, oversight, and management; and

(8) require granting agencies to submit grant solicitation documents for review prior to issuance at dollar levels determined by the commissioner.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 31. Minnesota Statutes 2022, section 16B.97, subdivision 4, is amended to read:

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management systems and activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 32. Minnesota Statutes 2022, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement ~~is~~ and amendments are not valid and the state is not bound by ~~the grant them~~ unless:

(1) ~~the grant has~~ they have been executed by the head of the agency or a delegate who is party to the grant;

(2) they have been approved by the commissioner;

(3) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner except as provided in subdivision 11; and

~~(3)~~ (4) the grant agreement includes an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 33. Minnesota Statutes 2022, section 16B.98, subdivision 6, is amended to read:

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into. The commissioner may require an agency to report to the commissioner at any time on the status of any grant to which the agency is a party.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 34. Minnesota Statutes 2022, section 16B.98, subdivision 8, is amended to read:

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the commissioner, the granting agency, and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 35. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 12. **Grantee evaluations.** (a) The head of the agency or delegate entering into a grant agreement in excess of \$25,000 must submit a report to the commissioner who must make the report publicly available online.

(b) The report must:

(1) summarize the purpose of the grant;

(2) state the amount provided to the grantee; and

(3) include a written performance evaluation of the work done under the grant. The evaluation must include an appraisal of the grantee's timeliness, quality, and overall performance in meeting the terms and objectives of the grant. Grantees may request copies of evaluations prepared under this subdivision and may respond in writing. Grantee responses must be maintained with the grant file.

EFFECTIVE DATE. This section is effective April 1, 2024, and applies to grants issued on or after that date.

Sec. 36. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 13. **Limitations on actions.** No action may be maintained by a grantee against an employee or agency who discloses information about a current or former grantee under subdivision 12, unless the grantee demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employee or agency knew or should have known the information was false and acted with malicious intent to injure the current or former grantee; and

(3) the information was acted upon in a manner that caused harm to the current or former grantee.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 37. Minnesota Statutes 2022, section 16B.98, is amended by adding a subdivision to read:

Subd. 14. **Administrative costs.** Unless amounts are otherwise appropriated for administrative costs, a state agency may retain up to five percent of the amount appropriated to the agency for grants enacted by the legislature and formula grants and up to ten percent for competitively awarded grants. This subdivision applies to appropriations made for new grant programs enacted after the effective date of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to grants issued on or after that date.

Sec. 38. Minnesota Statutes 2022, section 16B.991, is amended to read:

16B.991 TERMINATION OF GRANT.

Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97 and 16B.98 must provide that the agreement will immediately be terminated if the recipient is convicted of a criminal offense relating to a state grant agreement.

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines that further performance under the grant agreement would not serve agency purposes or is not in the best interests of the state.

Sec. 39. Minnesota Statutes 2022, section 16E.14, subdivision 4, is amended to read:

Subd. 4. **Cash flow.** (a) The commissioner of management and budget shall make appropriate transfers to the revolving fund when requested by the chief information officer. The chief information officer may make allotments and encumbrances in anticipation of such transfers. In addition, the chief information officer, with the approval of

the commissioner of management and budget, may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the chief information officer under this section must be deposited in the MNIT services revolving fund.

(b) Each biennium, the commissioner of management and budget is authorized to provide cash flow assistance from the special revenue fund or other statutory general fund as defined in section 16A.671, subdivision 3, paragraph (a), to the Department of Information Technology Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the closing period of the second fiscal year of the same biennium.

Sec. 40. Minnesota Statutes 2022, section 16E.21, subdivision 1, is amended to read:

Subdivision 1. **Account established; appropriation.** The information and telecommunications technology systems and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the Department of Information Technology Services for the purpose of defraying the costs of personnel and technology for activities that create government efficiencies, secure state systems, or address project or product backlogs in accordance with this chapter.

Sec. 41. Minnesota Statutes 2022, section 16E.21, subdivision 2, is amended to read:

Subd. 2. **Charges.** (a) Upon agreement of the participating agency, the Department of Information Technology Services may collect a charge or receive a fund transfer under section 16E.0466 for purchases of information and telecommunications technology systems and services by state agencies and other governmental entities through state contracts for purposes described in subdivision 1. Charges collected under this section must be credited to the information and telecommunications technology systems and services account.

(b) Notwithstanding section 16A.28, subdivision 3, any unexpended operating balance appropriated to a state agency may be transferred to the information and telecommunications technology systems and services account for the information technology cost of a specific project, product, or services, subject to the review of the Legislative Advisory Commission under subdivision 3.

Sec. 42. **[16E.35] COUNTY AND LOCAL CYBERSECURITY GRANTS.**

Subdivision 1. **Cybersecurity grant program established.** The Department of IT Services may make grants to political subdivisions to support addressing cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, state, local, or Tribal governments, as provided in section 70612 of Public Law 117-58.

Subd. 2. **Match requirement.** The political subdivision receiving a grant must provide for the remainder of the costs of the project that exceed available state match appropriated funds, or that exceed goals defined in the statewide cybersecurity plan.

Subd. 3. **Criteria.** The department may set criteria for program priorities and standards of review.

Sec. 43. Minnesota Statutes 2022, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a ~~and in the Office of Strategic and Long Range Planning;~~

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services.

Sec. 44. Minnesota Statutes 2022, section 138.912, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The healthy eating, here at home program is established to provide incentives for low-income Minnesotans to use federal Supplemental Nutrition Assistance Program (SNAP) benefits for healthy purchases at Minnesota-based farmers' markets, mobile markets, and direct-farmer sales, including community-supported agriculture shares.

Sec. 45. Minnesota Statutes 2022, section 138.912, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Healthy eating, here at home" means a program administered by the Minnesota Humanities Center to provide incentives for low-income Minnesotans to use SNAP benefits for healthy purchases at Minnesota-based farmers' markets.

(c) "Healthy purchases" means SNAP-eligible foods.

(d) "Minnesota-based farmers' market" means a physical market as defined in section 28A.151, subdivision 1, paragraph (b), and also includes mobile markets and direct-farmer sales, including through a community-supported agriculture model.

(e) "Voucher" means a physical or electronic credit.

(f) "Eligible household" means an individual or family that is determined to be a recipient of SNAP.

Sec. 46. Minnesota Statutes 2022, section 145.951, is amended to read:

145.951 IMPLEMENTATION PLAN; STATEWIDE PROGRAM FOR FAMILIES.

The commissioner of health, in consultation with the commissioners of education; corrections; public safety; and human services, and with the ~~directors~~ director of the ~~Office of Strategic and Long-Range Planning~~, the Council on Disability; and the councils and commission under sections 3.922, 3.9221, and 15.0145, may develop an implementation plan for the establishment of a statewide program to assist families in developing the full potential of their children. The program must be designed to strengthen the family, to reduce the risk of abuse to children, and to promote the long-term development of children in their home environments. The program must also be designed to use volunteers to provide support to parents, and to link parents with existing public health, education, and social services as appropriate.

Sec. 47. Minnesota Statutes 2022, section 307.08, is amended to read:

307.08 DAMAGES; ILLEGAL MOLESTATION OF HUMAN REMAINS; BURIALS; CEMETERIES; PENALTY; AUTHENTICATION ASSESSMENT.

Subdivision 1. **Legislative intent; scope.** It is a declaration and statement of legislative intent that all human burials, human remains, and human burial grounds shall be accorded equal treatment and respect for human dignity without reference to their ethnic origins, cultural backgrounds, or religious affiliations. The provisions of this section shall apply to all human burials, human remains, or human burial grounds found on or in all public or private lands or waters in Minnesota. Within the boundaries of Tribal Nation reservations, nothing in this section should be interpreted to conflict with federal law, including the Native American Graves Protection and Repatriation Act (NAGPRA), United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10.

Subd. 2. **Felony; gross misdemeanor.** (a) A person who intentionally, willfully, ~~and~~ or knowingly does any of the following is guilty of a felony:

(1) destroys, mutilates, or injures ~~human burials or~~ human burial grounds, or associated grave goods; or

(2) without the consent of the appropriate authority, disturbs human burial grounds or removes human remains or associated grave goods.

(b) A person who, without the consent of the appropriate authority and the landowner, intentionally, willfully, ~~and~~ or knowingly does any of the following is guilty of a gross misdemeanor:

(1) removes any tombstone, monument, or structure placed in any public or private cemetery or ~~authenticated~~ assessed human burial ground; or

(2) removes any fence, railing, natural stone, or other work erected for protection or ornament, or any tree, shrub, or plant ~~or grave goods and artifacts~~ within the limits of a public or private cemetery or ~~authenticated~~ assessed human burial ground; or

(3) discharges any firearms upon or over the grounds of any public or private cemetery or ~~authenticated~~ assessed burial ground.

(c) A person who intentionally, willfully, or knowingly fails to comply with any other provision of this section is guilty of a misdemeanor.

Subd. 3. **Protective posting.** Upon the agreement of the appropriate authority and the landowner, an authenticated or recorded human burial ground may be posted for protective purposes every 75 feet around its perimeter with signs listing the activities prohibited by subdivision 2 and the penalty for violation of it. Posting is at the discretion of the Indian affairs council in the case of American Indian burials or at the discretion of the state archaeologist in the case of ~~non-Indian~~ non-American Indian burials. This subdivision does not require posting of a burial ground. The size, description, location, and information on the signs used for protective posting must be approved by the appropriate authority and the landowner.

Subd. 3a. **Authentication Cemeteries; records and condition assessments.** ~~The state archaeologist shall authenticate all burial grounds for purposes of this section. The state archaeologist may retain the services of a qualified professional archaeologist, a qualified physical anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist can use to authenticate or identify burial grounds. If probable Indian burial grounds are to be disturbed or probable Indian remains analyzed, the Indian Affairs Council must approve the professional archaeologist, qualified anthropologist, or other appropriate expert. Authentication is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.~~ (a) Cemeteries shall be assessed according to this subdivision.

(b) The state archaeologist shall implement and maintain a system of records identifying the location of known, recorded, or suspected cemeteries. The state archaeologist shall provide access to the records as provided in subdivision 11.

(c) The cemetery condition assessment of non-American Indian cemeteries is at the discretion of the state archaeologist based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(d) The cemetery condition assessment of American Indian cemeteries is at the discretion of the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority. If the Indian Affairs Council has possession or takes custody of remains they may follow United States Code, title 25, sections 3001 to 3013.

(e) The cemetery condition assessment of cemeteries that include American Indian and non-American Indian remains or include remains whose ancestry cannot be determined shall be assessed at the discretion of the state archaeologist in collaboration with the Indian Affairs Council based on the needs identified in this section or upon request by an agency, a landowner, or other appropriate authority.

(f) The state archaeologist and the Indian Affairs Council shall have 90 days from the date a request is received to begin a cemetery condition assessment or provide notice to the requester whether or not a condition assessment of a cemetery is needed.

(g) The state archaeologist and the Indian Affairs Council may retain the services of a qualified professional archaeologist, a qualified forensic anthropologist, or other appropriate experts for the purpose of gathering information that the state archaeologist or the Indian Affairs Council can use to assess or identify cemeteries.

Subd. 5. ~~Cost; use of data.~~ The cost of ~~authentication~~ condition assessment, recording, surveying, and marking burial grounds and the cost of identification, analysis, rescue, and reburial of human remains on public lands or waters shall be the responsibility of the state or political subdivision controlling the lands or waters. On private lands or waters these costs shall ~~may~~ be borne by the state, ~~but may be borne by or~~ the landowner upon mutual agreement with the state. ~~The state archaeologist must make the data collected for this activity available using standards adopted by the Department of Information Technology Services and geospatial technology standards and guidelines published by the Minnesota Geospatial Information Office. Costs associated with this data delivery must be borne by the state.~~

Subd. 7. **Remains found outside of recorded cemeteries.** (a) All unidentified human remains or burials found outside of recorded cemeteries or unplatted graves or burials found within recorded cemeteries and in contexts which indicate antiquity greater than 50 years shall be treated with the utmost respect for all human dignity and dealt with according to the provisions of this section.

(b) If such burials are not American Indian or their ethnic identity cannot be ascertained, as determined by the state archaeologist, they shall be dealt with in accordance with provisions established by the state archaeologist and other appropriate authority.

(c) If such burials are American Indian, as determined by the state archaeologist and Indian Affairs Council, efforts shall be made by the state archaeologist and the Indian Affairs Council to ascertain their tribal identity. If their probable tribal identity can be determined and the remains have been removed from their original context, such remains shall be turned over to contemporary tribal leaders for disposition. If tribal identity cannot be determined, the Indian remains must be dealt with in accordance with provisions established by the state archaeologist and the Indian Affairs Council if they are from public land. If removed Indian remains are from private land they shall be dealt with in accordance with provisions established by the Indian Affairs Council. If it is deemed desirable by the state archaeologist or the Indian Affairs Council, removed remains shall be studied in a timely and respectful manner by a qualified professional archaeologist or a qualified physical anthropologist before being delivered to tribal leaders or before being reburied to follow procedures as defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, within reservation boundaries. For burials outside of reservation boundaries, the procedures defined in United States Code, title 25, section 3001 et seq., and its implementing regulations, Code of Federal Regulations, title 43, part 10, are at the discretion of the Indian Affairs Council.

Subd. 7a. **Landowner responsibilities.** Application by a landowner for permission to develop or disturb nonburial areas within ~~authenticated~~ assessed or recorded burial grounds shall be made to:

(1) the state archaeologist and other appropriate authority in the case of ~~non-Indian~~ non-American Indian burials; and to

(2) the Indian Affairs Council and other appropriate authority in the case of American Indian burials.

(b) Landowners with ~~authenticated~~ assessed or suspected human burial grounds on their property are obligated to inform prospective buyers of the burial ground.

Subd. 8. **Burial ground relocation.** No ~~non-Indian~~ non-American Indian burial ground may be relocated without the consent of the appropriate authority. No American Indian burial ground may be relocated unless the request to relocate is approved by the Indian Affairs Council. When a burial ground is located on public lands or waters, any burial relocations must be duly licensed under section 138.36 and the cost of removal is the responsibility of and shall be paid by the state or political subdivision controlling the lands or waters. If burial grounds are ~~authenticated~~ assessed on private lands, efforts may be made by the state to purchase and protect them instead of removing them to another location.

Subd. 9. **Interagency cooperation.** (a) The state archaeologist and the Indian Affairs Council shall enter into a memorandum of understanding to coordinate their responsibilities under this section.

(b) The Department of Natural Resources, the Department of Transportation, and all other state agencies and local governmental units whose activities may be affected, shall cooperate with the state archaeologist and the Indian Affairs Council to carry out the provisions of this section.

Subd. 10. **Construction and development plan review.** When human burials are known or suspected to exist, on public lands or waters, the state or political subdivision controlling the lands or waters or, in the case of private lands, the landowner or developer, shall submit construction and development plans to the state archaeologist for review ~~prior to the time bids are advertised~~ before plans are finalized and prior to any disturbance within the burial area. If the known or suspected burials are thought to be American Indian, plans shall also be submitted to the Indian Affairs Council. The state archaeologist and the Indian Affairs Council shall review the plans within ~~30~~ 45 days of receipt and make recommendations for the preservation in place or removal of the human burials or remains, which may be endangered by construction or development activities.

Subd. 11. **Burial sites data.** (a) Burial sites ~~locational and related data maintained by~~ data under the authority of the Office of the State Archaeologist and accessible through the office's "Unplatted Burial Sites and Earthworks in Minnesota" website or Indian Affairs Council are security information for purposes of section 13.37. Persons who gain access to ~~the data maintained on the site~~ this data are subject to liability under section 13.08 and the penalty established by section 13.09 if they improperly use or further disseminate the data. Use of this information must be approved by the appropriate authority.

Subd. 12. **Right of entry.** The state archaeologist or designee may enter on property for the purpose of ~~authenticating~~ assessing burial sites. The Indian Affairs Council or a designated representative of the Indian Affairs Council may enter on property for the purpose of assessing or identifying American Indian cemeteries. Only after obtaining permission from the property owner or lessee, descendants of persons buried in burial grounds covered by this section may enter the burial grounds for the purpose of conducting religious or commemorative ceremonies. This right of entry must not unreasonably burden property owners or unnecessarily restrict their use of the property.

Subd. 13. **Definitions.** As used in this section, the following terms have the meanings given.

(a) "Abandoned cemetery" means a cemetery where the cemetery association has disbanded or the cemetery is neglected and contains marked graves older than 50 years.

(b) "Appropriate authority" means:

- (1) the trustees when the trustees have been legally defined to administer burial grounds;
- (2) the Indian Affairs Council in the case of American Indian burial grounds lacking trustees;
- (3) the county board in the case of abandoned cemeteries under section 306.243; and

(4) the state archaeologist in the case of ~~non-Indian~~ non-American Indian burial grounds lacking trustees or not officially defined as abandoned.

(c) "Artifacts" means natural or artificial articles, objects, implements, or other items of archaeological interest.

(d) ~~"Authenticate"~~ "Assess" means to establish the presence of or high potential of human burials or human skeletal remains being located in a discrete area, ~~delimit the boundaries of human burial grounds or graves,~~ and attempt to determine the ethnic, cultural, or religious affiliation of individuals interred.

(e) "Burial" means the organic remnants of the human body that were intentionally interred as part of a mortuary process.

(f) "Burial ground" means a discrete location that is known to contain or has high potential to contain human remains based on physical evidence, historical records, or reliable informant accounts.

(g) "Cemetery" means a discrete location that is known to contain or intended to be used for the interment of human remains.

(h) "Disturb" means any activity that ~~significantly~~ harms the physical integrity or setting of a human burial or human burial ground.

(i) "Grave goods" means objects or artifacts directly associated with human burials or human burial grounds that were placed as part of a mortuary ritual at the time of interment.

(j) "Human remains" means the ~~calcified portion of the human body of a deceased person in whole or in part,~~ regardless of the state of decomposition, not including isolated teeth, ~~or cremated remains deposited in a container or discrete feature.~~

(k) "Identification" means to analyze organic materials to attempt to determine if they represent human remains and to attempt to establish the ethnic, cultural, or religious affiliations of such remains.

(l) "Marked" means a burial that has a recognizable tombstone or obvious grave marker in place or a legible sign identifying an area as a burial ground or cemetery.

(m) "Qualified physical anthropologist" means a specialist in identifying human remains who holds an advanced degree in anthropology or a closely related field.

(n) "Qualified professional archaeologist" means an archaeologist who meets the United States Secretary of the Interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A, or subsequent revisions.

(o) "Recorded cemetery" means a cemetery that has a surveyed plat filed in a county recorder's office.

(p) "State" or "the state" means the state of Minnesota or an agency or official of the state acting in an official capacity.

(q) "Trustees" means the recognized representatives of the original incorporators, board of directors, or cemetery association.

(r) "Person" means a natural person or a business and includes both if the natural person is engaged in a business.

(s) "Business" means a contractor, subcontractor, supplier, consultant, or provider of technical, administrative, or physical services organized as a sole proprietorship, partnership, association, corporation, or other entity formed for the purpose of doing business for profit.

Sec. 48. Minnesota Statutes 2022, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. **Director.** A State Lottery is established under the supervision and control of a director. The director of the State Lottery shall be appointed by the governor with the advice and consent of the senate. The director serves in the unclassified service at the pleasure of the governor. The annual salary rate authorized for the director is equal to 95 percent of the salary rate prescribed for the governor established through the process described under section 15A.0815.

EFFECTIVE DATE. This section is effective the day following final enactment. Any recommendations made by the Compensation Council in 2023 determine salaries for fiscal years 2024 and 2025.

Sec. 49. Minnesota Statutes 2022, section 381.12, subdivision 2, is amended to read:

Subd. 2. **Expense, tax levy.** The county board of any county may levy a tax upon all the taxable property in the county for the purpose of defraying the expense incurred, or to be incurred, less any amount received from the public system monument grant program under section 381.125, for:

- (1) the preservation and restoration of monuments under this section;
- (2) the preservation or establishment of control monuments for mapping activities;
- (3) the modernization of county land records through the use of parcel-based land management systems; or
- (4) the establishment of geographic (GIS), land (LIS), management (MIS) information systems.

Sec. 50. **[381.125] PUBLIC LAND SURVEY SYSTEM MONUMENT GRANT PROGRAM.**

Subdivision 1. **Grant program.** The chief geospatial information officer, through the Geospatial Advisory Council established under section 16E.30, subdivision 8, shall work with the stakeholders licensed as land surveyors under section 326.02, to develop a process for accepting applications from counties for funding for the perpetuation of monuments established by the United States in the public lands survey to mark public land survey corners, as provided in section 381.12, subdivision 2, clause (1). Grants may also be used to update records and data regarding monuments. The chief geospatial information officer must establish criteria for prioritizing applicants when resources available for grants are not sufficient to award grants to all applicants. The criteria must favor providing grants to counties that demonstrate financial need for assistance.

Subd. 2. **Report.** By October 1, in each odd-numbered year, the chief geospatial information officer must submit a report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government and local government. The report must include the following:

- (1) a summary of the chief geospatial information officer activities regarding administration of this grant program for the previous fiscal year, including the amount of money requested and disbursed by county;
- (2) an assessment of the progress toward completion of necessary monument restoration and certification by county; and
- (3) a forecast of the amount needed to complete monument recertification in all counties.

Subd. 3. **Nonstate match.** No nonstate match is required for grants made under this program.

Sec. 51. Minnesota Statutes 2022, section 462A.22, subdivision 10, is amended to read:

Subd. 10. **Audits.** All of the books and records of the agency shall be subject to audit by the legislative auditor in the manner prescribed for other agencies of state government. The agency is authorized also to employ and to contract in its resolutions and indentures for the employment of public accountants for the audit of books and records pertaining to any fund or funds. ~~The legislative auditor shall review contracts with public accountants as provided in section 3.972.~~

Sec. 52. **STATE EMBLEMS REDESIGN COMMISSION.**

Subdivision 1. **Establishment.** The State Emblems Redesign Commission is established. The purpose of the commission is to develop and adopt a new design for the official state flag and the official state seal no later than January 1, 2024.

Subd. 2. **Membership; meetings.** (a) The commission consists of the following members:

(1) three members of the public, appointed by the governor;

(2) one member appointed by the Council for Minnesotans of African Heritage;

(3) one member appointed by the Minnesota Council on Latino Affairs;

(4) one member appointed by the Council on Asian-Pacific Minnesotans;

(5) one member representing the Dakota community and one member representing the Ojibwe community, appointed by the executive board of the Indian Affairs Council;

(6) the secretary of state or the secretary's designee;

(7) the executive director of the Minnesota Historical Society or the director's designee;

(8) the chair of the Capitol Area Architectural and Planning Board or the chair's designee;

(9) the chair of the Minnesota Arts Board or the chair's designee; and

(10) the executive director of Explore Minnesota Tourism or the director's designee.

(b) The following serve as ex officio, nonvoting members of the commission: (1) two members of the house of representatives, one each appointed by the speaker of the house and the minority leader of the house; and (2) two members of the senate, one representing the majority caucus appointed by the senate majority leader and one representing the minority caucus appointed by the senate minority leader.

(c) Appointments to the commission must be made no later than August 1, 2023. The voting members of the commission shall elect a chair and vice-chair. An appointee designated by the governor shall convene the commission's first meeting. Decisions of the commission must be made by majority vote. The Minnesota Historical Society must provide office space and administrative support to the commission.

Subd. 3. **Meetings.** Meetings of the commission are subject to Minnesota Statutes, chapter 13D.

Subd. 4. **Duties; form and style of recommended state emblems.** The commission shall develop and adopt a new design for the official state seal and a new design for the official state flag. The designs must accurately and respectfully reflect Minnesota's shared history, resources, and diverse cultural communities. Symbols, emblems, or

likenesses that represent only a single community or person, regardless of whether real or stylized, may not be included in a design. The commission may solicit and secure the voluntary service and aid of vexillologists and other persons who have either technical or artistic skill in flag construction and design, or the design of official seals, to assist in the work. The commission must also solicit public feedback and suggestions to inform its work.

Subd. 5. **Report.** The commission shall certify its adopted designs in a report to the legislature and governor no later than January 1, 2024. The commission's report must describe the symbols and other meanings incorporated in the design. The commission expires upon submission of its report.

Sec. 53. **LEGISLATIVE TASK FORCE ON AGING.**

Subdivision 1. **Establishment.** A legislative task force is established to:

(1) review and develop state resources for an aging demographic;

(2) identify and prioritize necessary support for an aging population through statewide and local endeavors for people to remain in their communities; and

(3) ensure all aging-related state policies are inclusive of race, gender, ethnicity, culture, sexual orientation, abilities, and other characteristics that reflect the full population of the state.

Subd. 2. **Duties.** The task force shall review:

(1) all current aging-related governmental functions, programs, and services across all state departments;

(2) the current plans to improve health and support services workforce demographics;

(3) current public and private strategies to:

(i) support family caregivers for older adults;

(ii) define and support quality of care and life improvements in long-term care and home care; and

(iii) sustain neighborhoods and communities for an aging population;

(4) the necessity for planning and investment in aging in Minnesota to address:

(i) the longevity economy and the impact it has on the workforce, advancing technology, and innovations;

(ii) housing options, land use, transportation, social services, and the health systems;

(iii) availability of safe, affordable rental housing for aging tenants; and

(iv) coordination between health services and housing supports;

(5) coordination across all state agencies, Tribal Nations, cities, and counties to encourage resolution of aging related concerns; and

(6) from this review, determine the governmental entity to plan, lead, and implement these recommended policies and funding for aging Minnesotans across the state.

Subd. 3. **Membership.** (a) The task force shall include the following members:

(1) two members from the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members from the senate, one appointed by the majority leader and one appointed by the minority leader;

(3) the chair of the Minnesota Board on Aging, or a board member as designee;

(4) the chair of the Minnesota Council on Disability, or an agency employee as designee;

(5) the chair of the Minnesota Indian Affairs Council, or a council member, except the legislative council member, as designee; and

(6) the director of the University of Minnesota Center for Healthy Aging and Innovation, or a University of Minnesota employee as designee.

(b) The speaker of the house and the senate majority leader shall appoint a chair and a vice-chair for the membership of the task force. The chair and the vice-chair shall rotate after each meeting.

Subd. 4. **Meetings.** (a) The task force shall meet at least once per month. The meetings shall take place in person in the Capitol complex, provided that the chair may direct that a meeting be conducted electronically if doing so would facilitate public testimony or would protect the health or safety of members of the task force.

(b) The task force shall invite input from the public, the leadership of advocacy groups, and provider organizations.

(c) The chair designated by the speaker of the house shall convene the first meeting of the task force no later than August 1, 2023.

Subd. 5. **Expenses; per diem.** Members serving on the task force shall receive the following per diem:

(1) the Board on Aging task force member who is a volunteer citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(2) the Council on Disability task force member shall not receive a per diem;

(3) the Indian Affairs Council task force member who is a citizen member shall receive the per diem listed in Minnesota Statutes, section 15.059, subdivision 3;

(4) the University of Minnesota task force member shall not receive a per diem; and

(5) legislative members of the task force shall not receive a per diem.

Subd. 6. **Report.** The task force shall submit a report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy and state government by January 15, 2025.

Subd. 7. **Expiration.** The task force expires January 31, 2025.

EFFECTIVE DATE. This section is effective July 1, 2023, or when the legislative leaders required to make appointments to the task force name appointees beginning the day after final enactment.

Sec. 54. **INFRASTRUCTURE RESILIENCE ADVISORY TASK FORCE.**

Subdivision 1. **Definition.** For purposes of this section, "task force" means the Infrastructure Resilience Advisory Task Force established in this section.

Subd. 2. **Establishment.** The Infrastructure Resilience Advisory Task Force is established to evaluate issues related to coordination, sustainability, resiliency, and federal funding on state, local, and private infrastructure in the state.

Subd. 3. **Membership.** (a) The task force consists of the following members:

(1) two members of the senate, with one appointed by the senate majority leader and one appointed by the senate minority leader;

(2) two members of the house of representatives, with one appointed by the speaker of the house and one appointed by the house minority leader;

(3) the commissioner of administration;

(4) the commissioner of agriculture;

(5) the commissioner of commerce;

(6) the commissioner of employment and economic development;

(7) the commissioner of health;

(8) the commissioner of management and budget;

(9) the commissioner of natural resources;

(10) the commissioner of the Pollution Control Agency;

(11) the commissioner of transportation;

(12) two members appointed by the governor;

(13) one representative from a federally recognized Tribal government, appointed by the governor;

(14) one member appointed by the Association of Minnesota Counties;

(15) one member appointed by the League of Minnesota Cities;

(16) one member appointed by the Minnesota Association of Townships;

(17) one member appointed by the Minnesota chapter of the American Public Works Association;

(18) one member appointed by the Associated General Contractors of Minnesota;

(19) one member appointed by each public utility that owns a nuclear-powered electric generating plant in this state; and

(20) one member appointed by the Minnesota Municipal Utilities Association.

(b) At its first meeting, the task force must elect a chair or cochair by a majority vote of those members present and may elect a vice-chair as necessary.

Subd. 4. **Appointments.** (a) The appointing authorities under subdivision 3 must make the appointments by July 31, 2023.

(b) A commissioner under subdivision 3 may appoint a designee who is an employee of the respective agency.

(c) An appointing authority under subdivision 3, paragraph (a), clauses (12) to (20), may only appoint an individual who has expertise and experience in asset management, financial management and procurement, or state and local infrastructure, whether from the public or private sector. Expertise and experience may include but is not limited to the following areas:

(1) asset management planning, design, construction, management, and operations and maintenance;

(2) infrastructure for agriculture, communications, drinking water, energy, health, natural resources, public utilities, stormwater, transportation, or wastewater; and

(3) asset management planning across jurisdictions and infrastructure sectors.

Subd. 5. **Duties.** At a minimum, the task force must:

(1) develop objectives and strategies to:

(i) provide for effective and efficient management of state, local, and private infrastructure;

(ii) enhance sustainability and resiliency of infrastructure throughout the state;

(iii) respond to and mitigate the effects of adverse weather events across the state, including natural disasters, droughts, and floods; and

(iv) provide for equitable treatment in areas of persistent poverty and historically disadvantaged communities;

(2) identify approaches to enhance infrastructure coordination across jurisdictions, agencies, state and local government, and public and private sectors, including in planning, design, engineering, construction, maintenance, and operations;

(3) identify methods to maximize federal formula and discretionary funds provided to recipients in the state for infrastructure purposes;

(4) evaluate options for organizational design of state agencies to meet the purposes under clauses (1) to (3), including consideration of:

(i) options for establishment of a board, council, office, or other agency; and

(ii) models in other states; and

(5) develop findings and recommendations related to the duties specified in this subdivision.

Subd. 6. **Meetings.** (a) The commissioner of transportation must convene the first meeting of the task force no later than October 1, 2023.

(b) The task force must establish a schedule for meetings and meet as necessary to accomplish the duties under subdivision 5.

(c) The task force is subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 7. **Administration.** (a) The Legislative Coordinating Commission must provide administrative support to the task force and must assist in creation of the report under subdivision 8.

(b) Upon request of the task force, a commissioner under subdivision 3 must provide information and technical support.

(c) Members of the task force serve without compensation.

Subd. 8. **Report required.** By February 1, 2024, the task force must submit a report to the governor and the legislative committees with jurisdiction over climate, economic development, energy, infrastructure, natural resources, and transportation. At a minimum, the report must:

- (1) summarize the activities of the task force;
- (2) provide findings and recommendations adopted by the task force; and
- (3) include any draft legislation to implement the recommendations.

Subd. 9. **Expiration.** The task force expires June 30, 2024.

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

Sec. 55. **GRANTS ADMINISTRATION OVERSIGHT; FEASIBILITY STUDY.**

The commissioner of administration must assess the viability of implementing a single grants management system for executive agencies. If the results of the study determine an enterprise system is feasible, the study must further include:

- (1) an analysis of available technology options;
- (2) recommended changes to the state's organizational model, operational controls, and processes;
- (3) staffing and other resource needs;
- (4) high level system requirements;
- (5) estimated costs; and
- (6) an implementation road map.

Sec. 56. **FORD BUILDING SITE REDEVELOPMENT; MIXED-USE DEVELOPMENT REQUIRED.**

Notwithstanding any law to the contrary, the commissioner of administration may not prepare or approve building construction plans for redevelopment of the Ford Building or the Ford Building property site unless the plans are for mixed-use development and identify ground-level space for locally owned businesses.

Sec. 57. **CAPITOL MALL DESIGN FRAMEWORK.**

(a) The Capitol Area Architectural and Planning Board must update the Capitol Mall Design Framework. The updated design framework must include:

- (1) plans to integrate green space campus-wide, including but not limited to the addition of green space on the following sites at the approximate sizes indicated:
 - (i) the southwest corner of Rice Street and University Avenue, with a minimum size of 20,700 square feet;
 - (ii) the northeast corner of Rice Street and University Avenue, with a minimum size of 32,000 square feet; and
 - (iii) the north side of the State Capitol building adjacent to University Avenue;

(2) plans for visual markers and welcome information for the Capitol campus at one or more corners of Rice Street and University Avenue, anchoring a pathway to the State Capitol building and Capitol Mall that features interpretive markers honoring the importance and stature of the Capitol campus as both a historic site and as a modern, active public gathering space for all Minnesotans; and

(3) plans to plant trees throughout the Capitol campus, prioritizing the creation of a mature tree canopy to provide an area of shade for users of the Capitol Mall between or adjacent to the State Capitol building and Martin Luther King, Jr. Boulevard.

(b) The board must contract with one or more professional design consultants with expertise on horticulture, landscape architecture, civic space design, infrastructure assessment, and operations and maintenance planning to develop the framework updates. The board must additionally consult with the commissioners of administration and public safety and the senate majority leader and the speaker of the house or their designees before any proposed framework update is approved. The board must approve the updated design framework no later than March 1, 2024.

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

Sec. 58. **DEADLINE FOR CERTIFICATION OF APPROPRIATION AMOUNTS FOR LEGISLATURE FOR FISCAL YEARS 2026 AND 2027.**

Notwithstanding the effective date of Minnesota Statutes, section 3.1985, the house of representatives, senate, and Legislative Coordinating Commission must each certify to the commissioner of management and budget the anticipated amount to be appropriated for fiscal years 2026 and 2027 no later than October 15, 2024, and January 15, 2025, and must certify the actual amount to be appropriated for fiscal years 2026 and 2027 no later than June 30, 2025.

Sec. 59. **OFFICE OF SMALL AGENCIES; STUDY.**

Subdivision 1. **Study; requirements.** The commissioner of administration must review the unique issues faced by small agencies other than departments of the state as defined in section 15.01. These include boards, commissions, councils, task forces, and authorities. The study will assess whether the current support model provides adequate support for the agencies as well as their volunteer board members. The study will also examine how other states support their small agencies and provide recommendations on how to most effectively support these small agencies in their delivery of important functions of government.

Subd. 2. **Report.** By February 1, 2024, the commissioner of administration must submit the findings and recommendations of the study to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over state government.

Sec. 60. **REPEALER.**

Subdivision 1. **State emblems redesign.** Minnesota Statutes 2022, sections 1.135, subdivisions 3 and 5; and 1.141, subdivisions 3, 4, and 6, are repealed, effective May 11, 2024.

Subd. 2. **Evergreen firehall polling place.** Minnesota Statutes 2022, section 383C.806, is repealed.

Subd. 3. **Compensation council.** Minnesota Statutes 2022, section 15A.0815, subdivisions 3, 4, and 5, are repealed effective the day following final enactment.

Subd. 4. **Parking garage debt service waiver.** Laws 2014, chapter 287, section 25, as amended by Laws 2015, chapter 77, article 2, section 78, is repealed.

Subd. 5. **Strategic and long-range planning.** Minnesota Statutes 2022, sections 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; and 124D.23, subdivision 9, are repealed.

ARTICLE 3
GRANTS MANAGEMENT

Section 1. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

Subdivision 1. Financial review required. (a) Before awarding a competitive, legislatively named, single source, or sole source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to document and assess the applicant's current financial standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed; whether the applicant had a significant operating deficit, a deficit in unrestricted net assets, or insufficient internal controls; whether and how the applicant resolved the grantor's concerns; and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees, or if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. Authority to postpone or forgo. Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant.

Subd. 3. Authority to award subject to additional assistance and oversight. A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. Relation to other law and policy. The requirements in this section are in addition to any other requirements imposed by law, the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98, or agency policy.

ARTICLE 4
ELECTIONS APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the

appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

	<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>
Sec. 2. <u>SECRETARY OF STATE</u>	<u>\$1,157,000</u>	<u>\$586,000</u>
<p>Of the amount in fiscal year 2024, \$461,000 is transferred from the general fund to the Help America Vote Act (HAVA) account established in Minnesota Statutes, section 5.30, and is credited to the state match requirement of the Consolidated Appropriations Act of 2022, Public Law 117-103, and the Consolidated Appropriations Act of 2023, Public Law 117-328.</p>		
Sec. 3. <u>CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD</u>	<u>\$1,743,000</u>	<u>\$1,731,000</u>

Sec. 4. **APPROPRIATION; SECRETARY OF STATE; COURT ORDERED ATTORNEY FEES.**

\$495,000 in fiscal year 2023 is appropriated from the general fund to the secretary of state for the payment of attorney fees and costs awarded by court order in the legislative and congressional redistricting cases Peter Wattson, et al.; Paul Anderson, et al.; and Frank Sachs, et al. v. Steve Simon, Secretary of State of Minnesota, Nos. A21-0243 and A21-0546, and interest thereon. This is a onetime appropriation.

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

Sec. 5. **VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT; TRANSFER.**

\$1,292,000 in fiscal year 2024 and \$1,291,000 in fiscal year 2025 are transferred from the general fund to the voting operations, technology, and election resources account in the special revenue fund. The base for this transfer in fiscal year 2026 and each fiscal year thereafter is \$1,353,000.

Sec. 6. Minnesota Statutes 2022, section 5.30, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** ~~Notwithstanding section 4.07, Money in the Help America Vote Act account may be spent only pursuant to direct appropriations enacted from time to time by law. Money in the account must be spent~~ is appropriated to the secretary of state to improve the administration of elections in accordance with the Help America Vote Act, the state plan certified by the governor under the act, and for reporting and administrative requirements under the act and plan. To the extent required by federal law, money in the account must be used in a manner that is consistent with the maintenance of effort requirements of section 254(a)(7) of the Help America Vote Act, Public Law 107-252, based on the level of state expenditures for the fiscal year ending June 30, 2000.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any balances in the Help America Vote Act account existing on or after that date.

Sec. 7. Minnesota Statutes 2022, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign account, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign account, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~\$1,020,000 for each general election is~~ \$4,002,000 for the biennium ending June 30, 2025, and \$2,196,000 for the biennium ending June 30, 2027, and each biennium thereafter are appropriated from the general fund for transfer to the general account of the state elections campaign account.

ARTICLE 5 ELECTIONS ADMINISTRATION

Section 1. **[2.012] TWELFTH DISTRICT.**

Subdivision 1. **Senate district.** Notwithstanding the order of the Minnesota Special Redistricting Panel in Wattson v. Simon, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 12 consists of the district as described in that order, with the modification contained in file L12B-1, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its website on April 27, 2022.

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in Wattson v. Simon, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 12 is divided into two house of representatives districts as follows:

(a) House of Representatives District 12A consists of the district as described in that order.

(b) House of Representatives District 12B consists of all territory of Senate District 12, as modified by subdivision 1, that is not included in House of Representatives District 12A.

EFFECTIVE DATE. This section is effective for the state primary and state general elections conducted in 2024 for terms of office beginning on the first Monday in January of 2025, and for all elections held thereafter.

Sec. 2. **[2.109] NINTH DISTRICT.**

Subdivision 1. **Senate district.** Notwithstanding the order of the Minnesota Special Redistricting Panel in Wattson v. Simon, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 9 consists of the district as described in that order, with the modification contained in file L12B-1, on file with the Geographic Information Systems Office of the Legislative Coordinating Commission and published on its website on April 27, 2022.

Subd. 2. **House of representatives districts.** Notwithstanding the order of the Minnesota Special Redistricting Panel in Wattson v. Simon, Nos. A21-0243, A21-0546 (February 15, 2022), Senate District 9 is divided into two house of representatives districts as follows:

(a) House of Representatives District 9A consists of the district as described in that order.

(b) House of Representatives District 9B consists of all territory of Senate District 9, as modified by subdivision 1, that is not included in House of Representatives District 9A.

EFFECTIVE DATE. This section is effective for the state primary and state general elections conducted in 2024 for terms of office beginning on the first Monday in January of 2025, and for all elections held thereafter.

Sec. 3. **[2.92] ACCESS TO MULTIUNIT FACILITIES BY UNITED STATES CENSUS EMPLOYEES.**

Subdivision 1. **Access required.** It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or area in which two or more single-family dwellings are located on private roadways, to an employee of the United States Census Bureau who displays a current, valid census credential and who is engaged in official census business. An employee granted access under this section must be permitted to knock on the doors of individual units to speak with residents and to leave census materials for residents at their doors, except that the manager of a nursing home may direct that the materials be left at a central location within the facility. The materials must be left in an orderly manner.

Subd. 2. **Limitations.** This section does not prohibit:

- (1) denial of admittance into a particular apartment, room, manufactured home, or personal residential unit;
- (2) in the case of a nursing home or an assisted living facility licensed under chapter 144G, denial of permission to visit certain persons for valid health reasons;
- (3) limiting visits to a reasonable number of census employees or reasonable hours;
- (4) requiring a prior appointment to gain access to the facility; or
- (5) denial of admittance to or expulsion of an individual employee from a multiple unit dwelling for good cause.

Subd. 3. **Compliance with federal law.** A person in compliance with United States Code, title 13, section 223, and any guidance or rules adopted by the United States Department of Commerce, Bureau of the Census, governing access to a facility described in subdivision 1 is considered to be in compliance with the requirements of this section.

Subd. 4. **Applicability.** This section applies from January 1 to July 1 in any year during which a decennial census is conducted under the authority of the United States Constitution, article 1, section 2.

Sec. 4. **[5.305] VOTING OPERATIONS, TECHNOLOGY, AND ELECTION RESOURCES ACCOUNT.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

- (1) "account" means the voting operations, technology, and election resources account;
- (2) "city" means a statutory or home rule charter city; and
- (3) "local unit of government" means a county, city, or town.

Subd. 2. **Account established; appropriation.** The voting operations, technology, and election resources account is established in the special revenue fund. Money in the account is appropriated annually to the secretary of state for distribution as provided in this section.

Subd. 3. **Distribution amount; payment.** (a) The secretary of state must distribute the balance in the account annually as follows:

- (1) 20 percent of the total balance is for allocation to each county in equal amounts; and
- (2) 80 percent of the total balance is for allocation to each county in proportion to its share of registered voters on May 1 for the most recent statewide general election, as determined by the secretary of state.

(b) The secretary of state must distribute funds under this section no later than July 20 of each year.

Subd. 4. Allocation of funds among local units of government. (a) Upon receipt of funds, each county must segregate the funds in a county election funding account. The money in the account remains in the account until spent for any of the authorized purposes set forth in this section. The county and the local units of government located within the county must agree on a distribution plan for allocating funds from the account. If the county and a local unit of government do not agree on a distribution plan, the county must allocate the funds to that unit of local government as follows:

(1) 50 percent is retained by the county;

(2) 25 percent is allocated to each local unit of government responsible for administering absentee voting or mail voting in proportion to that unit of government's share of the county's registered voters on May 1 for the most recent statewide general election; and

(3) 25 percent is allocated to cities and townships in proportion to each city and township's share of registered voters in the county on May 1 for the most recent statewide general election.

The county must make distributions to cities and towns by December 31 each year.

(b) A city or township that is allocated funds under this subdivision must segregate the funds in an election funding account. The money in the account remains in the account until spent for any of the authorized purposes set forth in this section.

Subd. 5. Use of funds. A local unit of government may use the funds allocated pursuant to this section for the following purposes, provided the expenditures are directly related to election administration:

(1) equipment;

(2) hardware or software;

(3) cybersecurity;

(4) security-related infrastructure;

(5) capital improvements to improve access to polling places for individuals with disabilities;

(6) staff costs for election administrators, election judges, and other election officials;

(7) printing and publication;

(8) postage;

(9) programming;

(10) local match for state or federal funds; and

(11) any other purpose directly related to election administration.

Subd. 6. Reports. (a) Annually by December 31, each county auditor must report to the secretary of state with an explanation of how the funds received pursuant to this section during the previous fiscal year were spent and a certification that they were spent in accordance with subdivisions 4 and 5. The county auditor's report must include the following: an itemized description of each actual expenditure listed by the general categories of expenditures

identified in subdivision 5, the local unit of government making the expenditure, the balance in the county's election funding account, and the balance of any city's or town's election funding account. The county auditor's report must also include any other information required by the secretary of state.

(b) Each city and town receiving an allocation of funds under this section must provide the county auditor with the data necessary to submit this report no later than December 15 of each year.

(c) No later than January 31 of each year, the secretary of state must compile the reports received from each county auditor and submit a summary report on the expenditure of funds to the chairs and ranking minority members of the legislative committees with jurisdiction over elections policy and finance. At a minimum, the summary report must identify expenditures by county, city, and town and the purposes of each expenditure.

Sec. 5. Minnesota Statutes 2022, section 5B.06, is amended to read:

5B.06 VOTING BY PROGRAM PARTICIPANT; ABSENTEE BALLOT.

A program participant who is otherwise eligible to vote may register with the secretary of state as a permanent absentee voter. Notwithstanding section 203B.04, subdivision 5, the secretary of state is not required to send an absentee ballot application prior to each election to a program participant registered as a permanent absentee voter under this section. As soon as practicable before each election, the secretary of state shall determine the precinct in which the residential address of ~~the~~ a program participant is located ~~and~~. Upon making a precinct determination, the secretary of state shall either (1) request from and receive from the county auditor or other election official the ballot for that precinct and shall forward mail the absentee ballot to the program participant with the other, or (2) using the Minnesota statewide voter registration system, prepare the program participant's ballot for that precinct and mail the absentee ballot to the program participant. The secretary of state shall include with each mailed absentee ballot all corresponding materials for absentee balloting as required by Minnesota law. The program participant shall complete the ballot and return it to the secretary of state, who shall review the ballot in the manner provided by section 203B.121, subdivision 2. If the ballot and ballot materials comply with the requirements of that section, the ballot must be certified by the secretary of state as the ballot of a program participant, and must be forwarded to the appropriate electoral jurisdiction for tabulation along with all other ballots. The name and address of a program participant must not be listed in the statewide voter registration system.

Sec. 6. Minnesota Statutes 2022, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** All postsecondary institutions that enroll students accepting ~~state or~~ federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. All postsecondary institutions that enroll students accepting state financial aid must, to the extent the information may be disclosed pursuant to Code of Federal Regulations, title 34, part 99, prepare a current list of students enrolled in the institution and residing in the institution's housing or in the city or cities in which the campus is situated, if available. The list shall include each student's current address, unless the student is enrolled in the Safe at Home address confidentiality program as provided in chapter 5B. The list shall be certified and sent to the appropriate county auditor or auditors for use in election day registration as provided under section 201.061, subdivision 3. A residential housing list provided under this subdivision may not be used or disseminated by a county auditor or the secretary of state for any other purpose.

Sec. 7. Minnesota Statutes 2022, section 200.02, subdivision 7, is amended to read:

Subd. 7. **Major political party.** (a) "Major political party" means a political party that maintains a party organization in the state, political division or precinct in question and that has presented at least one candidate for election to the office of:

(1) governor and lieutenant governor, secretary of state, state auditor, or attorney general at the last preceding state general election for those offices; or

(2) presidential elector or U.S. senator at the last preceding state general election for presidential electors; and whose candidate received votes in each county in that election and received votes from not less than ~~five~~ ten percent of the total number of individuals who voted in that election.

(b) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and that has presented at least 45 candidates for election to the office of state representative, 23 candidates for election to the office of state senator, four candidates for election to the office of representative in Congress, and one candidate for election to each of the following offices: governor and lieutenant governor, attorney general, secretary of state, and state auditor, at the last preceding state general election for those offices.

(c) "Major political party" also means a political party that maintains a party organization in the state, political subdivision, or precinct in question and whose members present to the secretary of state at any time before the close of filing for the state partisan primary ballot a petition for a place on the state partisan primary ballot, which petition contains valid signatures of a number of the party members equal to at least five percent of the total number of individuals who voted in the preceding state general election. A signature is valid only if signed no more than one year prior to the date the petition was filed.

(d) A political party whose candidate receives a sufficient number of votes at a state general election described in paragraph (a) or a political party that presents candidates at an election as required by paragraph (b) becomes a major political party as of January 1 following that election and retains its major party status for at least two state general elections even if the party fails to present a candidate who receives the number and percentage of votes required under paragraph (a) or fails to present candidates as required by paragraph (b) at subsequent state general elections.

(e) A major political party whose candidates fail to receive the number and percentage of votes required under paragraph (a) and that fails to present candidates as required by paragraph (b) at each of two consecutive state general elections described by paragraph (a) or (b), respectively, loses major party status as of December 31 following the later of the two consecutive state general elections.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a party's status at the state primary and general election held in 2024 and thereafter. Notwithstanding any law to the contrary, beginning on the effective date of this section, the secretary of state, the Campaign Finance and Public Disclosure Board, and any other office of the state or of a local unit of government with duties related to the administration or financing of elections may only recognize a political party as a major political party for purposes of those elections if the party has met the qualifying thresholds as amended by this section.

Sec. 8. Minnesota Statutes 2022, section 201.022, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The secretary of state shall maintain a statewide voter registration system to facilitate voter registration and to provide a central database containing voter registration information from around the state. The system must be accessible to the county auditor of each county in the state. The system must also:

(1) provide for voters to submit their voter registration applications to any county auditor, the secretary of state, or the Department of Public Safety;

(2) provide for the definition, establishment, and maintenance of a central database for all voter registration information;

(3) provide for entering data into the statewide registration system;

(4) provide for electronic transfer of completed voter registration applications from the Department of Public Safety to the secretary of state or the county auditor;

- (5) assign a unique identifier to each legally registered voter in the state;
- (6) provide for the acceptance of the Minnesota driver's license number, Minnesota state identification number, and last four digits of the Social Security number for each voter record;
- (7) coordinate with other agency databases within the state;
- (8) allow county auditors and the secretary of state to add or modify information in the system to provide for accurate and up-to-date records;
- (9) allow county auditors, municipal and school district clerks, and the secretary of state to have electronic access to the statewide registration system for review and search capabilities;
- (10) provide security and protection of all information in the statewide registration system and ensure that unauthorized access is not allowed;
- (11) provide access to municipal clerks to use the system;
- (12) provide a system for each county to identify the precinct to which a voter should be assigned for voting purposes;
- (13) provide daily reports accessible by county auditors on the driver's license numbers, state identification numbers, or last four digits of the Social Security numbers submitted on voter registration applications that have been verified as accurate by the secretary of state; ~~and~~
- (14) provide reports on the number of absentee ballots transmitted to and returned and cast by voters under section 203B.16; and
- (15) provide reports necessary for early voting.

The appropriate state or local official shall provide security measures to prevent unauthorized access to the computerized list established under section 201.021.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 9. Minnesota Statutes 2022, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** (a) At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a voter registration application as described in section 201.071, subdivision 1. A completed application may be submitted:

- (1) in person or by mail to the county auditor of that county or to the Secretary of State's Office; or
 - (2) electronically through a secure website that shall be maintained by the secretary of state for this purpose, if the applicant has an email address and provides the applicant's verifiable Minnesota driver's license number, Minnesota state identification card number, or the last four digits of the applicant's Social Security number.
- (b) A registration that is received in person or by mail no later than 5:00 p.m. on the 21st day preceding any election, or a registration received electronically through the secretary of state's secure website no later than 11:59 p.m. on the 21st day preceding any election, shall be accepted. An improperly addressed or delivered

registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten calendar days after the applications are dated by the voter.

~~(b)~~ (c) An application submitted electronically under paragraph (a), clause (2), may only be transmitted to the county auditor for processing if the secretary of state has verified the application information matches the information in a government database associated with the applicant's driver's license number, state identification card number, or Social Security number. The secretary of state must review all unverifiable voter registration applications submitted electronically for evidence of suspicious activity and must forward any such application to an appropriate law enforcement agency for investigation.

(d) An individual may not electronically submit a voter registration application on behalf of any other individual, except that the secretary of state may provide features on the secure website established under paragraph (a), clause (2), that allow third parties to connect application programming interfaces that facilitate an individual's submission of voter registration information while interacting with the third party.

~~(e)~~ (e) For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 10. Minnesota Statutes 2022, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; ~~a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4~~ an assisted living facility licensed by the commissioner of health under chapter 144G; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; ~~or~~ a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; a facility where a provider operates a residential treatment program as defined in section 245.462, subdivision 23; or a facility where a provider operates an adult foster care program as defined in section 245A.02, subdivision 6c.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 11. Minnesota Statutes 2022, section 201.061, is amended by adding a subdivision to read:

Subd. 3a. Additional proofs of residence permitted for students. (a) An eligible voter may prove residence by presenting a current valid photo identification issued by a postsecondary educational institution in Minnesota if the voter's name; student identification number, if available; and address within the precinct appear on a current residential housing list under section 135A.17, certified to the county auditor by the postsecondary educational institution.

(b) This additional proof of residence for students must not be allowed unless the postsecondary educational institution submits to the county auditor no later than 60 days prior to the election a written agreement that the postsecondary educational institution will certify for use at the election accurate updated residential housing lists under section 135A.17. A written agreement is effective for the election and all subsequent elections held in that calendar year, including the November general election.

(c) The additional proof of residence for students must be allowed on an equal basis for voters who reside in housing meeting the requirements of section 135A.17, if the residential housing lists certified by the postsecondary educational institution meet the requirements of this subdivision.

(d) An updated residential housing list must be certified to the county auditor no earlier than 20 days prior to each election. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution and must state that the list is current and accurate and includes only the names of persons residing as of the date of the certification.

(e) The county auditor shall instruct the election judges of the precinct in procedures for use of the list in conjunction with photo identification. The auditor shall supply a list to the election judges with the election supplies for the precinct.

(f) The county auditor shall notify all postsecondary educational institutions in the county of the provisions of this subdivision.

Sec. 12. Minnesota Statutes 2022, section 201.071, subdivision 1, as amended by Laws 2023, chapter 12, section 2, is amended to read:

Subdivision 1. **Form.** Both paper and electronic voter registration applications must contain the same information unless otherwise provided by law. A voter registration application must contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, the last four digits of the voter's Social Security number; and voter's signature. The paper registration application may include the voter's email address, if provided by the voter. The electronic voter registration application must include the voter's email address. The registration application may include the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) will be at least 18 years old on election day;

(2) am a citizen of the United States;

(3) will have ~~resided~~ maintained residence in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address given on the registration form;

(5) am not under court-ordered guardianship in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) am not currently incarcerated for a conviction of a felony offense; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 13. Minnesota Statutes 2022, section 201.071, subdivision 8, is amended to read:

Subd. 8. **School district assistance.** School districts shall assist county auditors in determining the school district in which a voter ~~resides~~ maintains residence.

Sec. 14. Minnesota Statutes 2022, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide ~~the list~~ to the chair of each major political party the list of voters who selected that party.

Sec. 15. Minnesota Statutes 2022, section 201.12, subdivision 2, is amended to read:

Subd. 2. **Moved within state.** If any nonforwardable mailing from an election official is returned as undeliverable but with a permanent forwarding address in this state, the county auditor may change the voter's status to "inactive" in the statewide registration system and shall transmit a copy of the mailing to the auditor of the county in which the new address is located. If an election is scheduled to occur in the precinct in which the voter ~~resides~~ maintains residence in the next 47 days, the county auditor shall promptly update the voter's address in the statewide voter registration system. If there is not an election scheduled, the auditor may wait to update the voter's address until after the next list of address changes is received from the secretary of state. Once updated, the county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

Sec. 16. Minnesota Statutes 2022, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071, the county auditor shall enter the information contained on it into the statewide registration system. Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor. Voter registration applications completed on election day must be entered into the statewide registration system within 42 days after the election, unless the county auditor notifies the secretary of state before the deadline has expired that the deadline will not be met. Upon receipt of a notification under this paragraph, the secretary of state must extend the deadline for that county auditor by an additional 28 days. The secretary of state may waive a county's obligations under this paragraph if, on good cause shown, the county demonstrates its permanent inability to comply.

The secretary of state must post data on each county's compliance with this paragraph on the secretary of state's website including, as applicable, the date each county fully complied or the deadline by which a county's compliance must be complete.

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry into the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered information from a voter registration application into the statewide registration system, the secretary of state shall compare the voter's name, date of birth, and driver's license number, state identification number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database.

(d) The secretary of state shall provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state.

(e) The county auditor shall compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor shall send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to ~~"incomplete."~~ "challenged." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to ~~complete the registration~~ clear the challenge at least 21 days before the next election or at the polling place on election day.

Sec. 17. Minnesota Statutes 2022, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** (a) At least once each month the secretary of state shall obtain a list of individuals registered to vote in this state who have filed with the United States Postal Service a change of their permanent address. The secretary of state may also periodically obtain a list of individuals with driver's licenses or state identification cards to identify those who are registered to vote who have applied to the Department of Public Safety for a replacement driver's license or state identification card with a different address, and a list of individuals for whom the Department of Public Safety received notification of a driver's license or state identification card cancellation due to a change of residency out of state. However, the secretary of state shall not load data derived from these lists into the statewide voter registration system within the 47 days before the state primary or 47 days before a November general election.

(b) If the address is changed to another address in this state, the secretary of state shall locate the precinct in which the voter ~~resides~~ maintains residence, if possible. If the secretary of state is able to locate the precinct in which the voter ~~resides~~ maintains residence, the secretary must transmit the information about the changed address by electronic means to the county auditor of the county in which the new address is located. For addresses for which the secretary of state is unable to determine the precinct, the secretary may forward information to the appropriate county auditors for individual review. If the voter has not voted or submitted a voter registration application since the address change, upon receipt of the information, the county auditor shall update the voter's address in the statewide voter registration system. The county auditor shall mail to the voter a notice stating the voter's name, address, precinct, and polling place, unless the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, in which case the auditor must not mail the notice. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not the voter's address of residence. The notice must state that it must be returned if it is not deliverable to the voter at the named address.

(c) If the change of permanent address is to an address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly ~~resided~~ maintained residence that the voter has moved to another state. If the voter has not voted or submitted a voter registration application since the address change, the county auditor shall promptly mail to the voter at the voter's new address a notice advising the voter that the voter's status in the statewide voter registration system will be changed to "inactive" unless the voter notifies the county auditor within 21 days that the voter is retaining the former address as the voter's address of residence, except that if the voter's record is challenged due to a felony conviction, noncitizenship, name change, incompetence, or a court's revocation of voting rights of individuals under guardianship, the auditor must not mail the notice. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide voter registration system.

(d) If, in order to maintain voter registration records, the secretary of state enters an agreement to share information or data with an organization governed exclusively by a group of states, the secretary must first determine that the data security protocols are sufficient to safeguard the information or data shared. If required by such an agreement, the secretary of state may share the following data from the statewide voter registration system and data released to the secretary of state under section 171.12, subdivision 7a:

- (1) name;
- (2) date of birth;
- (3) address;
- (4) driver's license or state identification card number;
- (5) the last four digits of an individual's Social Security number; and
- (6) the date that an individual's record was last updated.

If the secretary of state enters into such an agreement, the secretary and county auditors must process changes to voter records based upon that data in accordance with this section. Except as otherwise provided in this subdivision, when data is shared with the secretary of state by another state, the secretary of state must maintain the same data classification that the data had while it was in the possession of the state providing the data.

Sec. 18. Minnesota Statutes 2022, section 201.1611, subdivision 1, is amended to read:

Subdivision 1. **Forms.** (a) All postsecondary institutions that enroll students accepting state or federal financial aid ~~shall must~~ provide voter registration forms to each student ~~as early as possible in the fall quarter~~ during the fall and spring of each year. In state election years, it must be provided 15 days in advance of the deadline for registering to vote for the state general election. If the voter registration forms are provided electronically, the electronic message must be devoted exclusively to voter registration.

(b) All school districts ~~shall must~~ make available voter registration applications each May and September to all students registered as students of the school district who will be eligible to vote at the next election after those months. A school district has no obligation to provide voter registration applications to students who participate in a postsecondary education option program or who otherwise ~~reside~~ maintain residence in the district but do not attend a school operated by the district. A school district fulfills its obligation to a student under this section if it provides a voter registration application to the student one time.

(c) The voter registration forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions and school districts may request these forms from the secretary of state. Institutions ~~shall must~~ consult with their campus student government in determining the most

effective means of distributing the forms and in seeking to facilitate election day registration of students under section 201.061, subdivision 3. School districts must advise students that completion of the voter registration application is not a school district requirement.

(d) The institutions and school districts must report to the secretary of state by November 30 of each year on their implementation of this section. At a minimum, the report must include how and when the forms were distributed and the voter engagement plan under subdivision 3, paragraph (b), clause (2). Institutions and school districts may include information about methods that were effective in increasing student registrations.

(e) By February 1 of each year, the secretary of state must report to the chairs and ranking minority members of the legislative committees with jurisdiction over elections on the information received from institutions and school districts. The secretary must highlight best practices and innovative methods that were most effective in registering students to vote.

Sec. 19. Minnesota Statutes 2022, section 201.1611, is amended by adding a subdivision to read:

Subd. 3. **Voter information.** (a) All postsecondary institutions that enroll students accepting state or federal financial aid must maintain a webpage to share resources to help students determine where and how they are eligible to vote. The webpage must include the following:

(1) resources from state and local election officials on voter registration and voting requirements including voter registration deadlines; residency requirements; acceptable methods of proving residency for same day registration, as applicable; and absentee voting options;

(2) applicable deadlines for requesting and submitting an absentee ballot, as well as additional options for early and in-person voting, and voting on election day;

(3) resources to help students who are registered in another state to apply for absentee ballots in that state, and may include resources from state and local election officials from that state;

(4) the campus vote coordinator's name and contact information; and

(5) the voter engagement plan required by paragraph (b), clause (3).

(b) All postsecondary institutions that enroll students accepting state or federal financial aid must designate a staff person as the campus vote coordinator. The campus vote coordinator must:

(1) ensure the institution complies with this section;

(2) report the number of physical and electronic voter registrations collected on an annual basis on the institution's voting website; and

(3) consult with the campus student association to develop a voter engagement plan that identifies goals and activities, resources to accomplish the identified goals and activities, and individual or key departments responsible for executing the identified goals and activities.

Sec. 20. Minnesota Statutes 2022, section 201.195, is amended to read:

201.195 CHALLENGES.

Subdivision 1. **Petition; hearing timing.** (a) Upon petition filed with the county auditor, any voter registered within a county may challenge the eligibility or residence of any other voter registered within that county. A petition filed pursuant to this section must not include the name of more than one person whose right to vote is challenged. The county auditor must not accept a filing which challenges the eligibility of more than one voter.

Petitions must be filed at least 45 days before the election, unless the voter registered or updated the voter's registration within 60 days before the election, in which case the petition must be filed at least ten days before the election, or within ten days after the voter's new or updated registration appeared on the public information list, whichever is later.

(b) The petition shall must state the grounds for challenge and, provide facts and circumstances supporting the challenge, and may include supporting documents, affidavits, or other evidence. The petition must be accompanied by an affidavit stating that the challenge is based on the challenger's personal knowledge, and that the filer exercised due diligence to personally verify the facts and circumstances establishing the basis for the challenge. The filer has the burden to prove, by clear and convincing evidence, that the basis for challenging the individual's eligibility to vote is valid.

(c) The following reasons, standing alone, do not constitute adequate grounds for a challenge:

(1) a piece of mail sent to the voter by someone other than the county auditor that was returned as undeliverable;

(2) enrollment in an educational institution; or

(3) registration to vote at an address that is housing provided for students by an educational institution.

Subd. 1a. **Reasons for dismissal.** If the petition is incomplete, or if the basis for the challenge does not meet the requirements of this section, the county auditor must dismiss the petition and notify the filer in writing of the reasons for the dismissal.

Subd. 1b. **Notice to voter.** Within five days after receipt of the a petition that meets the requirements of this section, the county auditor shall must set a date for a hearing on the challenge and notify the challenger by mail. A copy of the petition and notice of the hearing shall must be served on the challenged voter by the county auditor in the same manner as in a civil action. The county auditor must inform the challenged individual that:

(1) a petition has been filed as to whether the individual is eligible to vote as well as the basis of the challenge;

(2) if the individual votes by mail, the individual's ballot will not be counted unless the challenge is resolved; and

(3) the individual may submit information prior to the hearing or present information at the hearing. This information may include a sworn statement, supporting documents, affidavits, witnesses, or other evidence supporting the challenged individual's eligibility to vote in the election.

Subd. 1c. **Hearing.** The hearing shall must be held before the county auditor or the auditor's designee who shall must then make findings and affirm or dismiss the challenge. The hearing must be recorded by either video or audio recording. The recording must be retained for 22 months.

Subd. 2. **Appeal.** If a challenge is affirmed, the voter whose registration has been challenged may appeal the ruling to the secretary of state. The voter must immediately notify the county auditor of the appeal, and upon receipt of this notice, the county auditor must submit the entire record of the hearing, including all documents and a recording of the hearing, to the secretary of state. The appeal shall must be heard within five days but in any case before election day. Upon hearing the appeal the secretary of state shall must affirm or reverse the ruling and shall must give appropriate instructions to the county auditor.

Subd. 3. **Hearing procedures.** A hearing before the secretary of state shall must be conducted as a contested case and determined in accordance with chapter 14.

Sec. 21. Minnesota Statutes 2022, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. The printed registration application can be ~~either~~ a printed form, ~~labels~~ a label printed with voter information to be affixed to a preprinted form, ~~or~~ a combination of ~~both~~ a form and label, ~~or an electronic record that the voter signs electronically and is printed following its completion at the polling place;~~

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter ~~resides~~ maintains residence in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature. The printed voter signature certificate can be ~~either~~ a printed form ~~or~~ a label printed with the voter's information to be affixed to the oath, ~~or an electronic record that the voter signs electronically and is printed following its completion at the polling place;~~

(10) contain only preregistered voters within the precinct, and not contain preregistered voter data on voters registered outside of the precinct, unless being utilized for absentee or early voting under chapter 203B or for mail balloting on election day pursuant to section 204B.45, subdivision 2a;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Department of Information Technology Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing do not need to comply with clauses (4) and (5).

Sec. 22. Minnesota Statutes 2022, section 202A.18, subdivision 2a, is amended to read:

Subd. 2a. **Preference ballot for governor.** In a year when the office of governor appears on the state general election ballot, prior to the opening of nominations for the election of permanent offices and delegates, a ballot must be distributed to permit caucus participants to indicate their preference for the office of the governor. The results of preference voting must be reported to the secretary of state immediately upon conclusion of the voting, in the manner provided by the secretary of state. The secretary of state shall provide the appropriate forms to the party for reporting the results.

Sec. 23. Minnesota Statutes 2022, section 203B.001, is amended to read:

203B.001 ELECTION LAW APPLICABILITY.

The Minnesota Election Law is applicable to voting by absentee ballot and early voting unless otherwise provided in this chapter.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 24. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 5. **Early voting.** "Early voting" means voting in person before election day as provided in section 203B.30.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 25. Minnesota Statutes 2022, section 203B.01, is amended by adding a subdivision to read:

Subd. 6. **Utility worker.** "Utility worker" means an employee of a public utility as defined by section 216B.02, subdivision 4.

Sec. 26. Minnesota Statutes 2022, section 203B.03, subdivision 1, is amended to read:

Subdivision 1. **Violation.** (a) No individual shall intentionally:

- (1) make or sign any false certificate required by this chapter;
- (2) make any false or untrue statement in any application for absentee ballots;
- (3) apply for absentee ballots more than once in any election with the intent to cast an illegal ballot;
- (4) exhibit a ballot marked by that individual to any other individual;
- (5) do any act in violation of the provisions of this chapter for the purpose of casting an illegal vote in any precinct or for the purpose of aiding another to cast an illegal vote;
- (6) use information from absentee ballot or early voting materials or records for purposes unrelated to elections, political activities, or law enforcement;
- (7) provide assistance to an absentee or early voter except in the manner provided by section 204C.15, subdivision 1;

(8) solicit the vote of an absentee voter while in the immediate presence of the voter during the time the individual knows the absentee voter is voting; or

(9) alter an absentee ballot application after it has been signed by the voter, except by an election official for administrative purposes.

(b) Before inspecting information from absentee ballot or early voting materials or records, an individual shall provide identification to the public official having custody of the material or information.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 27. Minnesota Statutes 2022, section 203B.05, subdivision 1, is amended to read:

Subdivision 1. **Generally.** The full-time clerk of any city or town shall administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if:

- (1) the county auditor of that county has designated the clerk to administer them; or
- (2) the clerk has given the county auditor of that county notice of intention to administer them.

The designation or notice must specify whether the clerk will be responsible for the administration of a ballot board as provided in section 203B.121.

A clerk of a city that is located in more than one county may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has been designated by each of the county auditors or has provided notice to each of the county auditors that the city will administer absentee voting. A clerk may only administer the provisions of sections 203B.04 to 203B.15 and 203B.30 if the clerk has technical capacity to access the statewide voter registration system in the secure manner prescribed by the secretary of state. The secretary of state must identify hardware, software, security, or other technical prerequisites necessary to ensure the security, access controls, and performance of the statewide voter registration system. A clerk must receive training approved by the secretary of state on the use of the statewide voter registration system before administering this section. A clerk may not use the statewide voter registration system until the clerk has received the required training. The county auditor must notify the secretary of state of any municipal clerk who will be administering the provisions of this section and the duties that the clerk will administer.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 28. Minnesota Statutes 2022, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The return envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the return envelope must be submitted to the county auditor or municipal clerk by ~~3:00~~ 8:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed absentee ballot return envelope to the county auditor or municipal clerk or to deposit the return envelope in the mail. An agent may deliver or mail the return envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the return envelope or the voted ballots or does not immediately mail or deliver the return envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 29. Minnesota Statutes 2022, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and place it in a locked ballot container or other secured and locked space with other return envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day ~~either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service,~~ shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 30. Minnesota Statutes 2022, section 203B.081, subdivision 1, is amended to read:

Subdivision 1. **Location; timing for absentee voting.** (a) An eligible voter may vote by absentee ballot in the office of the county auditor and at any other polling place designated by the county auditor during the 46 days before the election, except as provided in this section.

(b) At the request of a federally recognized Indian Tribe with a reservation in the county, the county auditor must establish an additional polling place for at least one day on the Indian reservation on a site agreed upon by the Tribe and the county auditor that is accessible to the county auditor by a public road.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 31. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 1a. **Location; timing for early voting.** An eligible voter may vote using early voting during the 18 days before a federal, state, or county election, and during the 18 days before a municipal election if authorized under section 203B.05, in the office of the county auditor and at any other polling place designated by the county auditor. In elections in which early voting is provided, the alternative voting procedure authorized by subdivision 3 must not be provided.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 32. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name; ~~and address;~~ and, upon request of the election official, the voter's date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by an election judge, the county auditor, a municipal clerk, or a deputy of the auditor or clerk.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 33. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) In elections not eligible to use early voting under subdivision 1a, the county auditor may make available a ballot counter and ballot box for use by the voters during the ~~seven~~ 18 days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by the county auditor, municipal clerk, or a deputy of the auditor or clerk.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 34. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 4. **Temporary locations.** A county auditor or municipal clerk authorized under section 203B.05 to administer voting before election day may designate additional polling places with days and hours that differ from those required by section 203B.085. A designation authorized by this subdivision must be made at least 47 days before the election. The county auditor or municipal clerk must provide notice to the secretary of state at the time that the designations are made.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 35. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 5. **Town elections.** Voters casting absentee ballots in person for a town election held in March may do so during the 30 days before the election.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 36. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 6. **Designation of locations.** The county auditor must make polling place designations at least 14 weeks before the election and must provide the notice to the secretary of state at the time the designations are made.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 37. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 7. **Notice to voters.** The county auditor must prepare a notice to the voters of the days, times, and locations for voting before election day as authorized by this section. This notice must be posted on the secretary of state's website, the county's website, and the website for each municipality in which a voting location under this section is located at least 14 days before the first day of the absentee voting period. If a county or municipality does not have a website, the county auditor or municipal clerk must publish the notice at least once in the jurisdiction's official newspaper at least seven days and not more than 14 days before the first day of the absentee voting period.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 38. Minnesota Statutes 2022, section 203B.081, is amended by adding a subdivision to read:

Subd. 8. **Equipment.** The county auditor must provide each polling place with at least one voting booth; a ballot box; an electronic ballot counter, unless it has not adopted use of one; and at least one electronic ballot marker for individuals with disabilities pursuant to section 206.57, subdivision 5.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 39. Minnesota Statutes 2022, section 203B.085, is amended to read:

203B.085 COUNTY AUDITOR'S AND MUNICIPAL CLERK'S OFFICES TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.

Subdivision 1. **State general elections.** Prior to a state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer voting before election day must be open:

- (1) until 7:00 p.m. on the Tuesday before the election;
- (2) from 9:00 a.m. to 3:00 p.m. on the two Saturdays before the election;
- (3) from 9:00 a.m. to 3:00 p.m. on the Sunday immediately before the election; and
- (4) until 5:00 p.m. on the day before the election.

A polling place designated under 203B.081, subdivision 4, may be open alternate days and hours.

Subd. 2. **Other elections.** In elections other than the state general election, the county auditor's office in each county and the clerk's office in each city or town authorized under section 203B.05 to administer absentee balloting voting before election day must be open for acceptance of absentee ballot applications and casting of absentee ballots voting as authorized under section 203B.081 from 10:00 9:00 a.m. to 3:00 p.m. on Saturday and until 5:00 p.m. on the day immediately preceding a primary, special, or general election unless that day falls on a Saturday or Sunday. Town clerks' offices, and county auditors' offices if the county auditor has agreed to perform those duties on behalf of the town, must be open for absentee voting from 10:00 a.m. to 12:00 noon on the Saturday before a town general election held in March. The school district clerk, when performing the county auditor's election duties, need not comply with this section.

Subd. 3. **Voters in line.** All voters in line at a time when a polling place is scheduled to close must be allowed to vote in the same manner as provided in section 204C.05, subdivision 2.

EFFECTIVE DATE. This section is effective June 1, 2023.

Sec. 40. Minnesota Statutes 2022, section 203B.11, subdivision 2, is amended to read:

Subd. 2. **Twenty Forty-five days before an election.** During the ~~20~~ 45 days preceding an election, the election judges ~~shall~~ must deliver absentee ballots only to an eligible voter who has applied for absentee ballots to the county auditor or municipal clerk under section 203B.04, subdivision 1.

Sec. 41. Minnesota Statutes 2022, section 203B.11, subdivision 4, is amended to read:

Subd. 4. **Agent delivery of ballots.** During the seven days preceding an election and until ~~2:00~~ 8:00 p.m. on election day, an eligible voter who would have difficulty getting to the polls because of incapacitating health reasons, or who is disabled, or who is a patient of a health care facility, a resident of ~~a facility providing an~~ assisted living ~~services governed by~~ facility licensed under chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4, may designate an agent to deliver the ballots to the voter from the county auditor or municipal clerk. An agent must have a preexisting relationship with the voter. A candidate at the election may not be designated as an agent. The voted ballots must be returned to the county auditor or municipal clerk no later than ~~3:00~~ 8:00 p.m. on election day. The voter must complete an affidavit requesting the auditor or clerk to provide the agent with the ballots in a sealed transmittal envelope. The affidavit must include a statement from the voter stating that the ballots were delivered to the voter by the agent in the sealed transmittal envelope. An agent may deliver ballots to no more than three persons in any election. The secretary of state shall provide samples of the affidavit and transmission envelope for use by the county auditors.

Sec. 42. Minnesota Statutes 2022, section 203B.12, subdivision 7, is amended to read:

Subd. 7. **Names of persons; rejected absentee ballots.** ~~(a) The names of voters who have submitted an absentee ballot to the county auditor or municipal clerk that has not been accepted may not be made available for public inspection until the close of voting on election day.~~

~~(b) After the close of voting on election day, the lists must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.~~

Sec. 43. Minnesota Statutes 2022, section 203B.12, is amended by adding a subdivision to read:

Subd. 9. **Names of persons; early voting.** The secretary of state must maintain a list of voters who cast a ballot using the early voting procedures established in section 203B.30 for all elections at which those procedures are used. The list must be available to the public in the same manner as public information lists in section 201.091, subdivisions 4, 5, and 9.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 44. Minnesota Statutes 2022, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots or to administer early voting must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 45. Minnesota Statutes 2022, section 203B.121, subdivision 2, is amended to read:

Subd. 2. **Duties of ballot board; absentee ballots.** (a) The members of the ballot board shall take possession of all signature envelopes delivered to them in accordance with section 203B.08. Upon receipt from the county auditor, municipal clerk, or school district clerk, two or more members of the ballot board shall examine each signature envelope and shall mark it accepted or rejected in the manner provided in this subdivision. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10, subdivision 2.

(b) The members of the ballot board shall mark the signature envelope "Accepted" and initial or sign the signature envelope below the word "Accepted" if a majority of the members of the ballot board examining the envelope are satisfied that:

(1) the voter's name and address on the signature envelope are the same as the information provided on the absentee ballot application;

(2) the voter signed the certification on the envelope;

(3) the voter's Minnesota driver's license, state identification number, or the last four digits of the voter's Social Security number are the same as a number on the voter's absentee ballot application or voter record. If the number does not match, the election judges must compare the signature provided by the applicant to determine whether the ballots were returned by the same person to whom they were transmitted;

(4) the voter is registered and eligible to vote in the precinct or has included a properly completed voter registration application in the signature envelope;

(5) the certificate has been completed as prescribed in the directions for casting an absentee ballot; and

(6) the voter has not already voted at that election, either in person or, if it is after the ~~close of business on the seventh 19th~~ day before the election, by absentee ballot as provided by section 203B.081.

The signature envelope from accepted ballots must be preserved and returned to the county auditor.

(c)(1) If a majority of the members of the ballot board examining a signature envelope find that an absentee voter has failed to meet one of the requirements provided in paragraph (b), they shall mark the signature envelope "Rejected," initial or sign it below the word "Rejected," list the reason for the rejection on the envelope, and return it to the county auditor. There is no other reason for rejecting an absentee ballot beyond those permitted by this section. Failure to place the ballot within the secrecy envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

(2) If an envelope has been rejected at least five days before the election, the envelope must remain sealed and the official in charge of the ballot board shall provide the voter with a replacement absentee ballot and signature envelope in place of the rejected ballot.

(3) If an envelope is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

(d) The official in charge of the absentee ballot board must mail the voter a written notice of absentee ballot rejection between six and ten weeks following the election. If the official determines that the voter has otherwise cast a ballot in the election, no notice is required. If an absentee ballot arrives after the deadline for submission provided by this chapter, the notice must be provided between six to ten weeks after receipt of the ballot. A notice of absentee ballot rejection must contain the following information:

(1) the date on which the absentee ballot was rejected or, if the ballot was received after the required deadline for submission, the date on which the ballot was received;

(2) the reason for rejection; and

(3) the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(e) An absentee ballot signature envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Sec. 46. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted or that the voter has cast a ballot pursuant to the early voting procedures provided in this chapter. After the close of business on the ~~seventh 19th~~ day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal ~~or~~ state, or county office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee and early voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

(1) by the county auditor or municipal clerk before election day;

(2) by the ballot board before election day; or

(3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 47. Minnesota Statutes 2022, section 203B.121, subdivision 3, is amended to read:

Subd. 3. **Record of voting.** (a) When applicable, the county auditor or municipal clerk must immediately record that a voter's absentee ballot has been accepted. After the close of business on the ~~seventh~~ 19th day before the election, a voter whose record indicates that an absentee ballot has been accepted must not be permitted to cast another ballot at that election. In a state primary, general, or state special election for federal or state office, the auditor or clerk must also record this information in the statewide voter registration system.

(b) The roster must be marked, and a supplemental report of absentee voters who submitted a voter registration application with their ballot must be created, no later than the start of voting on election day to indicate the voters that have already cast a ballot at the election. The roster may be marked either:

- (1) by the county auditor or municipal clerk before election day;
- (2) by the ballot board before election day; or
- (3) by the election judges at the polling place on election day.

~~The record of a voter whose absentee ballot was received after the close of business on the seventh day before the election is not required to be marked on the roster or contained in a supplemental report as required by this paragraph.~~

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

Sec. 48. Minnesota Statutes 2022, section 203B.121, subdivision 4, is amended to read:

Subd. 4. **Opening of envelopes.** After the close of business on the ~~seventh~~ 19th day before the election, the ballots from secrecy envelopes within the signature envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided in section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the appropriate ballot box. If more than one voted ballot is enclosed in the ballot envelope, the ballots must be returned in the manner provided by section 204C.25 for return of spoiled ballots, and may not be counted.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 49. Minnesota Statutes 2022, section 203B.16, subdivision 2, is amended to read:

Subd. 2. **Indefinite residence outside United States.** Sections 203B.16 to 203B.27 provide the exclusive voting procedure for United States citizens who are living indefinitely outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by federal law to vote in Minnesota because they or, if they have never ~~resided~~ maintained residence in the United States, a parent maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in Congress, and representative in Congress.

Sec. 50. **[203B.29] TRANSMISSION OF BALLOTS UNDER CERTAIN CIRCUMSTANCES.**

Subdivision 1. Emergency response providers. Any eligible Minnesota voter who is a trained or certified emergency response provider or utility worker who is deployed during the time period authorized by law for absentee voting, on election day, or during any state of emergency declared by the President of the United States or any governor of any state within the United States may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The county auditor is not required to provide return postage to voters to whom ballots are transmitted electronically.

Subd. 2. Reasonable accommodation for voter with disability. Any eligible Minnesota voter with a print disability, including any voter with disabilities that interfere with the effective reading, writing, or use of printed materials, may request that ballots, instructions, and a certificate of voter eligibility be transmitted to the voter electronically in an accessible format that meets Election Assistance Commission minimum accessibility requirements. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter. The county auditor must also mail the voter materials required under section 203B.07.

Subd. 3. Returning voted ballots. A voter receiving a ballot electronically under subdivision 1 or 2 must print and return the voter's voted ballot and the certificate of voter eligibility to the county auditor in a sealed envelope. A voter must not return the ballot or certificate of voter eligibility electronically. A ballot that is returned electronically must not be accepted and must not be counted.

Sec. 51. **[203B.30] PROCEDURES FOR EARLY VOTING.**

Subdivision 1. Definition. For purposes of this section, "early voting official" means the county auditor, the city clerk, a deputy of the auditor or clerk, or an election judge.

Subd. 2. Voting procedure. (a) When a voter appears in an early voting polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the early voting official. The early voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(b) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After the voter signs the certification, two early voting officials must initial the ballot and issue it to the voter. The voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take a ballot from the polling place. If the voter spoils the ballot, the voter may return it to the early voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The early voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

Subd. 3. Processing of ballots. The early voting official must remove and secure ballots cast during the early voting period following the procedures in section 203B.121, subdivision 5, paragraph (a). The absentee ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 52. Minnesota Statutes 2022, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **Form of affidavit.** An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, ~~except that a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County, may also have on file an affidavit of candidacy for mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district or for town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district~~ as authorized by subdivision 9; and

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community.

An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less.

Sec. 53. Minnesota Statutes 2022, section 204B.06, subdivision 1b, is amended to read:

Subd. 1b. **Address, electronic mail address, and telephone number.** (a) An affidavit of candidacy must state a telephone number where the candidate can be contacted. An affidavit must also state the candidate's or campaign's nongovernment issued electronic mail address or an attestation that the candidate and the candidate's campaign do not possess an electronic mail address. An affidavit must also state the candidate's address of residence as determined under section 200.031, or at the candidate's request in accordance with paragraph (c), the candidate's campaign contact address. The form for the affidavit of candidacy must allow the candidate to request, if eligible, that the candidate's address of residence be classified as private data, and to provide the certification required under paragraph (c) for classification of that address.

(b) If an affidavit for an office where a residency requirement must be satisfied by the close of the filing period is filed as provided by paragraph (c), the filing officer must, within one business day of receiving the filing, determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. For all other candidates who filed for an office whose residency requirement must be satisfied by the close of the filing period, a registered voter in this state may request in writing that the filing officer receiving the affidavit of candidacy review the address as provided in this paragraph, at any time up to one day after the last day for filing for office. If requested, the filing officer must determine whether the address provided in the affidavit of candidacy is within the area represented by the office the candidate is seeking. If the filing officer determines that the address is not within the area represented by the office, the filing officer must immediately notify the candidate and the candidate's name must be removed from the ballot for that office. A determination made by a filing officer under this paragraph is subject to judicial review under section 204B.44.

(c) If the candidate requests that the candidate's address of residence be classified as private data, the candidate must list the candidate's address of residence on a separate form to be attached to the affidavit. The candidate must also certify on the affidavit that either:

(1) a police report has been submitted or, an order for protection has been issued, or the candidate has a reasonable fear in regard to the safety of the candidate or the candidate's family; or

(2) that the candidate's address is otherwise private pursuant to Minnesota law.

The address of residence provided by a candidate who makes a request for classification on the candidate's affidavit of candidacy and provides the certification required by this paragraph is classified as private data, as defined in section 13.02, subdivision 12, but may be reviewed by the filing officer as provided in this subdivision.

(d) The requirements of this subdivision do not apply to affidavits of candidacy for a candidate for: (1) judicial office; (2) the office of county attorney; or (3) county sheriff.

Sec. 54. Minnesota Statutes 2022, section 204B.06, subdivision 4a, is amended to read:

Subd. 4a. **State and local offices.** Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(1) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(2) for supreme court justice, court of appeals judge, or district court judge, that the candidate is learned in the law and will not turn 70 years of age before the first Monday in January of the following year;

(3) for county, municipal, school district, or special district office, that the candidate meets any other qualifications for that office prescribed by law;

(4) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have ~~resided~~ maintained residence not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election.

Sec. 55. Minnesota Statutes 2022, section 204B.06, is amended by adding a subdivision to read:

Subd. 9. **Multiple affidavits of candidacy.** Notwithstanding subdivision 1, clause (2):

(1) a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County may also have on file an affidavit of candidacy for:

(i) mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district; or

(ii) town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(2) a candidate for school board member may also have on file an affidavit of candidacy for town board supervisor, unless that town board is exercising the powers of a statutory city under section 368.01 or an applicable special law.

Sec. 56. Minnesota Statutes 2022, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 84 days nor less than 70 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions at least 77 days before the general election day pursuant to section 204B.07. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

(d) Affidavits and petitions for county offices must be filed with the county auditor of that county. Affidavits and petitions for federal offices must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate ~~resides~~ maintains residence.

(e) Affidavits other than those filed pursuant to subdivision 1a must be submitted by mail or by hand, notwithstanding chapter 325L, or any other law to the contrary and must be received by 5:00 p.m. on the last day for filing.

Sec. 57. Minnesota Statutes 2022, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought not more than 84 days before the primary and no later than the seventh day before the general election. The filing officer shall provide copies of the form to make the request. The filing officer shall not accept a written request later than 5:00 p.m. on the last day for filing a written request.

(b) The governing body of a statutory or home rule charter city may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may:

(1) require the candidate to file a written request with the chief election official at least seven days before the city election if the candidate wants to have the candidate's write-in votes individually recorded; or

(2) require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

If the governing body of the statutory or home rule charter city adopts a resolution authorized by this paragraph, the resolution must be adopted before the first day of filing for office. A resolution adopted under this paragraph remains in effect until a subsequent resolution on the same subject is adopted by the governing body of the statutory or home rule charter city.

(c) The governing body of a township, school board, hospital district, park district, soil and water district, or other ancillary elected district may adopt a resolution governing the counting of write-in votes for local elective office. The resolution may require that write-in votes for an individual candidate only be individually recorded if the total number of write-in votes for that office is equal to or greater than the fewest number of non-write-in votes for a ballot candidate.

~~(b) (d)~~ (d) A candidate for president of the United States who files a request under this subdivision must ~~file jointly with another individual seeking nomination as a candidate for vice president of the United States. A candidate for vice president of the United States who files a request under this subdivision must file jointly with another individual seeking nomination as~~ include the name of a candidate for vice president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

~~(e)~~ (e) A candidate for governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for lieutenant governor. A candidate for lieutenant governor who files a request under this subdivision must file jointly with another individual seeking nomination as a candidate for governor.

Sec. 58. Minnesota Statutes 2022, section 204B.13, is amended by adding a subdivision to read:

Subd. 6a. **Candidates for federal office.** This section does not apply to a vacancy in nomination for a federal office.

Sec. 59. Minnesota Statutes 2022, section 204B.14, subdivision 2, is amended to read:

Subd. 2. **Separate precincts; combined polling place.** (a) The following shall constitute at least one election precinct:

- (1) each city ward; and
- (2) each town and each statutory city.

(b) A single, accessible, combined polling place may be established no later than November 1 if a presidential nomination primary is scheduled to occur in the following year or May 1 of any other year:

(1) for any city of the third or fourth class, any town, or any city having territory in more than one county, in which all the voters of the city or town shall cast their ballots;

(2) for contiguous precincts in the same municipality;

(3) for up to four contiguous municipalities located entirely outside the metropolitan area, as defined by section 200.02, subdivision 24, that are contained in the same county; or

(4) for noncontiguous precincts located in one or more counties.

Subject to the requirements of paragraph (c), a single, accessible, combined polling place may be established after May 1 of any year in the event of an emergency.

A copy of the ordinance or resolution establishing a combined polling place must be filed with the county auditor within 30 days after approval by the governing body, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state. A polling place combined under clause (3) must be approved by the governing body of each participating municipality. A polling place combined under clause (4) must be approved by the governing body of each participating municipality and the secretary of state and may be located outside any of the noncontiguous precincts. A municipality withdrawing from participation in a combined polling place must do so by filing a resolution of withdrawal with the county auditor no later than October 1 if a presidential nomination primary is scheduled to occur in the following year or April 1 of any other year, and the county auditor must provide notice within ten days to the secretary of state, in a manner and including information prescribed by the secretary of state.

The secretary of state shall provide a separate polling place roster for each precinct served by the combined polling place, except that in a precinct that uses electronic rosters the secretary of state shall provide separate data files for each precinct. A single set of election judges may be appointed to serve at a combined polling place. The number of election judges required must be based on the total number of persons voting at the last similar election in all precincts to be voting at the combined polling place. Separate ballot boxes must be provided for the ballots from each precinct. The results of the election must be reported separately for each precinct served by the combined polling place, except in a polling place established under clause (2) where one of the precincts has fewer than ten registered voters, in which case the results of that precinct must be reported in the manner specified by the secretary of state.

(c) If a local elections official determines that an emergency situation preventing the safe, secure, and full operation of a polling place on election day has occurred or is imminent, the local elections official may combine two or more polling places for that election pursuant to this subdivision. To the extent possible, the polling places must be combined and the election conducted according to the requirements of paragraph (b), except that:

- (1) polling places may be combined after May 1 and until the polls close on election day;
- (2) any city or town, regardless of size or location, may establish a combined polling place under this paragraph;
- (3) the governing body is not required to adopt an ordinance or resolution to establish the combined polling place;
- (4) a polling place combined under paragraph (b), clause (3) or (4), must be approved by the local election official of each participating municipality;

(5) the local elections official must immediately notify the county auditor and the secretary of state of the combination, including the reason for the emergency combination and the location of the combined polling place. As soon as possible, the local elections official must also post a notice stating the reason for the combination and the location of the combined polling place. The notice must also be posted on the governing board's website, if one exists. The local elections official must also notify the election judges and request that local media outlets publicly announce the reason for the combination and the location of the combined polling place; and

(6) on election day, the local elections official must post a notice in large print in a conspicuous place at the polling place where the emergency occurred, if practical, stating the location of the combined polling place. The local election official must also post the notice, if practical, in a location visible by voters who vote from their motor vehicles as provided in section 204C.15, subdivision 2. If polling place hours are extended pursuant to section 204C.05, subdivision 2, paragraph (b), the posted notices required by this paragraph must include a statement that the polling place hours at the combined polling place will be extended until the specified time.

Sec. 60. Minnesota Statutes 2022, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** (a) By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution ~~a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:~~ any changes to a polling place location. A polling place must be maintained for the following calendar year unless changed:

(1) by ordinance or resolution by December 31 of the previous year:

~~(2)~~ (2) pursuant to section 204B.175;

~~(3)~~ (3) because a polling place has become unavailable;

~~(4)~~ (4) because a township designates one location for all state, county, and federal elections and one location for all township only elections; and

~~(5)~~ (5) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those

boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 61. Minnesota Statutes 2022, section 204B.19, subdivision 6, is amended to read:

Subd. 6. ~~High school students~~ **Trainee election judges.** (a) Notwithstanding any other requirements of this section, a student enrolled in a high school in Minnesota or who is in a home school in compliance with sections 120A.22 and 120A.24, who has attained the age of 16 is eligible to be appointed as a without party affiliation trainee election judge in the county in which the student ~~resides~~ maintains residence, or a county adjacent to the county in which the student ~~resides~~ maintains residence. The student must meet qualifications for trainee election judges specified in rules of the secretary of state. A student appointed under this subdivision while enrolled in a high school or receiving instruction in a home school may continue to serve as a trainee election judge after the student graduates and until the student reaches the age of 18.

(b) A student appointed as a trainee election judge may be excused from school attendance during the hours that the student is serving as a trainee election judge if the student submits a written request signed and approved by the student's parent or guardian to be absent from school and a certificate from the appointing authority stating the hours during which the student will serve as a trainee election judge to the principal of the school at least ten days prior to the election. ~~Students shall not serve as~~ A trainee election judges judge shall not serve after 10:00 p.m. Notwithstanding section 177.24 to the contrary, trainee election judges may be paid not less than two-thirds of the minimum wage for a large employer. The principal of the school may approve a request to be absent from school conditioned on acceptable academic performance at the time of service as a trainee election judge.

Sec. 62. Minnesota Statutes 2022, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Except as otherwise provided in this section, appointments shall be made from the list of voters who ~~reside~~ maintain residence in each precinct, furnished pursuant to subdivision 1, subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required after all listed names in that municipality have been exhausted, the appointing authority may appoint other individuals who meet the qualifications to serve as an election judge, including persons on the list furnished pursuant to subdivision 1 who indicated a willingness to travel to the municipality, and persons who are not affiliated with a major political party. An individual who is appointed from a source other than the list furnished pursuant to subdivision 1 must provide to the appointing authority the individual's major political party affiliation or a statement that the individual does not affiliate with any major political party. An individual who refuses to provide the individual's major political party affiliation or a statement that the individual does not affiliate with a major political party must not be appointed as an election judge. The appointments shall be made at least 25 days before the election at which the election judges will serve, except that the appointing authority may pass a resolution authorizing the appointment of additional election judges within the 25 days before the election if the appointing authority determines that additional election judges will be required.

Sec. 63. Minnesota Statutes 2022, section 204B.26, is amended to read:

204B.26 ELECTION JUDGES; VIOLATIONS; PENALTIES.

A county auditor or municipal clerk may remove any precinct election official at any time if the official engages in a neglect of duty, malfeasance, misconduct in office, or for other cause. Any individual who serves as an election judge in violation of any of the provisions of sections 204B.19 to 204B.25, is guilty of a misdemeanor.

Sec. 64. Minnesota Statutes 2022, section 204B.28, subdivision 2, is amended to read:

Subd. 2. **Election supplies; duties of county auditors and clerks.** (a) Except as otherwise provided for absentee ballots in this section and in section 204B.35, subdivision 4, the county auditor shall complete the preparation of the election materials for which the auditor is responsible at least four days before every state primary and state general election. At any time after all election materials are available from the county auditor but not later than four days before the election each municipal clerk shall secure from the county auditor:

(~~a~~) (1) the forms that are required for the conduct of the election;

(~~b~~) (2) any printed voter instruction materials furnished by the secretary of state;

(~~c~~) (3) any other instructions for election officers; and

(~~d~~) (4) a sufficient quantity of the official ballots, registration files, envelopes for ballot returns, and other supplies and materials required for each precinct in order to comply with the provisions of the Minnesota Election Law. The county auditor may furnish the election supplies to the municipal clerks in the same manner as the supplies are furnished to precincts in unorganized territory pursuant to section 204B.29, subdivision 1.

(b) The county auditor must prepare and make available election materials for early voting to city clerks designated to administer early voting under section 203B.05 at least one day prior to the beginning of the early voting period as provided in section 203B.081.

EFFECTIVE DATE. This section is effective upon the revisor of statutes' receipt of the early voting certification and applies to elections held on or after January 1, 2024, or the 85th day after the revisor of statutes receives the certification, whichever is later.

Sec. 65. Minnesota Statutes 2022, section 204B.32, subdivision 2, is amended to read:

Subd. 2. **Allocation of election expenses.** The secretary of state shall develop procedures for the allocation of election expenses among counties, municipalities, and school districts for elections that are held concurrently. The following expenses must be included in the procedures: salaries of election judges; postage for absentee ballots and applications; preparation of polling places; preparation and testing of electronic voting systems; ballot preparation; publication of election notices ~~and sample ballots,~~ including the notice required by section 204D.16; transportation of ballots and election supplies; and compensation for administrative expenses of the county auditor, municipal clerk, or school district clerk.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 66. Minnesota Statutes 2022, section 204B.35, is amended by adding a subdivision to read:

Subd. 6. **Electronic voting systems.** Notwithstanding sections 204B.35 to 204B.44 and chapter 204D, a jurisdiction may prepare blank paper ballots, if the jurisdiction employs an electronic voting system and the required information is instead displayed on a touch screen or other electronic device in a format that substantially meets the requirements of law.

Sec. 67. Minnesota Statutes 2022, section 204B.45, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A town of any size ~~not located in a metropolitan county as defined by section 473.121,~~ or a city having fewer than 400 registered voters on June 1 of an election year ~~and not located in a metropolitan county as defined by section 473.121,~~ may provide balloting by mail at any municipal, county, or state election with no polling place other than the office of the auditor or clerk or other locations designated by the auditor or clerk. The governing body may apply to the county auditor for permission to conduct balloting by mail. The county board may provide for balloting by mail in unorganized territory. The governing body of any municipality may designate for mail balloting any precinct having fewer than 100 registered voters, subject to the approval of the county auditor.

Voted ballots may be returned in person to any location designated by the county auditor or municipal clerk.

Sec. 68. Minnesota Statutes 2022, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure; voting prior to election day.** Notice of the election and the special mail procedure must be given at least ten weeks prior to the election. Not more than 46 days nor later than 14 days before a regularly scheduled election and not more than 30 days nor later than 14 days before any other election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the city, town, or unorganized territory. No later than 14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "accepted" or "rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors or deputy municipal clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. ~~After the close of business~~ On the ~~seventh~~ 18th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the members of the ballot board, and deposited in the ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from mail or absentee ballots may be made public before the close of voting on election day.

The costs of the mailing shall be paid by the election jurisdiction in which the voter ~~resides~~ maintains residence. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 69. Minnesota Statutes 2022, section 204B.45, is amended by adding a subdivision to read:

Subd. 2a. Procedure; voting on election day. (a) The county auditor may make available a ballot counter and ballot box for use during voting hours on election day by the voters voting under this section. If a ballot counter and ballot box is provided on election day, a voter must be given the option to either:

(1) vote using the procedures provided in subdivision 2; or

(2) vote in the manner provided in this subdivision.

(b) When a voter appears in the designated polling place, the voter must state the voter's name, address, and, if requested, the voter's date of birth to the mail ballot voting official. The mail ballot voting official must confirm that the voter's registration is current in the statewide voter registration system and that the voter has not already cast a ballot in the election. If the voter's status is challenged, the voter may resolve the challenge as provided in section 204C.12. An individual who is not registered to vote or whose name or address has changed must register in the manner provided in section 201.061, subdivision 3. A voter who has already cast a ballot in the election must not be provided with a ballot.

(c) Each voter must sign the certification provided in section 204C.10. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election. After signing the voter certification, two mail ballot voting officials must initial the ballot and issue it to the voter, and the voter must immediately retire to a voting station or other designated location in the polling place to mark the ballot. The voter must not take the ballot from the polling place. If the voter spoils the ballot, the voter may return it to the mail ballot voting official in exchange for a new ballot. After completing the ballot, the voter must deposit the ballot into the ballot counter and ballot box. The mail ballot voting official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(d) The mail ballot voting official must remove and secure the ballots following the procedures in section 203B.121, subdivision 5, paragraph (a). The absentee ballot board must count the ballots after the polls have closed on election day following the procedures in section 203B.121, subdivision 5, paragraph (b).

(e) For purposes of this subdivision, "mail ballot voting official" means the county auditor, the city clerk, a deputy of the auditor or clerk, or an election judge assigned by the auditor or clerk.

Sec. 70. Minnesota Statutes 2022, section 204B.46, is amended to read:

204B.46 MAIL ELECTIONS; QUESTIONS.

A county, municipality, or school district submitting questions to the voters at a special election may conduct an election by mail with no polling place other than the office of the auditor or clerk. No offices may be voted on at a mail election, except in overlapping school and municipality jurisdictions, where a mail election may include an office when one of the jurisdictions also has a question on the ballot. Notice of the election must be given to the county auditor at least 74 days prior to the election. This notice shall also fulfill the requirements of Minnesota Rules, part 8210.3000. The special mail ballot procedures must be posted at least six weeks prior to the election. Not more than 46 nor later than 14 days prior to the election, the auditor or clerk shall mail ballots by nonforwardable mail to all voters registered in the county, municipality, or school district. No later than 14 days before the election, the auditor or clerk must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots pursuant to chapter 203B. The auditor or clerk must appoint a ballot board to examine the mail and absentee ballot return envelopes and mark them "Accepted" or "Rejected" within three days of receipt if there are 14 or fewer days before election day, or within five days of receipt if there are more than 14 days before election day. The board may consist of deputy county auditors, deputy municipal clerks, or deputy school district clerks who have received training in the processing and counting of mail ballots, who need not be affiliated with a major political party. Election judges performing the duties in this section must be of different major political parties, unless they are exempt from that requirement under section 205.075, subdivision 4, or section 205A.10. If an envelope has been rejected at least five days before the election, the ballots in the envelope must remain sealed and the auditor or clerk must provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. If the ballot is rejected within five days of the election, the envelope must remain sealed and the official in charge of the ballot board must attempt to contact the voter by telephone or email to notify the voter that the voter's ballot has been rejected. The official must document the attempts made to contact the voter.

If the ballot is accepted, the county auditor or municipal clerk must mark the roster to indicate that the voter has already cast a ballot in that election. ~~After the close of business~~ On the ~~seventh~~ 18th day before the election, the ballots from return envelopes marked "Accepted" may be opened, duplicated as needed in the manner provided by section 206.86, subdivision 5, initialed by the ballot board, and deposited in the appropriate ballot box.

In all other respects, the provisions of the Minnesota Election Law governing deposit and counting of ballots apply.

The mail and absentee ballots for a precinct must be counted together and reported as one vote total. No vote totals from ballots may be made public before the close of voting on election day.

Sec. 71. Minnesota Statutes 2022, section 204B.49, is amended to read:

204B.49 "I VOTED" STICKERS.

The secretary of state, county auditor, municipal clerk, school district clerk, or an election judge may provide a sticker containing the words "I VOTED," and nothing more, to an individual who:

(1) has successfully deposited a ballot into a ballot box, ~~under section 203B.081, subdivision 3, or 204C.13, subdivision 5;~~

(2) is provided an absentee ballot under section 203B.07, subdivision 1, or 203B.21, subdivision 2; or

(3) is provided a ballot by mail under section 204B.45 or 204B.46.

Sec. 72. Minnesota Statutes 2022, section 204C.04, subdivision 1, is amended to read:

Subdivision 1. **Right to be absent.** Every employee who is eligible to vote in an election has the right to be absent from work for the time necessary to appear at the employee's polling place, cast a ballot, and return to work on the day of that election or during the time period allowed under section 203B.081 for voting in person before election day, without penalty or deduction from salary or wages because of the absence. An employer or other person may not directly or indirectly refuse, abridge, or interfere with this right or any other election right of an employee.

Sec. 73. Minnesota Statutes 2022, section 204C.07, subdivision 4, is amended to read:

Subd. 4. **Restrictions on conduct.** An election judge ~~may~~ must not be appointed as a challenger. The election judges ~~shall~~ must permit challengers appointed pursuant to this section to be present in the polling place during the hours of voting and to remain there until the votes are counted and the results declared. ~~No~~ A challenger ~~shall~~ must ~~not~~ handle or inspect registration cards, files, or lists. Challengers ~~shall~~ must not prepare in any manner any list of individuals who have or have not voted. They ~~shall~~ must not attempt to influence voting in any manner. ~~They shall~~ In accordance with section 204C.12, challengers must not converse with a voter ~~except to determine, in the presence of an election judge, whether the voter is eligible to vote in the precinct.~~

Sec. 74. Minnesota Statutes 2022, section 204C.15, subdivision 1, is amended to read:

Subdivision 1. **Physical assistance in marking ballots.** A voter who claims a need for assistance because of inability to read English or physical inability to mark a ballot may obtain the aid of two election judges who are members of different major political parties. The election judges shall mark the ballots as directed by the voter and in as secret a manner as circumstances permit. A voter in need of assistance may alternatively obtain the assistance of any individual the voter chooses. Only the following persons may not provide assistance to a voter: the voter's employer, an agent of the voter's employer, or an officer or agent of the voter's union, ~~or a candidate for election.~~

The person who assists the voter shall, unaccompanied by an election judge, retire with that voter to a booth and mark the ballot as directed by the voter. ~~No person who assists another voter as provided in the preceding sentence shall mark the ballots of more than three voters at one election.~~ Before the ballots are deposited, the voter may show them privately to an election judge to ascertain that they are marked as the voter directed. An election judge or other individual assisting a voter shall not in any manner request, persuade, induce, or attempt to persuade or induce the voter to vote for any particular political party or candidate. The election judges or other individuals who assist the voter shall not reveal to anyone the name of any candidate for whom the voter has voted or anything that took place while assisting the voter.

Sec. 75. Minnesota Statutes 2022, section 204C.19, subdivision 3, is amended to read:

Subd. 3. **Premature disclosure of count results.** No count results from any precinct shall be disclosed by any election judge or other individual until all count results from that precinct are available, nor shall the public media disclose any count results from any precinct before the time when voting is scheduled to end in the state. Count results from absentee ballots received by the county after 3:00 p.m. on election day may be added to the total count results after the initial results reporting of the precinct. If the precinct results do not include all absentee ballots, the county must report to the secretary of state and on the county's website the number of absentee ballots remaining to be processed.

Sec. 76. Minnesota Statutes 2022, section 204C.24, subdivision 1, is amended to read:

Subdivision 1. **Information requirements.** Precinct summary statements shall be submitted by the election judges in every precinct. For all elections, the election judges shall complete three or more copies of the summary statements, and each copy shall contain the following information for each kind of ballot:

(1) the number of ballots delivered to the precinct as adjusted by the actual count made by the election judges, the number of unofficial ballots made, and the number of absentee ballots delivered to the precinct;

(2) the number of votes each candidate received or the number of yes and no votes on each question, the number of undervotes, the number of overvotes, and the number of defective ballots with respect to each office or question;

(3) the number of spoiled ballots, the number of duplicate ballots made, the number of absentee ballots rejected, and the number of unused ballots, presuming that the total count provided on each package of unopened prepackaged ballots is correct;

~~(4) the number of voted ballots indicating only a voter's choices as provided by section 206.80, paragraph (b), clause (2), item (ii);~~

~~(5) the number of individuals who voted at the election in the precinct which must equal the total number of ballots cast in the precinct, as required by sections 204C.20 and 206.86, subdivision 1;~~

~~(6) the number of voters registering on election day in that precinct; and~~

~~(7) the signatures of the election judges who counted the ballots certifying that all of the ballots cast were properly piled, checked, and counted; and that the numbers entered by the election judges on the summary statements correctly show the number of votes cast for each candidate and for and against each question;~~

(8) the number of election judges that worked in that precinct on election day; and

(9) the number of voting booths used in that precinct on election day.

At least two copies of the summary statement must be prepared for elections not held on the same day as the state elections.

Sec. 77. Minnesota Statutes 2022, section 204C.28, subdivision 1, is amended to read:

Subdivision 1. **County auditor.** (a) Every county auditor ~~shall~~ must remain at the auditor's office to receive delivery of the returns, to permit public inspection of the summary statements, and to tabulate the votes ~~until all have been tabulated and the results made known, or~~ until 24 hours have elapsed since the end of the hours for voting, ~~whichever occurs first, unless the county auditor adjourns absentee ballot counting.~~ Every county auditor ~~shall~~ must, in the presence of the municipal clerk or the election judges who deliver the returns, make a record of all materials delivered, the time of delivery, and the names of the municipal clerk or election judges who made delivery. The record must include the number of ballots delivered to the precinct, as certified by section 204B.28, and the total number of ballots returned, as certified by the election judges under section 204C.24. A discrepancy between the number of ballots delivered to the precinct and the number of total ballots returned by election judges that cannot be reconciled by taking into account the adjustments made by the election judge counts and any unofficial ballots must be noted, but does not necessarily require disqualification of the votes from that precinct or invalidation of the election. The county auditor ~~shall~~ must file the record and all envelopes containing ballots in a safe and secure place with envelope seals unbroken. Access to the record and ballots ~~shall~~ must be strictly controlled. Accountability and a record of access ~~shall~~ must be maintained by the county auditor during the period for contesting elections or, if a contest is filed, until the contest has been finally determined. Thereafter, the record ~~shall~~ must be retained in the auditor's office for the same period as the ballots as provided in section 204B.40.

(b) The county auditor ~~shall~~ must file all envelopes containing ballots in a safe place with seals unbroken. If the envelopes ~~were previously~~ are opened by proper authority for examination or recount as specifically authorized by a court or statute, the county auditor ~~shall~~ must have the envelopes sealed again and signed by the individuals who made the inspection or recount. The envelopes may be opened by the county ~~canvassing board auditor~~ if necessary to procure election returns that the election judges inadvertently may have sealed in the envelopes with the ballots. In that case, the envelopes ~~shall~~ must be sealed again and signed in the same manner as otherwise provided in this subdivision.

Sec. 78. Minnesota Statutes 2022, section 204C.33, subdivision 3, is amended to read:

Subd. 3. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area on the third Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:

- (1) the number of individuals voting in the state and in each county;
- (2) the number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (3) the number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

Upon completion of the canvass, the State Canvassing Board shall declare the candidates duly elected who received the highest number of votes for each federal and state office. All members of the State Canvassing Board shall sign the report and certify its correctness. The State Canvassing Board shall declare the result within three days after completing the canvass.

Sec. 79. Minnesota Statutes 2022, section 204C.35, is amended by adding a subdivision to read:

Subd. 5. **Challenged ballots.** Notwithstanding any law to the contrary, a canvassing board may direct a recount official to make images of ballots challenged by a candidate in a recount available to the public.

Sec. 80. Minnesota Statutes 2022, section 204C.39, subdivision 1, is amended to read:

Subdivision 1. **Manner of correction.** A county canvassing board may determine by majority vote that the election judges have made an obvious error in counting or recording the votes for an office. The county canvassing board shall then promptly notify all candidates for that office of the determination, including a description of the error. ~~A candidate who receives notification pursuant to this subdivision or any candidate who believes that the~~

~~election judges in a precinct have made an obvious error in the counting or recording of the votes for an office may~~
The county canvassing board must also instruct the county auditor to apply without unreasonable delay to the district court of the county containing the precinct in which the alleged error was made for an order determining whether or not an obvious error has been made. The applicant auditor shall describe the alleged error in the application and may submit additional evidence as directed by the court. The applicant auditor shall notify the county canvassing board and all candidates for the affected office in the manner directed by the court. If the court finds that the election judges made an obvious error it shall issue an order specifying the error and directing the county canvassing board to inspect the ballots and returns of the precinct in order to correct the error and to proceed further in accordance with this section or otherwise as the court may direct.

Sec. 81. Minnesota Statutes 2022, section 204D.08, subdivision 5, is amended to read:

Subd. 5. **Party columns; arrangement.** The names of candidates for nomination of the major political party that received the smallest average vote at the last state general election must be placed in the first column on the left side of the ballot. The names of candidates for nomination of the major political party that received the next smallest average vote at the last state general election must be placed in the second column, and so on. The average vote shall be computed ~~in the manner provided in section 204D.13, subdivision 2~~ by dividing the total number of votes counted for all of the party's candidates for statewide office at the state general election by the number of those candidates at the election.

Sec. 82. Minnesota Statutes 2022, section 204D.08, subdivision 6, is amended to read:

Subd. 6. **State and county nonpartisan primary ballot.** The state and county nonpartisan primary ballot shall be headed "State and County Nonpartisan Primary Ballot." It shall be printed in the manner provided in the rules of the secretary of state. The names of candidates for nomination to the supreme court, court of appeals, district court, ~~and all county offices, all city offices, and all school district offices~~ shall be placed on this ballot.

No candidate whose name is placed on the state and county nonpartisan primary ballot shall be designated or identified as the candidate of any political party or in any other manner except as expressly provided by law.

Sec. 83. Minnesota Statutes 2022, section 204D.09, subdivision 2, is amended to read:

Subd. 2. **Sample ballot.** At least 46 days before the state primary the county auditor ~~shall~~ must prepare a sample ballot for each precinct for public inspection and transmit an electronic copy of these sample ballots to the secretary of state. The names of the candidates to be voted for in the county ~~shall~~ must be placed on the sample ballots, with the names of the candidates for each office arranged in the base rotation as determined by section 206.61, subdivision 5. The county auditor ~~shall~~ must post the sample ballots in a conspicuous place in the auditor's office ~~and shall cause them to be published.~~ At least one week before the state primary, the county auditor must publish a notice to voters pursuant to section 204D.16 in at least one newspaper of general circulation in the county.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 84. Minnesota Statutes 2022, section 204D.14, subdivision 1, is amended to read:

Subdivision 1. **Rotation of names.** The names of candidates for partisan and nonpartisan offices on the state general election ballot and the judicial nonpartisan general election ballot shall be rotated in the manner provided for rotation of names on state partisan primary ballots by section 204D.08, subdivision 3.

Sec. 85. Minnesota Statutes 2022, section 204D.16, is amended to read:

204D.16 SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.

(a) At least 46 days before the state general election, the county auditor ~~shall~~ must post sample ballots for each precinct in the auditor's office for public inspection and transmit an electronic copy of these sample ballots to the secretary of state.

(b) No earlier than ~~15~~ 20 days and no later than ~~two~~ ten days before the state general election the county auditor ~~shall~~ must cause a ~~sample state general election ballot notice to voters~~ to be published in at least one newspaper of general circulation in the county. The secretary of state, in collaboration with stakeholders, must design the notice to be published, including the format and content to be used. The secretary of state, in collaboration with stakeholders, may modify the content or format of the notice to be used by metropolitan counties, as defined in section 473.121, subdivision 4. When published, the notice must be sized so that it comprises a minimum of one full newspaper page.

(c) The notice required by paragraph (b) must, at minimum, include the following:

(1) a statement that the voter's official ballot will have the names of all candidates for the voter's precinct;

(2) the web address where a voter may view the voter's sample ballot based on the voter's address;

(3) the county's website where a list of sample ballots for each county precinct may be viewed;

(4) how a voter may obtain a free copy of a sample ballot specific to the voter's address; and

(5) contact information for the appropriate local election official, including a phone number and email address.

The notice may include information about contests on the ballot; names, offices, and party affiliation, if any, of candidates; polling place locations; poll hours; and absentee voting information.

(d) For purposes of this section, "stakeholder" means local government election officials and representatives of the Minnesota Newspaper Association.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 86. Minnesota Statutes 2022, section 204D.19, subdivision 2, is amended to read:

Subd. 2. **Special election when legislature will be in session.** Except for vacancies in the legislature which occur at any time between the last day of session in an odd-numbered year and the ~~40th~~ 54th day prior to the opening day of session in the succeeding even-numbered year, when a vacancy occurs and the legislature will be in session so that the individual elected as provided by this section could take office and exercise the duties of the office immediately upon election, the governor shall issue within five days after the vacancy occurs a writ calling for a special election. The special election shall be held as soon as possible, consistent with the notice requirements of section 204D.22, subdivision 3, but in no event more than ~~35~~ 49 days after the issuance of the writ. ~~A special election must not be held during the four days before or the four days after a holiday as defined in section 645.44, subdivision 5.~~

Sec. 87. Minnesota Statutes 2022, section 204D.22, subdivision 3, is amended to read:

Subd. 3. **Notice of special election.** The county auditor of a county in which a special election is to be held shall direct the clerk of each municipality in which the election is to be held to post a notice of the special primary and special election at least ~~seven~~ 14 days before the special primary and at least ~~14~~ 21 days before the special election in the manner provided in sections 204B.33 and 204B.34. If the special primary is to be held ~~14~~ 21 days before the special election, a single notice of both elections may be posted seven days before the primary.

When the special primary or special election is to be held on the same day as any other election, notice of the special primary or special election may be included in the notice of the other election, if practicable.

Sec. 88. Minnesota Statutes 2022, section 204D.23, subdivision 2, is amended to read:

Subd. 2. **Time of filing.** Except as provided in subdivision 3, the affidavits and petitions shall be filed no later than ~~44~~ 21 days before the special primary.

Sec. 89. Minnesota Statutes 2022, section 204D.25, subdivision 1, is amended to read:

Subdivision 1. **Form.** Except as provided in subdivision 2, the county auditor ~~shall~~ must prepare separate ballots for a special primary and special election as required by sections 204D.17 to 204D.27. The ballots ~~shall~~ must be headed "Special Primary Ballot" or "Special Election Ballot" as the case may be, followed by the date of the special primary or special election. Immediately below the title of each office to be filled ~~shall~~ must be printed the words "To fill vacancy in term expiring, " with the date of expiration of the term and any other information that is necessary to distinguish the office from any other office to be voted upon at the same election. For a special primary or special election, the instructions to voters may use the singular form of the word when referring to candidates and offices when only one office is to be filled at the special election. Otherwise the form of the ballots ~~shall~~ must comply as far as practicable with the laws relating to ballots for state primaries and state general elections. The county auditor ~~shall~~ must post a sample of each ballot in the auditor's office as soon as prepared and not later than four days before the special primary or special election. Publication of the ~~sample ballot~~ notice to voters pursuant to section 204D.16 for a special primary or special election is not required.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 90. Minnesota Statutes 2022, section 205.13, subdivision 5, is amended to read:

Subd. 5. **Nominating petition; cities of the first class.** A nominating petition filed on behalf of a candidate for municipal office in a city of the first class shall be signed by eligible voters who ~~reside~~ maintain residence in the election district from which the candidate is to be elected. The number of signers shall be at least 500, or two percent of the total number of individuals who voted in the municipality, ward, or other election district at the last preceding municipal general election, whichever is greater.

Sec. 91. Minnesota Statutes 2022, section 205.16, subdivision 2, is amended to read:

Subd. 2. **Sample ballot, publication.** For every municipal election, the municipal clerk ~~shall~~ must, at least two weeks before the election, publish a ~~sample ballot~~ notice to voters pursuant to section 204D.16 in the official newspaper of the municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 92. Minnesota Statutes 2022, section 205.175, subdivision 3, is amended to read:

Subd. 3. **Other municipalities.** The governing body of a municipality other than a municipality described in subdivision 2, may by resolution adopted prior to giving notice of the election, designate the time, in addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent municipal elections. The resolution shall remain in force until it is revoked by

the municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last municipal election, is presented to the municipal clerk no later than 30 days prior to the municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The municipal clerk shall give ten days' notice of the changed voting hours and notify the county auditor and secretary of state of the change. Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.

Sec. 93. Minnesota Statutes 2022, section 205A.09, subdivision 2, is amended to read:

Subd. 2. **Other school districts.** At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time during which the polling places will remain open for voting at the next succeeding and all later school district elections. All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors and the secretary of state of the change.

Sec. 94. Minnesota Statutes 2022, section 205A.10, subdivision 5, is amended to read:

Subd. 5. **School district canvassing board.** For the purpose of a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school district canvassing board shall consist of one member of the school board other than the clerk, selected by the board, the clerk of the school board, the county auditor of the county in which the greatest number of school district residents ~~reside~~ maintain residence, the court administrator of the district court of the judicial district in which the greatest number of school district residents ~~reside~~ maintain residence, and the mayor or chair of the town board of the school district's most populous municipality. Any member of the canvassing board may appoint a designee to appear at the meeting of the board, except that no designee may be a candidate for public office. If one of the individuals fails to appear at the meeting of the canvassing board, the county auditor shall appoint an eligible voter of the school district, who must not be a member of the school board, to fill the vacancy. Not more than two school board members shall serve on the canvassing board at one time. Four members constitute a quorum.

The school board shall serve as the school district canvassing board for the election of school board members.

Sec. 95. Minnesota Statutes 2022, section 205A.12, subdivision 5, is amended to read:

Subd. 5. **Board elections.** If the proposal for the establishment of election districts is approved by the voters, the board shall specify the election districts from which vacancies shall be filled as they occur until such time as each board member represents an election district. A candidate for school board in a subsequent election must file an affidavit of candidacy to be elected as a school board member for the election district in which the candidate ~~resides~~ maintains residence. If there are as many election districts as there are members of the board, one and only one member of the board shall be elected from each election district. In school districts where one or more board members are elected by election districts, candidates must indicate on the affidavit of candidacy the number of the district from which they seek election or, if appropriate, that they seek election from one of the offices elected at large. If the election districts have two or three members each, the terms of the members must be staggered. Each board member must be a resident of the election district for which elected but the creation of an election district or a change in election district boundaries shall not disqualify a board member from serving for the remainder of a term.

Sec. 96. Minnesota Statutes 2022, section 206.58, subdivision 1, is amended to read:

Subdivision 1. **Municipalities.** (a) The governing body of a municipality, at a regular meeting or at a special meeting called for the purpose, may provide for the use of an electronic voting system in one or more precincts and at all elections in the precincts, subject to approval by the county auditor. Once a municipality has adopted the use of an electronic voting system in one or more precincts, the municipality must continue to use an electronic voting

system for state elections in those precincts. The governing body ~~shall~~ must disseminate information to the public about the use of a new voting system at least 60 days prior to the election and ~~shall~~ must provide for instruction of voters with a demonstration voting system in a public place for the six weeks immediately prior to the first election at which the new voting system will be used.

~~No system may be adopted or used~~ (b) A municipality must not adopt or use a system unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 97. Minnesota Statutes 2022, section 206.58, subdivision 3, is amended to read:

Subd. 3. **Counties.** (a) The governing body of a county may provide for the use of an electronic voting system in one or more precincts of the county at all elections. Once a county has adopted the use of an electronic voting system in one or more precincts, the county must continue to use an electronic voting system for state elections in those precincts. The governing body of the municipality ~~shall~~ must give approval before an electronic voting system may be adopted or used in the municipality under the authority of this section.

~~No system may be adopted or used~~ (b) A county must not adopt or use a system unless it has been approved by the secretary of state pursuant to section 206.57.

Sec. 98. Minnesota Statutes 2022, section 206.61, subdivision 1, is amended to read:

Subdivision 1. **Official responsible for providing ballots.** (a) The official charged with providing paper ballots when they are used shall provide all ballot cards, sample ballots, precinct summary statements, and other necessary supplies needed for electronic voting systems, except as otherwise provided by this section.

(b) At general elections and primaries the county auditor of each county in which an electronic voting system is used shall provide all ballot cards and other necessary printed forms and supplies needed for the electronic voting system, including all forms needed for voting on candidates and questions, the ballots for which are required by the election laws to be provided by the state when paper ballots are used.

(c) In precincts using a ballot format as provided by section 206.80, paragraph (b), clause (2), voters must be provided the option of voting with a regularly printed optical scan ballot.

Sec. 99. Minnesota Statutes 2022, section 206.80, is amended to read:

206.80 ELECTRONIC VOTING SYSTEMS.

(a) An electronic voting system may not be employed unless it:

- (1) permits every voter to vote in secret;
- (2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;
- (3) provides for write-in voting when authorized;
- (4) automatically rejects, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;
- (5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote;
- (6) automatically rejects all votes cast in a primary election by a voter when the voter votes for candidates of more than one party; and

(7) provides every voter an opportunity to verify votes recorded on the permanent paper ballot, either visually or using assistive voting technology, and to change votes or correct any error before the voter's ballot is cast and counted, produces an individual, discrete, permanent, paper ballot cast by the voter, and preserves the paper ballot as an official record available for use in any recount.

(b) An electronic voting system purchased on or after June 4, 2005, may not be employed unless it:

(1) accepts and tabulates, in the polling place or at a counting center, a marked optical scan ballot; or

(2) creates a ~~marked optical scan~~ ballot that can be tabulated in the polling place or at a counting center by automatic tabulating equipment certified for use in this state and the ballot is:

(i) a marked optical scan ballot; or

(ii) a marked paper ballot indicating, at a minimum, the date of the election; the name of the precinct; an electronically readable precinct identifier or ballot style indicator; and the voter's votes for each office or question, generated from the voter's use of a touch screen or other electronic device on which a complete ballot meeting the information requirements of any applicable law was displayed electronically.

(c) The use of multiple ballot formats of electronic voting systems in a jurisdiction is not a violation of a voter's right to vote in secret, provided that a record of the ballot formats of electronic voting system used by a voter is not recorded by the election judges or any other elections official in any form.

Sec. 100. Minnesota Statutes 2022, section 206.83, is amended to read:

206.83 TESTING OF VOTING SYSTEMS.

~~Within 14~~ At least three days before ~~election day~~ voting equipment is used, the official in charge of elections shall have the voting system tested to ascertain that the system will correctly mark ballots using all methods supported by the system, including through assistive technology, and count the votes cast for all candidates and on all questions. Public notice of the time and place of the test must be given at least two days in advance by publication once in official newspapers. The test must be observed by at least two election judges, who are not of the same major political party, and must be open to representatives of the political parties, candidates, the press, and the public. The test must be conducted by (1) processing a preaudited group of ballots punched or marked to record a predetermined number of valid votes for each candidate and on each question, and must include for each office one or more ballot cards which have votes in excess of the number allowed by law in order to test the ability of the voting system tabulator and electronic ballot marker to reject those votes; and (2) processing an additional test deck of ballots marked using the electronic ballot marker for the precinct, including ballots marked using the electronic ballot display, audio ballot reader, and any assistive voting technology used with the electronic ballot marker. If any error is detected, the cause must be ascertained and corrected and an errorless count must be made before the voting system may be used in the election. After the completion of the test, the programs used and ballot cards must be sealed, retained, and disposed of as provided for paper ballots.

Sec. 101. Minnesota Statutes 2022, section 206.845, subdivision 1, is amended to read:

Subdivision 1. **Prohibited connections.** The county auditor and municipal clerk must secure ballot recording and tabulating systems physically and electronically against unauthorized access. Except for wired connections within the polling place, ballot recording and tabulating systems must not be connected to or operated on, directly or indirectly, any electronic network, including a local area network, a wide-area network, the Internet, or the World Wide Web. Wireless communications may not be used in any way in a vote recording or vote tabulating system. Wireless, device-to-device capability is not permitted. No connection by modem is permitted.

Transfer of information from the ballot recording or tabulating system to another system for network distribution or broadcast must be made by disk, tape, or other physical means of communication, other than direct or indirect electronic connection of the vote recording or vote tabulating system. A county auditor or municipal clerk may not create or disclose, or permit any other person to create or disclose, an electronic image of the hard drive of any vote recording or tabulating system or any other component of an electronic voting system, except as authorized in writing by the secretary of state or for the purpose of conducting official duties as expressly authorized by law.

Sec. 102. Minnesota Statutes 2022, section 206.845, is amended by adding a subdivision to read:

Subd. 3. **Cast vote records.** After the municipal clerk or county auditor has received data from automatic tabulating equipment, textual data from the file is public, with the following exceptions, which are protected nonpublic data under section 13.02:

- (1) data that indicate the date, time, or order in which a voter cast a ballot;
- (2) data that indicate the method with which a voter cast a ballot;
- (3) data files that do not include all ballots cast in a precinct;
- (4) data files that provide data in the order it was generated; and
- (5) data from precincts in which fewer than ten votes were cast.

Data stored as images are protected nonpublic data under section 13.02.

Sec. 103. Minnesota Statutes 2022, section 206.86, is amended by adding a subdivision to read:

Subd. 5a. **Ballots in precincts with multiple styles of voting system.** In the event the results of a precinct are subject to a recount under section 204C.35 or 204C.36, or are subject to a postelection review under section 206.89, and a ballot format as provided in section 206.80, paragraph (b), clause (2), was used by ten or fewer voters in the precinct, the election judges from that precinct are not eligible to participate in conducting a recount or postelection review in that precinct.

Sec. 104. Minnesota Statutes 2022, section 206.90, subdivision 10, is amended to read:

Subd. 10. **Counting write-in votes.** Notwithstanding section 204C.22, subdivision 4, in precincts using optical scan voting systems, the ballot must be marked in the oval or other target shape opposite the blank when a voter writes an individual's name on the line provided for write-in votes in order to be counted. The judges shall count the write-in votes and enter the number of those votes on forms provided for the purpose. When the write-in votes are recorded on a medium that cannot be examined for write-in votes by the automatic tabulating equipment or the automatic tabulating equipment does not reject, with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to count, all ballot envelopes or other medium on which write-in votes have been recorded must be serially numbered, starting with the number one and the same number must be placed on the ballot card of the voter. The judges shall compare the write-in votes with the votes cast on the ballot card. If the total number of votes for any office exceeds the number allowed by law, a notation to that effect must be entered on the back of the ballot card and the card must be returned to the counting center in an envelope marked "defective ballots"; however, valid votes on ballot cards containing invalid votes must be counted as provided in section 206.86, subdivision 5.

When the write-in votes are recorded on ballot cards that can be examined for write-in votes by the automatic tabulating equipment and the automatic tabulating equipment rejects all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast, the judges shall examine the ballot cards with write-in votes and count the valid write-in votes.

Sec. 105. Minnesota Statutes 2022, section 207A.12, is amended to read:

207A.12 CONDUCTING PRESIDENTIAL NOMINATION PRIMARY.

(a) Except as otherwise provided by law, the presidential nomination primary must be conducted, and the results canvassed and returned, in the manner provided by law for the state primary.

(b) An individual seeking to vote at the presidential nomination primary must be registered to vote pursuant to section 201.054, subdivision 1. The voter must request the ballot of the party for whose candidate the individual wishes to vote. Notwithstanding section 204C.18, subdivision 1, the election judge must record in the polling place roster the name of the political party whose ballot the voter requested. When posting voter history pursuant to section 201.171, the county auditor must include the name of the political party whose ballot the voter requested. The political party ballot selected by a voter is private data on individuals as defined under section 13.02, subdivision 12, except as provided in section 201.091, subdivision 4a. A voter eligible to cast a ballot as provided in section 5B.06 must be permitted to cast a ballot at the presidential nomination primary consistent with the requirements of that section.

(c) Immediately after the state canvassing board declares the results of the presidential nomination primary, the secretary of state must notify the chair of each party of the results.

(d) The results of the presidential nomination primary must bind the election of delegates in each party.

Sec. 106. Minnesota Statutes 2022, section 207A.15, subdivision 2, is amended to read:

Subd. 2. **Reimbursable local expenses.** (a) The secretary of state ~~shall~~ must reimburse the counties and municipalities for expenses incurred in the administration of the presidential nomination primary from money contained in the presidential nomination primary elections account. The following expenses are eligible for reimbursement: preparation and printing of ballots; postage for absentee ballots; publication of ~~the sample ballot notice to voters pursuant to section 204D.16;~~ preparation of polling places in an amount not to exceed \$150 per polling place; preparation of electronic voting systems in an amount not to exceed \$100 per precinct; compensation for temporary staff or overtime payments; salaries of election judges; compensation of county canvassing board members; and other expenses as approved by the secretary of state.

(b) Within 60 days after the results of a presidential nomination primary are certified by the State Canvassing Board, the county auditor must submit a request for payment of the costs incurred by the county for conducting the presidential nomination primary, and the municipal clerk must submit a request for payment of the costs incurred by the municipality for conducting the presidential nomination primary. The request for payment must be submitted to the secretary of state, and must be accompanied by an itemized description of actual county or municipal expenditures, including copies of invoices. In addition, the county auditor or municipal clerk must certify that the request for reimbursement is based on actual costs incurred by the county or municipality in the presidential nomination primary.

(c) The secretary of state ~~shall~~ must provide each county and municipality with the appropriate forms for requesting payment and certifying expenses under this subdivision. The secretary of state must not reimburse expenses unless the request for payment and certification of costs has been submitted as provided in this subdivision. The secretary of state must complete the issuance of reimbursements to the counties and municipalities no later than 90 days after the results of the presidential nomination primary have been certified by the State Canvassing Board.

EFFECTIVE DATE. This section is effective December 1, 2023, or upon the secretary of state's approval of the notice required by Minnesota Statutes, section 204D.16, paragraph (b), whichever is earlier. The secretary of state must notify the revisor of statutes of the approval date.

Sec. 107. Minnesota Statutes 2022, section 208.05, is amended to read:

208.05 STATE CANVASSING BOARD.

The State Canvassing Board at its meeting on the date provided in section 204C.33 shall open and canvass the returns made to the secretary of state for presidential electors and alternates, prepare a statement of the number of votes cast for the persons receiving votes for these offices, and declare the person or persons receiving the highest number of votes for each office duly elected, except that if the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, the State Canvassing Board shall declare duly elected the candidates for presidential electors and alternates identified in accordance with the provisions of that agreement. When it appears that more than the number of persons to be elected as presidential electors or alternates have the highest and an equal number of votes, the secretary of state, in the presence of the board shall decide by lot which of the persons shall be declared elected, except that if the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, no such drawing of lots shall be conducted. The governor shall transmit to each person declared elected a certificate of election, signed by the governor, sealed with the state seal, and countersigned by the secretary of state.

Sec. 108. **[208.051] AGREEMENT AMONG THE STATES TO ELECT THE PRESIDENT BY NATIONAL POPULAR VOTE.**

The Agreement Among the States to Elect the President by National Popular Vote is enacted into law and entered into with all other states legally joining in it in substantially the following form:

Article I - Membership

Any state of the United States and the District of Columbia may become a member of this agreement by enacting this agreement.

Article II - Right of the People in Member States to
Vote for President and Vice President

Each member state shall conduct a statewide popular election for president and vice president of the United States.

Article III - Manner of Appointing Presidential Electors in Member States

Prior to the time set by law for the meeting and voting by the presidential electors, the chief election official of each member state shall determine the number of votes for each presidential slate in each state of the United States and in the District of Columbia in which votes have been cast in a statewide popular election and shall add such votes together to produce a national popular vote total for each presidential slate. The chief election official of each member state shall designate the presidential slate with the largest national popular vote total as the national popular vote winner. The presidential elector certifying official of each member state shall certify the appointment in that official's own state of the elector slate nominated in that state in association with the national popular vote winner. At least six days before the day fixed by law for the meeting and voting by the presidential electors, each member state shall make a final determination of the number of popular votes cast in the state for each presidential slate and shall communicate an official statement of such determination within 24 hours to the chief election official of each other member state. The chief election official of each member state shall treat as conclusive an official statement containing the number of popular votes in a state for each presidential slate made by the day established by federal law for making a state's final determination conclusive as to the counting of electoral votes by Congress. In event of a tie for the national popular vote winner, the presidential elector certifying official of each member state shall certify the appointment of the elector slate nominated in association with the presidential slate receiving the largest

number of popular votes within that official's own state. If, for any reason, the number of presidential electors nominated in a member state in association with the national popular vote winner is less than or greater than that state's number of electoral votes, the presidential candidate on the presidential slate that has been designated as the national popular vote winner shall have the power to nominate the presidential electors for that state and that state's presidential elector certifying official shall certify the appointment of such nominees. The chief election official of each member state shall immediately release to the public all vote counts or statements of votes as they are determined or obtained. This article shall govern the appointment of presidential electors in each member state in any year in which this agreement is, on July 20, in effect in states cumulatively possessing a majority of the electoral votes.

Article IV - Other Provisions

This agreement shall take effect when states cumulatively possessing a majority of the electoral votes have enacted this agreement in substantially the same form and the enactments by such states have taken effect in each state. Any member state may withdraw from this agreement, except that a withdrawal occurring six months or less before the end of a president's term shall not become effective until a president or vice president shall have been qualified to serve the next term. The chief executive of each member state shall promptly notify the chief executive of all other states of when this agreement has been enacted and has taken effect in that official's state, when the state has withdrawn from this agreement, and when this agreement takes effect generally. This agreement shall terminate if the electoral college is abolished. If any provision of this agreement is held invalid, the remaining provisions shall not be affected.

Article V - Definitions

For purposes of this agreement:

(1) "chief election official" means the state official or body that is authorized to certify the total number of popular votes for each presidential slate;

(2) "chief executive" means the governor of a state of the United States or the mayor of the District of Columbia;

(3) "elector slate" means a slate of candidates who have been nominated in a state for the position of presidential elector in association with a presidential slate;

(4) "presidential elector" means an elector for president and vice president of the United States;

(5) "presidential elector certifying official" means the state official or body that is authorized to certify the appointment of the state's presidential electors;

(6) "presidential slate" means a slate of two persons, the first of whom has been nominated as a candidate for president of the United States and the second of whom has been nominated as a candidate for vice president of the United States, or any legal successors to such persons, regardless of whether both names appear on the ballot presented to the voter in a particular state;

(7) "state" means a state of the United States and the District of Columbia; and

(8) "statewide popular election" means a general election in which votes are cast for presidential slates by individual voters and counted on a statewide basis.

Sec. 109. **[208.052] CONFLICT OF LAWS.**

When the Agreement Among the States to Elect the President by National Popular Vote governs the appointment of presidential electors, the provisions of that agreement shall take precedence over any conflicting law of this state.

Sec. 110. Minnesota Statutes 2022, section 209.021, subdivision 2, is amended to read:

Subd. 2. **Notice filed with court.** If the contest relates to a nomination or election for statewide office, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. For contests relating to any other office, the contestant shall file the notice of contest with the court administrator of district court in the county where the contestee ~~resides~~ maintains residence.

If the contest relates to a constitutional amendment, the contestant shall file the notice of contest with the court administrator of District Court in Ramsey County. If the contest relates to any other question, the contestant shall file the notice of contest with the court administrator of district court for the county or any one of the counties where the question appeared on the ballot.

Sec. 111. **[211B.076] INTIMIDATION AND INTERFERENCE RELATED TO THE PERFORMANCE OF DUTIES BY AN ELECTION OFFICIAL; PENALTIES.**

Subdivision 1. **Definition.** For the purposes of this section, "election official" means a member of a canvassing board, the county auditor or municipal clerk charged with duties relating to elections, a member of an absentee ballot board, an election judge, an election judge trainee, or any other individual assigned by a state entity or municipal government to perform official duties related to elections.

Subd. 2. **Intimidation.** (a) A person may not directly or indirectly use or threaten force, coercion, violence, restraint, damage, harm, or loss, including loss of employment or economic reprisal, against another with the intent to influence an election official in the performance of a duty of election administration.

(b) In a civil action brought to prevent and restrain violations of this subdivision or to require the payment of civil penalties, the plaintiff may show that the action or attempted action would cause a reasonable person to feel intimidated. The plaintiff does not need to show that the defendant intended to cause the victim to feel intimidated.

Subd. 3. **Interfering with or hindering the administration of an election.** A person may not intentionally hinder, interfere with, or prevent an election official's performance of a duty related to election administration.

Subd. 4. **Dissemination of personal information about an election official.** (a) A person may not knowingly and without consent make publicly available, including but not limited to through the Internet, personal information about an election official or an election official's family or household member if:

(1) the dissemination poses an imminent and serious threat to the official's safety or the safety of an official's family or household member; and

(2) the person making the information publicly available knows or reasonably should know of any imminent and serious threat.

(b) As used in this subdivision, "personal information" means the home address of the election official or a member of an election official's family, directions to that home, or photographs of that home.

Subd. 5. **Obstructing access.** A person may not intentionally and physically obstruct an election official's access to or egress from a polling place, meeting of a canvassing board, place where ballots and elections equipment are located or stored, or any other place where the election official performs a duty related to election administration.

Subd. 6. **Tampering with voting equipment.** (a) A person may not access without authorization, tamper with, or facilitate unauthorized access to or tampering with an electronic voting system, electromechanical voting equipment, or an election night reporting system before, during, or after any election required by law.

(b) A person may not knowingly publish or cause to be published passwords or other confidential information relating to an electronic voting system. In addition to any other remedies and penalties provided by this section, the secretary of state, county auditor, or municipal clerk must immediately revoke any authorized access rights of a person found to be in violation of this paragraph.

Subd. 7. **Tampering with ballot box.** A person may not willfully tamper with or open a ballot box, including a ballot drop box, except for the purpose of conducting official duties as expressly authorized by law.

Subd. 8. **Tampering with statewide voter registration system, registration list, or polling place roster.** Except for the purpose of conducting official duties as expressly authorized by law, a person may not mutilate or erase any name, figure, or word on a voter registration list or polling place roster; remove or destroy a registration list or polling place roster; or mutilate, erase, or remove any part of a list or roster from the place where it has been deposited with an intention to destroy it, to procure or prevent the election of any person, or to prevent any voter from voting.

Subd. 9. **Unauthorized access to statewide voter registration system.** A person may not knowingly access, or attempt to access, the statewide voter registration system except for the purpose of conducting official duties as expressly authorized by law.

Subd. 10. **Vicarious liability; conspiracy.** A person may be held vicariously liable for any damages resulting from the violation of this section and may be identified in an order restraining violations of this section if that person:

(1) intentionally aids, advises, hires, counsels, abets, incites, compels, or coerces a person to violate any provision of this section or attempts to aid, advise, hire, counsel, abet, incite, compel, or coerce a person to violate any provision of this section; or

(2) conspires, combines, agrees, or arranges with another to either commit a violation of this section or aid, advise, hire, counsel, abet, incite, compel, or coerce a third person to violate any provision of this section.

Subd. 11. **Criminal penalties; civil remedies.** (a) Except as otherwise provided, a person who violates this section is guilty of a gross misdemeanor.

(b) The attorney general, a county attorney, or an election official may bring a civil action to prevent or restrain a violation of this section if there is a reasonable basis to believe that an individual or entity is committing or intends to commit a prohibited act.

(c) The attorney general, or an election official injured by an act prohibited by this section, may bring a civil action pursuant to section 8.31 to recover damages, together with costs of investigation and reasonable attorney fees, and receive other equitable relief as determined by the court. An action brought by an election official under section 8.31, subdivision 3a, is in the public interest. In addition to all other damages, the court may impose a civil penalty of up to \$1,000 for each violation.

(d) Civil remedies allowable under this section are cumulative and do not restrict any other right or remedy otherwise available. An action for a penalty or remedy under this section must be brought within two years of the date the violation is alleged to have occurred. The complaint process provided in sections 211B.31 to 211B.36 does not apply to violations of this section.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to crimes committed on or after that date.

Sec. 112. Minnesota Statutes 2022, section 211B.11, subdivision 1, is amended to read:

Subdivision 1. **Soliciting near polling places.** (a) A person may not display campaign material, post signs, must not ask, solicit, or in any manner try to induce or persuade a voter to vote for or refrain from voting for a candidate or ballot question (1) within a polling place or, (2) within 100 feet of the building in which a polling place is situated, or (3) anywhere on the public property on which a polling place is situated, on primary or election day to vote for or refrain from voting for a candidate or ballot question.

A person may not provide political badges, political buttons, or other political insignia to be worn at or about the polling place on the day of a primary or election. A political badge, political button, or other political insignia may not be worn at or about the polling place on primary or election day. (b) During voting hours throughout the absentee voting period and on the day of an election, a person must not wear, exhibit, or distribute in a polling place, or within 100 feet of a building where a polling place is located, any item that displays:

(1) the name, likeness, logo, or slogan of a candidate who appears on the ballot;

(2) the number, title, subject, slogan, or logo of a ballot question that appears on the ballot; or

(3) the name, likeness, logo, or slogan of a political party represented by a candidate on the ballot.

For purposes of this paragraph, "item" includes pamphlets, advertisements, flyers, signs, banners, stickers, buttons, badges, pencils, pens, shirts, hats, or any similar item.

(c) This section applies to areas established by the county auditor or municipal clerk for absentee or early voting as provided in chapter 203B.

(d) This section applies only during the hours in which a polling place is open for voting.

(e) Nothing in this subdivision prohibits the distribution of "I VOTED" stickers as provided in section 204B.49.

Sec. 113. Minnesota Statutes 2022, section 211B.15, subdivision 8, is amended to read:

Subd. 8. **Permitted activity; political party.** It is not a violation of this section for a political party, as defined in section 200.02, subdivision 7~~6~~, to form a nonprofit corporation for the sole purpose of holding real property to be used exclusively as the party's headquarters.

Sec. 114. Minnesota Statutes 2022, section 211B.20, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** (a) It is unlawful for a person, either directly or indirectly, to deny access to an apartment house, dormitory, nursing home, manufactured home park, other multiple unit facility used as a residence, or an area in which two or more single-family dwellings are located on private roadways to a candidate who has:

(1) organized a campaign committee under applicable federal or state law;

(2) filed a financial report as required by section 211A.02; or

(3) filed an affidavit of candidacy for elected office.

A candidate granted access under this section must be allowed to be accompanied by campaign volunteers.

(b) Access to a facility or area is only required if it is located within the district or territory that will be represented by the office to which the candidate seeks election, and the candidate and any accompanying campaign volunteers seek access exclusively for the purpose of campaigning for a candidate or registering voters. The candidate must be seeking election to office at the next general or special election to be held for that office.

(c) A candidate and any accompanying campaign volunteers granted access under this section must be permitted to knock on the doors of individual units to speak with residents, and to leave campaign materials for residents at their doors, except that the manager of a nursing home may direct that the campaign materials be left at a central location within the facility. The campaign materials must be left in an orderly manner.

(d) If a facility or area contains multiple buildings, a candidate and accompanying volunteers must be permitted to access more than one building on a single visit, but access is limited to only one building at a time. If multiple candidates are traveling together, each candidate and that candidate's accompanying volunteers is limited to one building at a time, but all of the candidates and accompanying volunteers traveling together must not be restricted to accessing the same building at the same time.

(e) A violation of this section is a petty misdemeanor.

Sec. 115. Minnesota Statutes 2022, section 211B.32, subdivision 1, is amended to read:

Subdivision 1. **Administrative remedy; exhaustion.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), a complaint alleging a violation of chapter 211A or 211B must be filed with the office. The complaint must be finally disposed of by the office before the alleged violation may be prosecuted by a county attorney.

(b) Complaints arising under those sections and related to those individuals and associations specified in section 10A.022, subdivision 3, must be filed with the Campaign Finance and Public Disclosure Board.

(c) Violations of section 211B.076 may only be enforced as provided in that section.

Sec. 116. Minnesota Statutes 2022, section 367.03, subdivision 6, is amended to read:

Subd. 6. **Vacancies.** (a) When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. Except as provided in paragraph (b), the person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term.

(b) When a vacancy occurs in a town office:

(1) with more than one year remaining in the term; and

(2) on or after the 14th day before the first day to file an affidavit of candidacy for the town election;

the vacancy must be filled by appointment. The person appointed serves until the next annual town election following the election for which affidavits of candidacy are to be filed, when a successor shall be elected for the unexpired term.

(c) A vacancy in the office of supervisor must be filled by an appointment committee comprised of the remaining supervisors and the town clerk.

(d) Any person appointed to fill the vacancy in the office of supervisor must, upon assuming the office, be an eligible voter, be 21 years of age, and have ~~resided~~ maintained residence in the town for at least 30 days.

(e) When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled.

(f) When, for any reason, the town board or the appointment committee fails to fill a vacancy in the position of an elected town officer by appointment, a special election may be called. To call a special election, the supervisors and town clerk, or any two of them together with at least 12 other town freeholders, must file a statement in the town clerk's office. The statement must tell why the election is called and that the interests of the town require the election. When the town board or the appointment committee fails to fill a vacancy by appointment, a special town election may also be called on petition of 20 percent of the electors of the town. The percentage is of the number of voters at the last general election. A special town election must be conducted in the manner required for the annual town election.

(g) Law enforcement vacancies must be filled by appointment by the town board.

Sec. 117. Minnesota Statutes 2022, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate ~~resides~~ maintains residence. The affidavit of candidacy must be filed with the city or town clerk not more than 98 days nor less than 84 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 118. **REPEALER.**

Subdivision 1. **Caucus participation.** Minnesota Statutes 2022, section 202A.16, is repealed.

Subd. 2. **Ballot order; partisan candidates.** Minnesota Statutes 2022, sections 204D.04, subdivision 1; and 204D.13, subdivisions 2 and 3, are repealed.

Subd. 3. **Absentee voting.** Minnesota Statutes 2022, section 203B.081, subdivision 2, is repealed effective June 1, 2023.

Sec. 119. **EARLY VOTING CERTIFICATION.**

The secretary of state must certify to the revisor of statutes that the statewide voter registration system has been tested and shown to properly allow for tracking of the information required to conduct early voting and can handle the expected volume of use. As used in this article, "early voting certification" means the certification required by this section.

ARTICLE 6
CAMPAIGN FINANCE

Section 1. Minnesota Statutes 2022, section 10A.01, subdivision 5, is amended to read:

Subd. 5. **Associated business.** "Associated business" means an association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual or the individual's spouse receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer or employee, or whose securities the individual or the individual's spouse holds worth more than \$10,000 at fair market value.

Sec. 2. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 12a. **Designated lobbyist.** "Designated lobbyist" means the lobbyist responsible for reporting the lobbying disbursements and activity of the entity the lobbyist represents.

Sec. 3. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 17d. **General lobbying category.** "General lobbying category" means an area of interest for lobbying for an entity that is on a list of categories specified by the board.

Sec. 4. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 19a. **Legislative action.** "Legislative action" means any of the following:

(1) the development of prospective legislation, including the development of amendment language to prospective legislation;

(2) the review, modification, adoption, or rejection by a member of the legislature or an employee of the legislature, if applicable, of any (i) bill, (ii) amendment, (iii) resolution, (iv) confirmation considered by the legislature, or (v) report;

(3) the development of, in conjunction with a constitutional officer, prospective legislation or a request for support or opposition to introduced legislation; and

(4) the action of the governor in approving or vetoing any act of the legislature or portion of an act of the legislature.

Sec. 5. Minnesota Statutes 2022, section 10A.01, subdivision 21, is amended to read:

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year:

(i) for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials; or

(ii) from a business whose primary source of revenue is derived from facilitating government relations or government affairs services ~~between two third parties~~ if the individual's job duties include offering direct or indirect consulting or advice that helps the business provide those services to clients; or

(2) who spends more than ~~\$250~~ \$3,000 of the individual's personal funds, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, by communicating or urging others to communicate with public or local officials.

(b) "Lobbyist" does not include:

(1) a public official;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official;

(4) a nonelected local official or an employee of a political subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision other than the political subdivision employing the official or employee, by communicating or urging others to communicate with public or local officials, including time spent monitoring legislative or administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision, and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state, or to the policies of ~~metropolitan governmental units~~ political subdivisions;

(5) a party or the party's representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(6) an individual while engaged in selling goods or services to be paid for by public funds;

(7) a news medium or its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony; or

(9) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

(c) An individual who volunteers personal time to work without pay or other consideration on a lobbying campaign, and who does not spend more than the limit in paragraph (a), clause (2), need not register as a lobbyist.

(d) An individual who provides administrative support to a lobbyist and whose salary and administrative expenses attributable to lobbying activities are reported as lobbying expenses by the lobbyist, but who does not communicate or urge others to communicate with public or local officials, need not register as a lobbyist.

Sec. 6. Minnesota Statutes 2022, section 10A.01, subdivision 26, is amended to read:

Subd. 26. **Noncampaign disbursement.** (a) "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, or a donation in kind received, by a principal campaign committee for any of the following purposes:

(1) payment for accounting and legal services;

(2) return of a contribution to the source;

(3) repayment of a loan made to the principal campaign committee by that committee;

- (4) return of a public subsidy;
- (5) payment for food, beverages, and necessary utensils and supplies, entertainment, and facility rental for a fundraising event;
- (6) services for a constituent by a member of the legislature or a constitutional officer in the executive branch as provided in section 10A.173, subdivision 1;
- (7) payment for food and beverages consumed by a candidate or volunteers while they are engaged in campaign activities;
- (8) payment for food or a beverage consumed while attending a reception or meeting directly related to legislative duties;
- (9) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;
- (10) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;
- (11) costs of child care for the candidate's children when campaigning;
- (12) fees paid to attend a campaign school;
- (13) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;
- (14) interest on loans paid by a principal campaign committee on outstanding loans;
- (15) filing fees;
- (16) post-general election holiday or seasonal cards, thank-you notes, or advertisements in the news media mailed or published prior to the end of the election cycle;
- (17) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;
- (18) contributions to a party unit;
- (19) payments for funeral gifts or memorials;
- (20) the cost of a magnet less than six inches in diameter containing legislator contact information and distributed to constituents;
- (21) costs associated with a candidate attending a political party state or national convention in this state;
- (22) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question;
- (23) costs paid to a third party for processing contributions made by a credit card, debit card, or electronic check;
- (24) a contribution to a fund established to support a candidate's participation in a recount of ballots affecting that candidate's election;

(25) costs paid by a candidate's principal campaign committee for a single reception given in honor of the candidate's retirement from public office after the filing period for affidavits of candidacy for that office has closed;

(26) a donation from a terminating principal campaign committee to the state general fund;

(27) a donation from a terminating principal campaign committee to a county obligated to incur special election expenses due to that candidate's resignation from state office; ~~and~~

(28) during a period starting January 1 in the year following a general election and ending on December 31 of the year of general election, total payments of up to \$3,000 for security expenses for a candidate, including home security hardware, maintenance of home security hardware, identity theft monitoring services, and credit monitoring services;

(29) costs to support a candidate's principal campaign committee's participation in a recount of ballots affecting that candidate's election;

(30) costs of running a transition office for a winning state constitutional office candidate during the first three months after election; and

(31) costs paid to repair or replace campaign property that is documented to have been lost, damaged, or stolen, including but not limited to campaign lawn signs.

(b) The board must determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

(c) A noncampaign disbursement is considered to be made in the year in which the candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.

Sec. 7. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 26b. **Official action of a political subdivision.** "Official action of a political subdivision" means any action that requires a vote or approval by one or more elected local officials while acting in their official capacity; or an action by an appointed or employed local official to make, to recommend, or to vote on as a member of the governing body, major decisions regarding the expenditure or investment of public money.

Sec. 8. Minnesota Statutes 2022, section 10A.01, subdivision 30, is amended to read:

Subd. 30. **Political party unit or party unit.** "Political party unit" or "party unit" means the state committee or the party organization within a house of the legislature, ~~congressional district, county, legislative district, municipality, or precinct~~ or any other party organization designated by the chair of the political party in an annual certification of party units provided to the board.

Sec. 9. Minnesota Statutes 2022, section 10A.01, is amended by adding a subdivision to read:

Subd. 35c. **Specific subject of interest.** "Specific subject of interest" means a particular topic or area of lobbying interest within a general lobbying category.

Sec. 10. Minnesota Statutes 2022, section 10A.022, subdivision 3, is amended to read:

Subd. 3. **Investigation authority; complaint process.** (a) The board may investigate any alleged or potential violation of this chapter. The board may also investigate an alleged or potential violation of section 211B.04, 211B.12, or 211B.15 by or related to a candidate, treasurer, principal campaign committee, political committee, political fund, or party unit, as those terms are defined in this chapter. The board may only investigate an alleged violation if the board:

- (1) receives a written complaint alleging a violation;
- (2) discovers a potential violation as a result of an audit conducted by the board; or
- (3) discovers a potential violation as a result of a staff review.

(b) When the board investigates the allegations made in a written complaint and the investigation reveals other potential violations that were not included in the complaint, the board may investigate the potential violations not alleged in the complaint only after making a determination under paragraph (d) that probable cause exists to believe a violation that warrants a formal investigation has occurred.

(c) Upon receipt of a written complaint filed with the board, the board chair or another board member designated by the chair shall promptly make a determination as to whether the complaint alleges a prima facie violation. If a determination is made that the complaint does not allege a prima facie violation, the complaint shall be dismissed without prejudice and the complainant and the subject of the complaint must be promptly notified of the reasons the complaint did not allege a prima facie violation. The notice to the subject of the complaint must include a copy of the complaint. If the complainant files a revised complaint regarding the same facts and the same subject, the prima facie determination must be completed by a board member other than the member who made the initial determination and who does not support the same political party as the member who made the initial determination. The chair may order that the prima facie determination for any complaint be made by the full board and must order that the prima facie determination for a complaint being submitted for the third time be made by the full board.

(d) If a determination is made that the complaint alleges a prima facie violation, the board shall, within ~~45~~ 60 days of the prima facie determination, make findings and conclusions as to whether probable cause exists to believe the alleged violation that warrants a formal investigation has occurred. Any party filing a complaint and any party against whom a complaint is filed must be given an opportunity to be heard by the board prior to the board's determination as to whether probable cause exists to believe a violation that warrants a formal investigation has occurred.

(e) Upon a determination by the board that probable cause exists to believe a violation that warrants a formal investigation has occurred, the board must undertake an investigation under subdivision 2 and must issue an order at the conclusion of the investigation, except that if the complaint alleges a violation of section 10A.25 or 10A.27, the board must either enter a conciliation agreement or make public findings and conclusions as to whether a violation has occurred and must issue an order within 60 days after the probable cause determination has been made. Prior to making findings and conclusions in an investigation, the board must offer the subject of the complaint an opportunity to answer the allegations of the complaint in writing and to appear before the board to address the matter. The deadline for action on a written complaint, including but not limited to issuance of a probable cause determination in accordance with paragraph (d), entering into a conciliation agreement, or issuance of public findings may be extended by majority vote of the board.

Sec. 11. Minnesota Statutes 2022, section 10A.025, subdivision 4, is amended to read:

Subd. 4. **Changes and corrections.** Material changes in information previously submitted and corrections to a report or statement must be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction must identify the form and the paragraph containing the information to be changed or corrected. A request from the board to a lobbyist to provide more detailed information about a specific subject of interest disclosed on a lobbyist disbursement report is a change or correction governed by this subdivision.

A person who willfully fails to report a material change or correction is subject to a civil penalty imposed by the board of up to \$3,000. A willful violation of this subdivision is a gross misdemeanor.

The board must send a written notice to any individual who fails to file a report required by this subdivision. If the individual fails to file the required report within ten business days after the notice was sent, the board may impose a late filing fee of \$25 per day up to \$1,000 starting on the 11th day after the notice was sent. The board may send an additional notice by certified mail to an individual who fails to file a report within ten business days after the first notice was sent by the board. The certified notice must state that if the individual does not file the requested report within ten business days after the certified notice was sent, the individual may be subject to a civil penalty for failure to file a report. An individual who fails to file a report required by this subdivision within ten business days after the certified notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 12. Minnesota Statutes 2022, section 10A.03, subdivision 2, is amended to read:

Subd. 2. **Form.** The board must prescribe a registration form, which must include:

- (1) the name, address, and email address of the lobbyist;
- (2) the principal place of business of the lobbyist;
- (3) the name and address of each individual, association, political subdivision, or public higher education system, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears;
- (4) the website address of each association, political subdivision, or public higher education system identified under clause (3), if the entity maintains a website; ~~and~~
- (5) ~~a the general description of the subject or subjects~~ lobbying categories on which the lobbyist expects to lobby; on behalf of a represented entity; and
- (6) if the lobbyist lobbies on behalf of an association, ~~the registration form must include~~ the name and address of the officers and directors of the association.

Sec. 13. Minnesota Statutes 2022, section 10A.03, is amended by adding a subdivision to read:

Subd. 6. General lobbying categories and specific subjects of interest. A list of general lobbying categories and specific subjects of interest must be specified by the board and updated periodically based on public comment and information provided by lobbyists. The board must publish on its website the current list of general lobbying categories and specific subjects of interest. Chapter 14 and section 14.386 do not apply to the specification, publication, or periodic updates of the list of general lobbying categories and specific subjects of interest.

Sec. 14. Minnesota Statutes 2022, section 10A.04, subdivision 3, is amended to read:

Subd. 3. **Information to lobbyist.** An ~~employer or employee about~~ entity or lobbyist whose activities ~~are reported to the board by another~~ lobbyist is required to ~~report must~~ provide the information required by subdivision 4 to the lobbyist no later than five days before the prescribed filing date.

Sec. 15. Minnesota Statutes 2022, section 10A.04, subdivision 4, is amended to read:

Subd. 4. **Content.** (a) A report under this section must include information the board requires from the registration form and the information required by this subdivision for the reporting period.

(b) A lobbyist must report the specific subjects of interest for an entity represented by the lobbyist on each report submitted under this section. A lobbyist must describe a specific subject of interest in the report with enough information to show the particular issue of importance to the entity represented.

~~(b) (c)~~ A lobbyist must report ~~the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses. every state agency that had administrative action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each administrative action and the revisor rule draft number assigned to the administrative rulemaking.~~

~~(d)~~ A lobbyist must report every political subdivision that considered official action that the represented entity sought to influence during the reporting period. The lobbyist must report the specific subjects of interest for each action.

~~(e)~~ A lobbyist must report general lobbying categories and up to four specific subjects of interest related to each general lobbying category on which the lobbyist attempted to influence legislative action during the reporting period. If the lobbyist attempted to influence legislative action on more than four specific subjects of interest for a general lobbying category, the lobbyist, in consultation with the represented entity, must determine which four specific subjects of interest were the entity's highest priorities during the reporting period and report only those four subjects.

~~(f)~~ A lobbyist must report the Public Utilities Commission project name for each rate setting, power plant and powerline siting, or granting of certification of need before the Public Utilities Commission that the represented entity sought to influence during the reporting period.

~~(g)~~ A lobbyist must report the amount and nature of each gift, item, or benefit, excluding contributions to a candidate, equal in value to \$5 or more, given or paid to any official, as defined in section 10A.071, subdivision 1, by the lobbyist or an employer or employee of the lobbyist. The list must include the name and address of each official to whom the gift, item, or benefit was given or paid and the date it was given or paid.

~~(h)~~ A lobbyist must report each original source of money in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision. The list must include the name, address, and employer, or, if self-employed, the occupation and principal place of business, of each payer of money in excess of \$500.

~~(i)~~ On the each report due June 15, the a lobbyist must provide a disclose the general description of the subjects lobbying categories that were lobbied on in the previous 12 months reporting period.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 10A.04, subdivision 6, is amended to read:

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) ~~Except as provided in paragraph (d),~~ The principal must report the total amount, rounded to the nearest \$20,000 ~~\$10,000,~~ spent by the principal during the preceding calendar year ~~to influence legislative action, administrative action, and the official action of metropolitan governmental units.~~ on each type of lobbying listed below:

(1) lobbying to influence legislative action;

(2) lobbying to influence administrative action, other than lobbying described in clause (3);

(3) lobbying to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243; and

(4) lobbying to influence official action of a political subdivision.

~~(c) Except as provided in paragraph (d),~~ For each type of lobbying listed in paragraph (b), the principal must report under this subdivision a total amount that includes:

(1) the portion of all direct payments for compensation and benefits paid by the principal to lobbyists in this state for that type of lobbying;

(2) the portion of all expenditures for advertising, mailing, research, consulting, surveys, expert testimony, studies, reports, analysis, compilation and dissemination of information, social media and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units, and legal counsel used to support that type of lobbying in this state; and

(3) a reasonable good faith estimate of the portion of all salaries and administrative overhead expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units for that type of lobbying in this state.

~~(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).~~

(d) The principal must report disbursements made and obligations incurred that exceed \$2,000 for paid advertising used for the purpose of urging members of the public to contact public or local officials to influence official actions during the reporting period. Paid advertising includes the cost to boost the distribution of an advertisement on social media. The report must provide the date that the advertising was purchased, the name and address of the vendor, a description of the advertising purchased, and any specific subjects of interest addressed by the advertisement.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 17. Minnesota Statutes 2022, section 10A.04, subdivision 9, is amended to read:

Subd. 9. **Reporting by multiple lobbyists representing the same entity.** Clauses (1) to (6) apply when a single individual, association, political subdivision, or public higher education system is represented by more than one lobbyist.

(1) The entity must appoint one designated lobbyist to report lobbyist disbursements made by the entity. An entity represented by more than one lobbyist may only have one designated lobbyist at any given time. The designated lobbyist must indicate that status on the periodic reports of lobbyist disbursements.

(2) A reporting lobbyist may consent to report on behalf of one or more other lobbyists for the same entity, in which case, the other lobbyists are persons whose activities the reporting lobbyist must disclose and are subject to the disclosure requirements of subdivision 3. Lobbyist disbursement reports filed by a reporting lobbyist must include the names and registration numbers of the other lobbyists whose activities are included in the report.

(3) Lobbyists whose activities are accounted for by a reporting lobbyist are not required to file lobbyist disbursement reports.

(4) A lobbyist whose lobbying disbursements are provided to the board through a reporting lobbyist must supply all relevant information on disbursements to the reporting lobbyist no later than five days before the prescribed filing date.

(5) The reporting periods and due dates for a reporting lobbyist are those provided in subdivision 2. The late filing provisions in subdivision 5 apply to reports required by this subdivision.

(6) The reporting lobbyist must indicate the names and registration numbers of any lobbyists who did not provide their lobbying disbursements for inclusion in a report. The late filing provisions in subdivision 5 apply to lobbyists who fail to report information to the reporting lobbyist.

Sec. 18. Minnesota Statutes 2022, section 10A.05, is amended to read:

10A.05 LOBBYIST REPORT.

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board must publish the names of the lobbyists registered who were not previously reported, the names of the individuals, associations, political subdivisions, or public higher education systems whom they represent as lobbyists, the subject or subjects on which they are lobbying, and whether in each case they lobby to influence legislative action, administrative action, or the official action of a ~~metropolitan governmental unit~~ political subdivision.

Sec. 19. Minnesota Statutes 2022, section 10A.06, is amended to read:

10A.06 CONTINGENT FEES PROHIBITED.

No person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislative or administrative action, or of the official action of a ~~metropolitan governmental unit~~ political subdivision. A person who violates this section is guilty of a gross misdemeanor.

Sec. 20. Minnesota Statutes 2022, section 10A.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Gift" means money, real or personal property, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given and received without the giver receiving consideration of equal or greater value in return.

(c) "Official" means a public official, an employee of the legislature, or a local official ~~of a metropolitan governmental unit~~.

(d) "Plaque" means a decorative item with an inscription recognizing an individual for an accomplishment.

Sec. 21. Minnesota Statutes 2022, section 10A.09, subdivision 5, is amended to read:

Subd. 5. **Form; general requirements.** (a) A statement of economic interest required by this section must be on a form prescribed by the board. Except as provided in subdivision 5b, the individual filing must provide the following information:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of the name of each associated business and the nature of that association;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or (ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located;

(5) a listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a racehorse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest;

(6) a listing of the principal business or professional activity category of each business from which the individual or the individual's spouse receives more than \$250 in any month during the reporting period as an employee, if the individual or the individual's spouse has an ownership interest of 25 percent or more in the business;

(7) a listing of each principal business or professional activity category from which the individual or the individual's spouse received compensation of more than \$2,500 in the past 12 months as an independent contractor; ~~and~~

(8) a listing of the full name of each security with a value of more than \$10,000 owned in part or in full by the individual or the individual's spouse, at any time during the reporting period; and

(9) a listing of any contract, professional license, lease, or franchise that:

(i) is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(b) The business or professional categories for purposes of paragraph (a), clauses (6) and (7), must be the general topic headings used by the federal Internal Revenue Service for purposes of reporting self-employment income on Schedule C. This paragraph does not require an individual to report any specific code number from that schedule. Any additional principal business or professional activity category may only be adopted if the category is enacted by law.

(c) For the purpose of calculating the amount of compensation received from any single source in a single month, the amount shall include the total amount received from the source during the month, whether or not the amount covers compensation for more than one month.

(d) For the purpose of determining the value of an individual's interest in real property, the value of the property is the market value shown on the property tax statement.

(e) For the purpose of this section, "date of appointment" means the effective date of appointment to a position.

(f) For the purpose of this section, "accepting employment as a public official" means the effective date of the appointment to the position, as stated in the appointing authority's notice to the board.

(g) The listings required in paragraph (a), clauses (3) to (9), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

Sec. 22. Minnesota Statutes 2022, section 10A.09, is amended by adding a subdivision to read:

Subd. 5b. Form; exceptions for certain officials. (a) This subdivision applies to the following individuals:

(1) a supervisor of a soil and water conservation district;

(2) a manager of a watershed district; and

(3) a member of a watershed management organization as defined under section 103B.205, subdivision 13.

(b) Notwithstanding subdivision 5, paragraph (a), an individual listed in paragraph (a), must provide only the information listed below on a statement of economic interest:

(1) the individual's name, address, occupation, and principal place of business;

(2) a listing of any association, corporation, partnership, limited liability company, limited liability partnership, or other organized legal entity from which the individual receives compensation in excess of \$250, except for actual and reasonable expenses, in any month during the reporting period as a director, officer, owner, member, partner, employer, or employee;

(3) a listing of all real property within the state, excluding homestead property, in which the individual or the individual's spouse holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the interest is valued in excess of \$2,500; or

(ii) an option to buy, if the property has a fair market value of more than \$50,000;

(4) a listing of all real property within the state in which a partnership of which the individual or the individual's spouse is a member holds:

(i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500; or

(ii) an option to buy, if the property has a fair market value of more than \$50,000. A listing under this clause or clause (3) must indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county in which the property is located; and

(5) a listing of any contract, professional license, lease, or franchise that meets the following criteria:

(i) it is held by the individual or the individual's spouse or any business in which the individual has an ownership interest of 25 percent or more; and

(ii) it is entered into with, or issued by, the government agency on which the individual serves as a public or local official.

(c) The listings required in paragraph (b), clauses (3) to (5), must not identify whether the individual or the individual's spouse is associated with or owns the listed item.

(d) If an individual listed in paragraph (a) also holds a public official position that is not listed in paragraph (a), the individual must file a statement of economic interest that includes the information specified in subdivision 5, paragraph (a).

Sec. 23. Minnesota Statutes 2022, section 10A.121, subdivision 1, is amended to read:

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or fund, or a ballot question political committee or fund, may:

(1) pay costs associated with its fundraising and general operations;

(2) pay for communications that do not constitute contributions or approved expenditures;

(3) make contributions to independent expenditure or ballot question political committees or funds;

(4) make independent expenditures;

(5) make expenditures to promote or defeat ballot questions;

(6) return a contribution to its source;

(7) for a political fund, record bookkeeping entries transferring the association's general treasury money allocated for political purposes back to the general treasury of the association; ~~and~~

(8) for a political fund, return general treasury money transferred to a separate depository to the general depository of the association; ~~and~~

(9) make disbursements for electioneering communications.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 24. Minnesota Statutes 2022, section 10A.121, subdivision 2, is amended to read:

Subd. 2. **Penalty.** (a) An independent expenditure political committee ~~or~~ independent expenditure political fund, ballot question political committee, or ballot question political fund is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

(1) makes a contribution to a candidate, local candidate, party unit, political committee, or political fund other than an independent expenditure political committee ~~or~~ an independent expenditure political fund, ballot question political committee, or ballot question political fund; or

(2) makes an approved expenditure.

(b) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section.

Sec. 25. Minnesota Statutes 2022, section 10A.15, subdivision 5, is amended to read:

Subd. 5. **Registration number on checks.** A contribution made to a candidate or local candidate by a lobbyist, political committee, political fund, or party unit must show the name of the lobbyist, political committee, political fund, or party unit and the number under which it is registered with the board.

Sec. 26. Minnesota Statutes 2022, section 10A.15, is amended by adding a subdivision to read:

Subd. 8. **Virtual currency contributions.** (a) A principal campaign committee, political committee, political fund, or party unit may accept a donation in kind in the form of virtual currency. The value of donated virtual currency is its fair market value at the time it is donated. The recipient of a virtual currency contribution must sell the virtual currency in exchange for United States currency within five business days after receipt.

(b) Any increase in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as a receipt that is not a contribution pursuant to section 10A.20, subdivision 3. Any decrease in the value of donated virtual currency after its donation, but before its conversion to United States currency, must be reported as an expenditure pursuant to section 10A.20, subdivision 3.

(c) A principal campaign committee, political committee, political fund, or party unit may not purchase goods or services with virtual currency.

Sec. 27. Minnesota Statutes 2022, section 10A.20, subdivision 2a, is amended to read:

Subd. 2a. **Local election reports.** (a) This subdivision applies to a political committee, political fund, or political party unit that during a non-general election year:

- (1) spends in aggregate more than \$200 to influence the nomination or election of local candidates;
- (2) spends in aggregate more than \$200 to make independent expenditures on behalf of local candidates; or
- (3) spends in aggregate more than \$200 to promote or defeat ballot questions defined in section 10A.01, subdivision 7, clause (2), (3), or (4).

(b) In addition to the reports required by subdivision 2, the entities listed in paragraph (a) must file the following reports in each non-general election year:

- (1) a first-quarter report covering the calendar year through March 31, which is due April 14;
- (2) a report covering the calendar year through May 31, which is due June 14;
- (3) a pre-primary-election report due 15 days before the local primary election date specified in section 205.065;
- (4) a pre-general-election report due 42 days before the local general election; and
- (5) a pre-general-election report due ten days before a local general election.

The reporting obligations in this paragraph begin with the first report due after the reporting period in which the entity reaches the spending threshold specified in paragraph (a). The pre-primary report required under clause (3) is required for all entities required to report under paragraph (a), regardless of whether the candidate or issue is on the primary ballot.

Sec. 28. Minnesota Statutes 2022, section 10A.20, subdivision 5, is amended to read:

Subd. 5. **Pre-election reports.** (a) Any loan, contribution, or contributions:

- (1) to a political committee or political fund from any one source totaling more than \$1,000;
- (2) to the principal campaign committee of a candidate for an appellate court judicial office totaling more than \$2,000;
- (3) to the principal campaign committee of a candidate for district court judge totaling more than \$400; or
- (4) to the principal campaign committee of a candidate for constitutional office or for the legislature totaling more than 50 percent of the election segment contribution limit for the office,

received between the last day covered in the last report before an election and the election must be reported to the board in the manner provided in paragraph (b).

(b) A loan, contribution, or contributions required to be reported to the board under paragraph (a) must be reported to the board either:

- (1) in person by the end of the next business day after its receipt; or
- (2) by electronic means sent ~~within 24 hours after its receipt~~ by the end of the next business day after its receipt.

(c) These loans and contributions must also be reported in the next required report.

(d) This notice requirement does not apply in a primary election to a candidate who is unopposed in the primary, in a primary election to a ballot question political committee or fund, or in a general election to a candidate whose name is not on the general election ballot. The board must post the report on its website by the end of the next business day after it is received.

(e) This subdivision does not apply to a ballot question or independent expenditure political committee or fund that has not met the registration threshold of section 10A.14, subdivision 1a. However, if a contribution that would be subject to this section triggers the registration requirement in section 10A.14, subdivision 1a, then both registration under that section and reporting under this section are required.

Sec. 29. Minnesota Statutes 2022, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; late fees; penalty.** (a) If an individual or association fails to file a report required by this section or section 10A.202, the board may impose a late filing fee and a civil penalty as provided in this subdivision.

(b) If an individual or association fails to file a report required by this section that is due January 31, the board may impose a late filing fee of \$25 per day, not to exceed \$1,000, commencing the day after the report was due.

(c) If an individual or association fails to file a report required by this section that is due before a primary or general election, subdivision 2, 2a, or 5, or by section 10A.202, the board may impose a late filing fee of \$50 per day, not to exceed \$1,000, commencing on the day after the date the statement was due, provided that if the total receipts received during the reporting period or total expenditure reportable under section 10A.202 exceeds \$25,000, then the board may impose a late filing fee of up to two percent of the amount that should have been reported, per day, commencing on the day after the report was due, not to exceed 100 percent of the amount that should have been reported.

(d) If an individual or association has been assessed a late filing fee or civil penalty under this subdivision during the prior four years, the board may impose a late filing fee, a civil penalty, or both, of up to twice the amount otherwise authorized by this subdivision.

(e) Within ten business days after the report was due or receipt by the board of information disclosing the potential failure to file, the board must send notice by certified mail to an individual who fails to file a report within ten business days after the report was due that the individual or association may be subject to a civil penalty for failure to file the report. An individual who fails to file the report within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to \$1,000 \$2,000 in addition to the late filing fees imposed by this subdivision.

Sec. 30. **[10A.201] ELECTIONEERING COMMUNICATIONS; DEFINITIONS.**

Subdivision 1. **Definitions.** The terms defined in this section apply to this section and to section 10A.202.

Subd. 2. **Broadcast, cable, or satellite communication.** "Broadcast, cable, or satellite communication" means a communication that is publicly distributed by a television station, radio station, cable television system, or satellite system.

Subd. 3. **Can be received by 10,000 or more individuals.** (a) "Can be received by 10,000 or more individuals" means:

(1) in the case of a communication transmitted by an FM radio broadcast station or network, where the district lies entirely within the station's or network's protected or primary service contour, that the population of the district is 10,000 or more;

(2) in the case of a communication transmitted by an FM radio broadcast station or network, where a portion of the district lies outside of the protected or primary service contour, that the population of the part of the district lying within the station's or network's protected or primary service contour is 10,000 or more;

(3) in the case of a communication transmitted by an AM radio broadcast station or network, where the district lies entirely within the station's or network's most outward service area, that the population of the district is 10,000 or more;

(4) in the case of a communication transmitted by an AM radio broadcast station or network, where a portion of the district lies outside of the station's or network's most outward service area, that the population of the part of the district lying within the station's or network's most outward service area is 10,000 or more;

(5) in the case of a communication appearing on a television broadcast station or network, where the district lies entirely within the station's or network's Grade B broadcast contour, that the population of the district is 10,000 or more;

(6) in the case of a communication appearing on a television broadcast station or network, where a portion of the district lies outside of the Grade B broadcast contour:

(i) that the population of the part of the district lying within the station's or network's Grade B broadcast contour is 10,000 or more; or

(ii) that the population of the part of the district lying within the station's or network's broadcast contour, when combined with the viewership of that television station or network by cable and satellite subscribers within the district lying outside the broadcast contour, is 10,000 or more;

(7) in the case of a communication appearing exclusively on a cable or satellite television system, but not on a broadcast station or network, that the viewership of the cable system or satellite system lying within a district is 10,000 or more; or

(8) in the case of a communication appearing on a cable television network, that the total cable and satellite viewership within a district is 10,000 or more.

(b) Cable or satellite television viewership is determined by multiplying the number of subscribers within a district, or a part thereof, as appropriate, by the current national average household size, as determined by the Bureau of the Census.

(c) A determination that a communication can be received by 10,000 or more individuals based on the application of the formula in this section shall create a rebuttable presumption that may be overcome by demonstrating that:

(1) one or more cable or satellite systems did not carry the network on which the communication was publicly distributed at the time the communication was publicly distributed; and

(2) applying the formula to the remaining cable and satellite systems results in a determination that the cable network or systems upon which the communication was publicly distributed could not be received by 10,000 individuals or more.

Subd. 4. Direct costs of producing or airing electioneering communications. "Direct costs of producing or airing electioneering communications" means:

(1) costs charged by a vendor, including studio rental time, staff salaries, costs of video or audio recording media, and talent; and

(2) the cost of airtime on broadcast, cable, or satellite radio and television stations, studio time, material costs, and the charges for a broker to purchase the airtime.

Subd. 5. **Disclosure date.** "Disclosure date" means:

(1) the first date on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000; or

(2) any other date during the same calendar year on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000 since the most recent disclosure date during that calendar year.

Subd. 6. **Electioneering communication.** (a) "Electioneering communication" means any broadcast, cable, or satellite communication that:

(1) refers to a clearly identified candidate for state office;

(2) is publicly distributed within 60 days before a general election for the office sought by the candidate; or within 30 days before a primary election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate, and the candidate referenced is seeking the nomination of that political party; and

(3) is targeted to the relevant electorate, in the case of a candidate for senate, house of representatives, or other office elected by district.

(b) A communication is not an electioneering communication if it:

(1) is publicly disseminated through a means of communication other than a broadcast, cable, or satellite television or radio station;

(2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132(a) and (b);

(3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter;

(4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum; or

(5) is paid for by a candidate.

Subd. 7. **Identification.** "Identification" means, in the case of an individual, the individual's full name, including first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of the individual's employer; and, in the case of a person who is not an individual, the person's name and principal place of business.

Subd. 8. **Individuals sharing or exercising direction or control.** "Individuals sharing or exercising direction or control" means officers, directors, executive directors or the equivalent, partners, and in the case of unincorporated organizations, owners, of the entity or person making the disbursement for the electioneering communication.

Subd. 9. Publicly distributed. "Publicly distributed" means aired, broadcast, cablecast, or otherwise disseminated through the facilities of a television station, radio station, cable television system, or satellite system.

Subd. 10. Refers to a clearly identified candidate. "Refers to a clearly identified candidate" means that the candidate's name, nickname, photograph, or drawing appears, or the identity of the candidate is otherwise apparent through an unambiguous reference such as "the governor," "your legislator," or "the incumbent," or through an unambiguous reference to the candidate's status as a candidate such as "the [political party] gubernatorial nominee" or "the [political party] candidate for senate."

Subd. 11. Targeted to the relevant electorate. "Targeted to the relevant electorate" means the communication can be received by 10,000 or more individuals:

(1) in the district the candidate seeks to represent, in the case of a candidate for representative, senator, or other office represented by district; or

(2) in the entire state, if the candidate seeks a statewide office.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 31. **[10A.202] ELECTIONEERING COMMUNICATION; REPORTING REQUIREMENTS.**

Subdivision 1. Reports required. Any person who has made an electioneering communication, as defined in section 10A.201, aggregating in excess of \$10,000 during any calendar year shall file a statement with the board no later than 11:59 p.m. on the day following the disclosure date. The statement shall be filed under penalty of perjury, and must contain the information set forth in subdivision 2. Political committees that make a communication described in section 10A.201 must report the communication as a campaign expenditure or independent expenditure as otherwise provided by this chapter and are not required to file a report under this section.

Subd. 2. Content of report. A statement of electioneering communications required by this section shall disclose the following information:

(1) the identification of the person who made the disbursement or who executed a contract to make a disbursement and, if the person is not an individual, the person's principal place of business;

(2) the identification of any individual sharing or exercising direction or control over the activities of the person who made the disbursement or who executed a contract to make a disbursement;

(3) the identification of the custodian of the books and accounts from which the disbursements were made;

(4) the amount of each disbursement, or amount obligated, of more than \$200 during the period covered by the statement, the date the disbursement was made or the contract was executed, and the identification of the person to whom that disbursement was made;

(5) all clearly identified candidates referred to in the electioneering communication and the elections in which they are candidates;

(6) the disclosure date;

(7) if the disbursements were paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each donor who donated an amount aggregating \$1,000 or more to the segregated bank account, aggregating since the first day of the preceding calendar year;

(8) if the disbursements were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, and were not made by a corporation or labor organization, the name and address of each donor who donated an amount aggregating \$1,000 or more to the person making the disbursement, aggregating since the first day of the preceding calendar year; and

(9) if the disbursements were made by a corporation or labor organization and were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each person who made a donation aggregating \$1,000 or more to the corporation or labor organization, aggregating since the first day of the preceding calendar year, which was made for the purpose of furthering electioneering communications.

Subd. 3. **Recordkeeping.** All persons who make electioneering communications or who accept donations for the purpose of making electioneering communications must maintain records as necessary to comply with the requirements of this section.

Subd. 4. **Disclaimer required.** An electioneering communication must include a disclaimer in the same manner as required for campaign material under section 211B.04, subdivision 1, paragraph (c).

Subd. 5. **Late fees; failure to file; penalties.** A person who fails to file a report required by this section is subject to the late fees and penalties provided in section 10A.20, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 32. Minnesota Statutes 2022, section 10A.244, is amended to read:

10A.244 VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.

Subdivision 1. **Election of voluntary inactive status.** An association that has a political fund registered under this chapter may elect to have the fund placed on voluntary inactive status if the following conditions are met:

(1) the association makes a written request for inactive status;

(2) the association has filed all periodic reports required by this chapter and has received no contributions into its political fund and made no expenditures or disbursements, including disbursements for electioneering communications, through its political fund since the last date included on the association's most recent report; and

(3) the association has satisfied all obligations to the state for late filing fees and civil penalties imposed by the board or the board has waived this requirement.

Subd. 2. **Effect of voluntary inactive status.** After an association has complied with the requirements of subdivision 1:

(1) the board must notify the association that its political fund has been placed in voluntary inactive status and of the terms of this section;

(2) the board must stop sending the association reports, forms, and notices of report due dates that are periodically sent to entities registered with the board;

(3) the association is not required to file periodic disclosure reports for its political fund as otherwise required under this chapter;

(4) the association may not accept contributions into its political fund and may not make expenditures, contributions, or disbursements, including disbursements for electioneering communications, through its political fund; and

(5) if the association maintains a separate depository account for its political fund, it may continue to pay bank service charges and receive interest paid on that account while its political fund is in inactive status.

Subd. 3. **Resumption of active status or termination.** (a) An association that has placed its political fund in voluntary inactive status may resume active status upon written notice to the board.

(b) A political fund placed in voluntary inactive status must resume active status within 14 days of the date that it has accepted contributions or made expenditures, contributions, or disbursements, including disbursements for electioneering communications, that aggregate more than \$750 since the political fund was placed on inactive status. If, after meeting this threshold, the association does not notify the board that its fund has resumed active status, the board may place the association's political fund in active status and notify the association of the change in status.

(c) An association that has placed its political fund in voluntary inactive status may terminate the registration of the fund without returning it to active status.

Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an association fails to notify the board of its political fund's resumption of active status under subdivision 3, the board may impose a civil penalty of \$50 per day, not to exceed \$1,000 commencing on the 15th calendar day after the fund resumed active status.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 33. Minnesota Statutes 2022, section 10A.25, subdivision 3a, is amended to read:

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications. If the principal campaign committee of a candidate makes a contribution to an independent expenditure committee or independent expenditure fund on or after January 1 of the year the candidate's office will appear on the ballot, the independent expenditure committee or independent expenditure fund must not make an independent expenditure for that candidate.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 34. Minnesota Statutes 2022, section 10A.271, subdivision 1, is amended to read:

Subdivision 1. **Notice to contributors.** A political committee, political fund, political party unit, or principal campaign committee that raises funds through the sale of goods or services must disclose to potential customers that the proceeds from the purchase are a political contribution and to whom the contribution is made. If goods or services are sold in person, the notice may must be provided verbally at the time of purchase, or through the prominent display of a sign providing the notice in immediate proximity to within three feet of, and facing, the point of sale at the location where the goods or services are sold. If goods or services are sold using a website or other electronic means, the notice must be prominently displayed on the page used by potential customers to make a purchase or enter payment information.

Sec. 35. Minnesota Statutes 2022, section 10A.273, subdivision 1, is amended to read:

Subdivision 1. **Contributions during legislative session.** (a) A candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature, must not solicit or accept a contribution from a registered lobbyist, political committee, political fund, or an association not registered with the board during a regular session of the legislature.

(b) During a regular session of the legislature, a candidate for the legislature or for constitutional office, or the candidate's principal campaign committee, must not solicit contributions for or directly assist in the solicitation of contributions for a political party or party unit from a registered lobbyist, political committee, political fund, or an association not registered with the board.

~~(b)~~ (c) A registered lobbyist, political committee, political fund, or an association not registered with the board must not make a contribution to a candidate for the legislature or for constitutional office, the candidate's principal campaign committee, or a political committee or party unit established by all or a part of the party organization within a house of the legislature during a regular session of the legislature.

(d) Regardless of when made, a contribution made by a lobbyist, political committee, or political fund in order to attend an event that occurs during a regular session of the legislature and that is held by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a body of the legislature, is a violation of this section.

(e) Regardless of when made, a contribution from a lobbyist, political committee, or political fund for membership or access to a facility operated during the regular session of the legislature by the principal campaign committee of a candidate for the legislature or constitutional office, or by a political party organization within a body of the legislature, is a violation of this section.

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

Sec. 36. Minnesota Statutes 2022, section 10A.275, subdivision 1, is amended to read:

Subdivision 1. **Exceptions.** Notwithstanding other provisions of this chapter, the following expenditures by a party unit, or two or more party units acting together, ~~with at least one party unit being either: the state committee or the party organization within a congressional district, county, or legislative district,~~ are not considered contributions to or expenditures on behalf of a candidate for the purposes of section 10A.25 or 10A.27 and must not be allocated to candidates under section 10A.20, subdivision 3, paragraph (h):

(1) expenditures on behalf of candidates of that party generally without referring to any of them specifically in a published, posted, or broadcast advertisement;

(2) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(3) expenditures for a telephone call, voice mail, text message, multimedia message, internet chat message, or email when the communication includes the names of three or more individuals whose names are to appear on the ballot;

(4) expenditures for a booth at a community event, county fair, or state fair that benefits three or more individuals whose names are to appear on the ballot;

~~(4)~~ (5) expenditures for a political party fundraising effort on behalf of three or more candidates; or

~~(5)~~ (6) expenditures for party committee staff services that benefit three or more candidates.

Sec. 37. Minnesota Statutes 2022, section 10A.38, is amended to read:

10A.38 CAPTIONING OF CAMPAIGN ADVERTISEMENTS.

(a) This section applies to a campaign advertisement by a candidate who is governed by an agreement under section 10A.322.

(b) "Campaign advertisement" means a professionally produced visual or audio recording of two minutes or less produced by the candidate for the purpose of influencing the nomination or election of a candidate.

(c) A campaign advertisement that is disseminated as an advertisement by broadcast or cable television must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement that is disseminated as an advertisement to the public on the candidate's website must include closed captioning for deaf and hard-of-hearing viewers, unless the candidate has posted on the website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so. A campaign advertisement must not be disseminated as an advertisement by radio unless the candidate has posted on the candidate's website a transcript of the spoken content of the advertisement or the candidate has filed with the board before the advertisement is disseminated a statement setting forth the reasons for not doing so.

(d) A candidate who fails to comply with the requirements of paragraph (c) is subject to a civil penalty imposed by the board of up to \$1,000.

Sec. 38. **REPEALER.**

Minnesota Rules, part 4511.0600, subpart 5, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for the legislature, certain constitutional offices, and certain boards, offices, agencies, councils, departments, commissions, societies, centers, Minnesota State Retirement System, retirement plans, retirement associations, retirement fund; making appropriation reductions and cancellations; making deficiency appropriations; providing for revenue recovery; providing a statutory appropriation of funds to the legislature for sums sufficient to operate the house of representatives, senate, and Legislative Coordinating Commission; changing provisions for the legislative audit commission; making budget provisions; requiring Compensation Council to prescribe salaries for constitutional officers; requiring accountability and performance management measures; establishing the Office of Enterprise Translation; providing for grant administration and grant agreements; making county and local cybersecurity grants; changing human burial provisions; establishing the public land survey system monument grant program, the legislative task force on aging, the State Emblems Redesign Commission, and the infrastructure resilience advisory task force; requiring mixed-use Ford Building Site Redevelopment; providing for the Capitol Mall Design Framework; requiring the legislature to certify appropriation amounts for fiscal years 2026 and 2027; requiring a study of issues facing small agencies; requiring financial review of nonprofit grant recipients; modifying election administration provisions relating to voter registration, absentee voting, and election day voting; establishing early voting; adopting the national popular vote compact; allowing access for census workers; amending requirements related to soliciting near the polling place; modifying campaign finance provisions; modifying campaign finance reporting requirements; requiring disclosure of electioneering communications; prohibiting certain contributions during the legislative session; modifying provisions related to lobbying; establishing the voting operations, technology, and election resources account; providing penalties; making technical and clarifying changes; requiring reports; amending Minnesota Statutes 2022, sections 1.135, subdivisions 2, 4, 6, by adding a subdivision; 1.141, subdivision 1; 3.099, subdivision 3; 3.97, subdivision 2; 3.972, subdivision 3; 3.978, subdivision 2; 3.979, subdivisions 2, 3, by adding a subdivision; 4.045; 5.30, subdivision 2; 5B.06; 10.44; 10.45; 10A.01, subdivisions 5, 21, 26, 30, by adding subdivisions; 10A.022, subdivision 3; 10A.025, subdivision 4; 10A.03, subdivision 2, by adding a subdivision; 10A.04, subdivisions 3, 4, 6, 9; 10A.05; 10A.06; 10A.071, subdivision 1; 10A.09, subdivision 5, by adding a subdivision; 10A.121, subdivisions 1, 2; 10A.15, subdivision 5, by adding a subdivision; 10A.20, subdivisions 2a, 5, 12; 10A.244; 10A.25, subdivision 3a; 10A.271, subdivision 1; 10A.273, subdivision 1; 10A.275, subdivision 1; 10A.31, subdivision 4; 10A.38; 15A.0815, subdivisions 1, 2; 15A.082, subdivisions 1, 2, 3, 4; 16A.122, subdivision 2; 16A.126, subdivision 1; 16A.1286, subdivision 2; 16A.152, subdivision 4; 16B.97, subdivisions 2, 3, 4; 16B.98, subdivisions 5, 6, 8, by adding subdivisions; 16B.991; 16E.14, subdivision 4; 16E.21, subdivisions 1, 2; 43A.08, subdivision 1; 135A.17, subdivision 2; 138.912, subdivisions 1, 2; 145.951; 200.02, subdivision 7; 201.022,

subdivision 1; 201.061, subdivisions 1, 3, by adding a subdivision; 201.071, subdivisions 1, as amended, 8; 201.091, subdivision 4a; 201.12, subdivision 2; 201.121, subdivision 1; 201.13, subdivision 3; 201.1611, subdivision 1, by adding a subdivision; 201.195; 201.225, subdivision 2; 202A.18, subdivision 2a; 203B.001; 203B.01, by adding subdivisions; 203B.03, subdivision 1; 203B.05, subdivision 1; 203B.08, subdivisions 1, 3; 203B.081, subdivisions 1, 3, by adding subdivisions; 203B.085; 203B.11, subdivisions 2, 4; 203B.12, subdivision 7, by adding a subdivision; 203B.121, subdivisions 1, 2, 3, 4; 203B.16, subdivision 2; 204B.06, subdivisions 1, 1b, 4a, by adding a subdivision; 204B.09, subdivisions 1, 3; 204B.13, by adding a subdivision; 204B.14, subdivision 2; 204B.16, subdivision 1; 204B.19, subdivision 6; 204B.21, subdivision 2; 204B.26; 204B.28, subdivision 2; 204B.32, subdivision 2; 204B.35, by adding a subdivision; 204B.45, subdivisions 1, 2, by adding a subdivision; 204B.46; 204B.49; 204C.04, subdivision 1; 204C.07, subdivision 4; 204C.15, subdivision 1; 204C.19, subdivision 3; 204C.24, subdivision 1; 204C.28, subdivision 1; 204C.33, subdivision 3; 204C.35, by adding a subdivision; 204C.39, subdivision 1; 204D.08, subdivisions 5, 6; 204D.09, subdivision 2; 204D.14, subdivision 1; 204D.16; 204D.19, subdivision 2; 204D.22, subdivision 3; 204D.23, subdivision 2; 204D.25, subdivision 1; 205.13, subdivision 5; 205.16, subdivision 2; 205.175, subdivision 3; 205A.09, subdivision 2; 205A.10, subdivision 5; 205A.12, subdivision 5; 206.58, subdivisions 1, 3; 206.61, subdivision 1; 206.80; 206.83; 206.845, subdivision 1, by adding a subdivision; 206.86, by adding a subdivision; 206.90, subdivision 10; 207A.12; 207A.15, subdivision 2; 208.05; 209.021, subdivision 2; 211B.11, subdivision 1; 211B.15, subdivision 8; 211B.20, subdivision 1; 211B.32, subdivision 1; 307.08; 349A.02, subdivision 1; 367.03, subdivision 6; 381.12, subdivision 2; 447.32, subdivision 4; 462A.22, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 2; 3; 5; 10A; 16A; 16B; 16E; 203B; 208; 211B; 381; repealing Minnesota Statutes 2022, sections 1.135, subdivisions 3, 5; 1.141, subdivisions 3, 4, 6; 4A.01; 4A.04; 4A.06; 4A.07; 4A.11; 15A.0815, subdivisions 3, 4, 5; 124D.23, subdivision 9; 202A.16; 203B.081, subdivision 2; 204D.04, subdivision 1; 204D.13, subdivisions 2, 3; 383C.806; Laws 2014, chapter 287, section 25, as amended; Minnesota Rules, part 4511.0600, subpart 5."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1900, A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for the renewal of the environment and natural resources trust fund; requiring a report; appropriating money; amending Minnesota Statutes 2022, sections 349A.08, subdivision 5; 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 116P; proposing coding for new law as Minnesota Statutes, chapter 116X.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 1937, A bill for an act relating to state government; establishing a budget for the Department of Military Affairs and the Department of Veterans Affairs; modifying veterans bonus program and Minnesota GI bill program provisions; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 190.19, subdivision 2a; 197.236, subdivision 9; 197.79, subdivisions 1, 2, by adding a subdivision; 197.791, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2.

(d) **Holistic Health and Fitness (H2F).** \$304,000 the first year and \$307,000 the second year are for administrative and payroll costs to create and operate Holistic Health and Fitness (H2F) initiatives across the Minnesota Army National Guard. The base is \$310,000 in fiscal year 2026 and \$313,000 in fiscal year 2027 and each year thereafter.

Subd. 4. **Enlistment Incentives**

13,614,000

13,614,000

The appropriations in this subdivision are available until June 30, 2027.

If the amount for fiscal year 2024 is insufficient, the amount for 2025 is available in fiscal year 2024. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 5. **Emergency Services**

650,000

150,000

Sustain Domestic Operations Communication Capabilities. \$650,000 the first year and \$150,000 the second year are for ongoing replacement of communications systems to support domestic operations when ordered into state service by the governor.

Sec. 3. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation**

\$144,555,000

\$131,551,000

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$123,194,000 in fiscal year 2026 and \$124,276,000 in fiscal year 2027 and each year thereafter.

Subd. 2. **Veterans Programs and Services**

55,045,000

30,704,000

The amounts that may be spent for each purpose are specified in the following subdivisions. The base is \$30,207,000 in fiscal year 2026 and \$30,241,000 in fiscal year 2027.

(a) **State's Veterans Cemeteries.** \$4,598,000 the first year and \$4,627,000 the second year are for the operation of the state's veterans cemeteries. The base is \$4,158,000 in fiscal year 2026 and \$4,192,000 in fiscal year 2027.

(b) **Veterans Service Organizations.** \$500,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(d) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(e) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(f) **County Veterans Service Office.** \$1,550,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(g) **Camp Bliss.** \$150,000 each year is for a grant to Camp Bliss as provided for in section 6. The base for this appropriation in fiscal year 2026 and each year thereafter is \$75,000.

(h) **Veterans on the Lake.** \$50,000 each year is for a grant to Veterans on the Lake for expenses related to retreats for Minnesota veterans, including therapy, transportation, and activities customized for veterans. These are onetime appropriations.

(i) **Veteran Resilience Project.** \$400,000 each year is for a grant to the veteran resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans, veterans' spouses, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. To be eligible for services, a prospective client must be a resident of the state or assigned to a permanent duty station in the state pursuant to their military service. The base for this appropriation in fiscal year 2026 and each year thereafter is \$200,000.

The veteran resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(j) **Minnesota Military and Veterans Museum.** \$300,000 each year is for a grant to the Minnesota Military and Veterans Museum for museum staff to provide direct services to veterans and their families.

(k) **Every Third Saturday.** \$100,000 each year is for a grant to Every Third Saturday to provide veterans with emergency assistance and internships. Every Third Saturday must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance no later than September 1, 2024, and by September 1 of each subsequent year. Each report must include, at a minimum, a detailed explanation of how the grant money was used and the number of veterans served by the program. These are onetime appropriations.

(l) **CORE Program.** \$1,225,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(m) **LinkVet Call Center.** \$369,000 each year is for the operation of the state's LinkVet Call Center.

(n) **Recently Separated Veterans Program.** \$325,000 each year is for the operation of the recently separated veterans program. The commissioner of veterans affairs may use Department of Defense and other veteran data that were provided with an appropriate disclosure to assist with connecting veterans to resources and new programming. The commissioner may use money for personnel, research, marketing, technology solutions, and professional or technical contracts. The base for this appropriation in fiscal year 2026 and each year thereafter is \$300,000.

(o) **Homeless Veterans and SOAR Program.** \$675,000 each year is to operate the homeless veteran registry and homeless programs and to assist veterans, former service members, and their dependents with obtaining federal benefits through the Social Security Administration. The commissioner of veterans affairs may use money for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation in fiscal year 2026 and each year thereafter is \$1,097,000.

(p) **Minnesota Assistance Council for Veterans.** \$7,090,000 the first year and \$970,000 the second year are for grants to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with:

(1) supportive services to maintain housing;

(2) employment;

(3) legal issues;

(4) housing and housing-related costs;

(5) transportation;

(6) the acquisition and creation of permanent supportive housing; and

(7) property management of permanent supportive housing.

Of these amounts, \$5,680,000 the first year is for the establishment of permanent supportive housing options for homeless veterans and former service members. This is a onetime appropriation and is available until June 30, 2026. \$440,000 the first year is for the direct veteran assistance grant. This is a onetime appropriation. Any unencumbered balance remaining in this subdivision in the first year for grants to the Minnesota Assistance Council for Veterans does not cancel and is available for the second year. The base is \$970,000 in fiscal year 2026 and each year thereafter. Assistance authorized under this paragraph must be provided only to a veteran who has resided in Minnesota for 30 days prior to the veteran's application for assistance and according to other guidelines established by the commissioner. To avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(q) **Veterans Bonus Program.** \$15,000,000 the first year is for service bonuses to Post-9/11 Veterans and Gold Star families under Minnesota Statutes, section 197.79. This is a onetime appropriation and is available until June 30, 2024.

(r) **Veteran Homelessness Initiative.** \$4,311,000 the first year and \$1,311,000 the second year are for an initiative to prevent and end veteran homelessness.

(s) **Veterans Campground Wastewater System Upgrades.**

\$754,000 the first year is for one or more grants to the Veterans Campground on Big Marine Lake, a 501(c)(3) nonprofit organization, to design, engineer, permit, and construct wastewater systems on campground property to increase the capacity of wastewater systems. This is a onetime appropriation.

Subd. 3. **Veterans Health Care**

89,510,000

100,847,000

(a) The base for this appropriation in fiscal year 2026 is \$92,987,000 and \$94,035,000 in fiscal year 2027 and each year thereafter.

(b) \$88,610,000 the first year and \$99,847,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer is \$92,437,000 in fiscal year 2026 and \$93,485,000 in fiscal year 2027.

(c) The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements that are received. Contingent upon future federal Medicare receipts, reductions to the veterans homes' general fund appropriation may be made.

(d) \$350,000 the first year and \$450,000 the second year are for the department to staff Veteran Community Health Navigators in community-based hospitals. These are onetime appropriations.

Sec. 4. Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. Veterans Programs and Services	27,073,000	22,153,000
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(a) **CORE Program.** \$750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** \$353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** \$750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including assistance with the following:

- (1) utilities;
- (2) employment; and
- (3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** \$6,172,000 the first year and \$1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, \$4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** \$200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** \$200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** \$100,000 each year is for administering the Gold Star Program for surviving family members of deceased veterans.

(h) **County Veterans Service Office.** \$1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** \$3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is \$1,311,000.

(j) **Camp Bliss.** \$75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** \$50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** \$400,000 each year is for a grant to the veterans resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans ~~and veterans' spouses~~, current military service members, and current military service members' spouses who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is \$200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** \$500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

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

Sec. 5. **CANCELLATION; FISCAL YEAR 2023.**

(a) \$3,000,000 of the fiscal year 2023 general fund appropriation under Laws 2021, First Special Session chapter 12, article 1, section 37, subdivision 2, paragraph (i), is canceled to the general fund on June 30, 2023.

(b) \$754,000 of the fiscal year 2023 general fund appropriation under Laws 2022, chapter 54, article 1, section 3, subdivision 2, paragraph (k), is canceled to the general fund on June 30, 2023.

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

Sec. 6. **CAMP BLISS GRANT PROGRAM.**

Subdivision 1. **Grant program; eligibility; reimbursement requirements.** (a) The commissioner of veterans affairs shall issue a grant to Independent Lifestyles, Inc., for expenses related to retreats for eligible veterans and their family members at Camp Bliss in the city of Walker.

(b) The grant recipient may use grant money to provide therapy, transportation, and activities customized for eligible veterans and their family members.

(c) The commissioner must reimburse the grant recipient at least \$850 for each eligible veteran or family member who the commissioner verifies attended the camp and received services from the grant recipient. The commissioner shall disburse money to the grant recipient for up to two visits per year to the camp for each eligible veteran or family member.

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

(b) "Eligible veteran" means a Minnesota resident who is either:

(1) a former armed forces service member who has a DD-214 or other official document from the official military personnel file of the veteran that describes the honorable service of the veteran; or

(2) a current armed forces member, whether serving in the active or reserve component.

(c) "Family member" means an eligible veteran's spouse, domestic partner, and children.

Sec. 7. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

Subdivision 1. **Financial review required.** (a) Before awarding a competitive, legislatively named, single-source, or sole-source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to document and assess the applicant's current financial standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed; whether the applicant had a significant operating deficit, a deficit in unrestricted net assets, or insufficient internal controls; whether and how the applicant resolved the grantor's concerns; and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees or, if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant.

Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. **Relation to other law and policy.** The requirements in this section are in addition to any other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 and 16B.98; or agency policy.

ARTICLE 2 VETERANS AFFAIRS STATUTORY CHANGES

Section 1. Minnesota Statutes 2022, section 190.19, subdivision 2a, is amended to read:

Subd. 2a. **Uses; veterans.** (a) Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

- (1) grants to veterans service organizations;
- (2) outreach to underserved veterans;
- (3) providing services and programs for veterans and their families;
- (4) transfers to the vehicle services account for Gold Star license plates under section 168.1253;
- (5) grants of up to \$100,000 to any organization approved by the commissioner of veterans affairs for the purpose of supporting and improving the lives of veterans and their families;
- (6) grants to an eligible foundation; and

(7) the agency's uncompensated burial costs for eligible dependents to whom the commissioner grants a no-fee or reduced fee burial in the state's veteran cemeteries pursuant to section 197.236, subdivision 9, paragraph (b).

(b) For purposes of this subdivision, "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c) of the Internal Revenue Code; and

(2) is a nonprofit corporation under chapter 317A and the organization's articles of incorporation specify that a purpose of the organization includes: (i) providing assistance to veterans and their families; or (ii) enhancing the lives of veterans and their families.

Sec. 2. Minnesota Statutes 2022, section 197.236, subdivision 9, is amended to read:

Subd. 9. **Burial fees prohibited.** ~~(a) The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot.~~

~~(b) Upon application, the commissioner may waive or reduce the burial fee for an indigent eligible person. The commissioner shall develop a policy, eligibility standards, and application form for requests to waive or reduce the burial fee to indigent eligible applicants.~~

~~(c) No plot or interment fees may be charged for the burial of service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2) eligible persons under subdivision 8.~~

Sec. 3. Minnesota Statutes 2022, section 197.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Applicant" means a veteran or a veteran's guardian, conservator, or personal representative or a beneficiary or a beneficiary's guardian, conservator, or personal representative who has filed an application with the commissioner for a bonus under this section.

(b) "Application" means a request for a bonus payment by a veteran, a veteran's beneficiary, or a veteran's guardian, conservator, or personal representative through submission of written information on a form designed by the commissioner for this purpose.

(c) "Beneficiary" means in relation to a deceased veteran and in the order named:

(1) the surviving spouse, if not remarried;

(2) the children of the veteran, if there is no surviving spouse or the surviving spouse has remarried;

(3) the veteran's surviving parent or parents;

(4) the veteran's surviving sibling or siblings; or

(5) the veteran's estate.

(d) "Commissioner" means the commissioner of the Department of Veterans Affairs.

(e) "Department" means the Department of Veterans Affairs.

(f) "Eligibility period for the bonus" means the period from September 11, 2001, to August 30, 2021.

(g) "Guardian" or "conservator" means the legally appointed representative of a minor or incapacitated beneficiary or veteran, the chief officer of a hospital or institution in which the incapacitated veteran is placed if the officer is authorized to accept money for the benefit of the minor or incapacitated veteran, the person determined by the commissioner to be the person who is legally charged with the responsibility for the care of the minor or incapacitated beneficiary or veteran, or the person determined by the commissioner to be the person who has assumed the responsibility for the care of the minor or incapacitated beneficiary or veteran.

(h) "Honorable service" means honorable federal service in the United States armed forces, as evidenced by:

(1) an honorable discharge;

(2) a general discharge under honorable conditions;

(3) in the case of an officer, a certificate of honorable service; or

(4) in the case of an applicant who is currently serving in active duty in the United States armed forces, a certificate from an appropriate service authority that the applicant's service to date has been honorable.

(i) "Incapacitated person" means an individual who, for reasons other than being a minor, lacks sufficient understanding or the capacity to make personal decisions and who is unable to meet the individual's own personal needs for medical care, nutrition, clothing, shelter, or safety even when assisted by appropriate technology or supported decision making.

(j) "Resident veteran" means a veteran who served in active duty in the United States armed forces at any time during the eligibility period for the bonus, and who also:

(1) has been separated or discharged from the United States armed forces, ~~and whose home of record at the time of entry into active duty in the United States armed forces, as indicated on the person's form DD-214 or other documents the commissioner may authorize, is the state of Minnesota and who~~ resides in Minnesota at the time of application with the intention of residing in the state and not for any temporary purpose. An applicant may verify a residence address by presenting a valid state driver's license; a state identification card; a voter registration card; a rent receipt; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other form of verification approved by the commissioner; or

(2) is currently serving in the United States armed forces, and has a certificate from an appropriate service authority stating that the person: (i) served in active duty in the United States armed forces at any time during the eligibility period for the bonus; and (ii) has Minnesota listed as the veteran's home of record in the veteran's official military personnel file.

(k) "Service connected" means caused by an injury or disease incurred or aggravated while on active duty, as determined by the United States Department of Veterans Affairs.

(l) "Veteran" has the meaning given in section 197.447 and does not include a member of the National Guard or the reserve components of the United States armed forces ordered to active duty for the sole purpose of training. Veteran also includes a person who is providing honorable service on active duty in the United States armed forces and has not been separated or discharged.

Sec. 4. Minnesota Statutes 2022, section 197.79, subdivision 2, is amended to read:

Subd. 2. **Bonus amount.** (a) For a resident veteran who provided honorable service in the United States armed forces at any time during the eligibility period for the bonus, the bonus amount is:

(1) \$600, if the veteran did not receive the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus;

(2) \$1200, if the veteran received the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus; or

(3) \$2,000, if the veteran was eligible for the Armed Forces Expeditionary Medal, Global War on Terrorism Expeditionary Medal, Iraq Campaign Medal, ~~or~~ Afghanistan Campaign Medal, or Inherent Resolve Campaign Medal during the eligibility period for the bonus, and died during that time period as a direct result of a service connected injury, disease, or condition.

(b) In the case of a deceased veteran, the commissioner shall pay the bonus to the veteran's beneficiary.

Sec. 5. Minnesota Statutes 2022, section 197.79, is amended by adding a subdivision to read:

Subd. 11. **Reapplication allowed.** Notwithstanding any law to the contrary, an eligible veteran who previously applied for a bonus under this section may reapply if the veteran either was denied a bonus or is entitled to receive a larger bonus than was originally awarded based on the amendments to this section contained in this act.

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

Sec. 6. Minnesota Statutes 2022, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Department of Veterans Affairs.

(c) The amount of educational assistance for any eligible person who is a ~~full-time~~ student must not exceed the following:

(1) ~~\$3,000~~ \$5,000 per state fiscal year; and

(2) ~~\$10,000~~ \$15,000 in a lifetime.

~~(d) For a part time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.~~

Sec. 7. Minnesota Statutes 2022, section 197.791, subdivision 6, is amended to read:

Subd. 6. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) \$3,000 per fiscal year for apprenticeship expenses;

(2) \$3,000 per fiscal year for on-the-job training;

(3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) \$1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than \$5,000 in aggregate benefits under this subdivision may be paid to or on behalf of an individual in one fiscal year.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5b must not exceed ~~\$10,000~~ \$15,000 in the eligible person's lifetime.

(g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

(1) the training must be with an eligible employer;

(2) the training must be documented and reported;

(3) the training must reasonably be expected to lead to an entry-level position; and

(4) the position must require at least six months of training to become fully trained.

Sec. 8. Minnesota Statutes 2022, section 197.791, subdivision 7, is amended to read:

Subd. 7. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

(1) \$3,000 per state fiscal year; and

(2) ~~\$10,000~~ \$15,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision and subdivisions 5 and 5a must not exceed ~~\$10,000~~ \$15,000 in the eligible person's lifetime.

(e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4)."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2778, A bill for an act relating to natural resources; modifying the Legislative-Citizen Commission on Minnesota Resources membership and terms; modifying availability of fund disbursements; providing appointments; amending Minnesota Statutes 2022, sections 116P.05, subdivisions 1, 1a, 2; 116P.09, subdivision 6; 116P.11.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

Noor from the Committee on Human Services Finance to which was referred:

H. F. No. 2847, A bill for an act relating to human services; modifying provisions governing the care provider workforce, aging and disability services, and behavioral health; establishing the Department of Behavioral Health; making forecast adjustments; requiring reports; making technical and conforming changes; establishing certain grants; appropriating money; amending Minnesota Statutes 2022, sections 15.01; 15.06, subdivision 1; 43A.08, subdivision 1a; 177.24, by adding a subdivision; 245A.10, subdivision 3; 245D.03, subdivision 1; 245G.01, by adding subdivisions; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, by adding subdivisions; 245G.07, subdivision 2; 245G.22, subdivision 15; 245I.04, subdivision 10, by adding subdivisions; 245I.10, subdivision 6; 252.44; 254B.01, subdivision 8, by adding subdivisions; 254B.05, subdivisions 1, 1a, 5; 256.042, subdivisions 2, 4; 256.045, subdivision 3; 256.478, subdivision 2; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0615, subdivisions 1, 5; 256B.0625, subdivisions 17, 17b, 18a, 18h; 256B.0759, subdivision 2; 256B.0911, subdivision 13; 256B.0913, subdivisions 4, 5; 256B.092, subdivision 1a; 256B.0949, subdivision 15; 256B.49, subdivision 13; 256B.4905, subdivisions 4a, 5a; 256B.4912, by adding subdivisions; 256B.4914, subdivisions 3, 5, 5a, 5b, 6, 8, 9, 9a, 14, by adding subdivisions; 256B.5012, by adding a subdivision; 256B.85, by adding a subdivision; 256B.851, subdivisions 5, 6; 256D.425, subdivision 1; 256M.42; 256R.17, subdivision 2; 256R.25; 256R.47; 256S.15, subdivision 2; 256S.18, by adding a subdivision; 256S.19, subdivision 3; 256S.203, subdivisions 1, 2; 256S.21; 256S.2101; 256S.211, by adding subdivisions; 256S.212; 256S.213; 256S.214; 256S.215, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17; 268.19, subdivision 1; Laws 2021, chapter 30, article 12, section 5, as amended; Laws 2021, First Special Session chapter 7, article 17, sections 8; 16; proposing coding for new law in Minnesota Statutes, chapters 252; 254B; 256; 256B; 256S; proposing coding for new law as Minnesota Statutes, chapter 246C; repealing Minnesota Statutes 2022, sections 245G.06, subdivision 2; 245G.11, subdivision 8; 256B.4914, subdivision 6b; 256S.19, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DISABILITY SERVICES

Section 1. Minnesota Statutes 2022, section 177.24, is amended by adding a subdivision to read:

Subd. 6. **Special certificate prohibition.** (a) On or after August 1, 2026, employers must not hire any new employee with a disability at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

(b) On or after August 1, 2028, an employer must not pay an employee with a disability less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 2. Minnesota Statutes 2022, section 179A.54, is amended by adding a subdivision to read:

Subd. 11. **Home Care Orientation Trust.** (a) The state and an exclusive representative certified pursuant to this section may establish a joint labor and management trust, referred to as the Home Care Orientation Trust, for the exclusive purpose of rendering voluntary orientation training to individual providers of direct support services who are represented by the exclusive representative.

(b) Financial contributions made by the state to the Home Care Orientation Trust shall be made pursuant to a collective bargaining agreement negotiated under this section. All such financial contributions made by the state shall be held in trust for the purpose of paying from principle, from interest, or from both, the costs associated with developing, delivering, and promoting voluntary orientation training for individual providers of direct support services working under a collective bargaining agreement and providing services through a covered program under section 256B.0711. The Home Care Orientation Trust shall be administered, managed, and otherwise controlled jointly by a board of trustees composed of an equal number of trustees appointed by the state and trustees appointed by the exclusive representative under this section. The trust shall not be an agent of either the state or the exclusive representative.

(c) Trust administrative, management, legal, and financial services may be provided by the board of trustees by a third-party administrator, financial management institution, or other appropriate entity, as designated by the board of trustees from time to time, and those services shall be paid from the money held in trust and created by the state's financial contributions to the Home Care Orientation Trust.

(d) The state is authorized to purchase liability insurance for members of the board of trustees appointed by the state.

(e) Financial contributions to, and participation in, the administration and management of the Home Care Orientation Trust shall not be considered an unfair labor practice under section 179A.13, or a violation of Minnesota law.

Sec. 3. Minnesota Statutes 2022, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a family child foster care home or family adult foster care home license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. The commissioner shall not issue an initial license for a community residential setting licensed under chapter 245D. When approving an exception under this paragraph, the commissioner shall consider the resource need determination process in paragraph (h), the availability of foster care licensed beds in the geographic area in which the licensee seeks to operate, the results of a person's choices during their annual assessment and service plan review, and the recommendation of the local county board. The determination by the commissioner is final and not subject to appeal. Exceptions to the moratorium include:

- (1) foster care settings where at least 80 percent of the residents are 55 years of age or older;
 - (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, or community residential setting licenses replacing adult foster care licenses in existence on December 31, 2013, and determined to be needed by the commissioner under paragraph (b);
 - (3) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/DD, or regional treatment center; restructuring of state-operated services that limits the capacity of state-operated facilities; or allowing movement to the community for people who no longer require the level of care provided in state-operated facilities as provided under section 256B.092, subdivision 13, or 256B.49, subdivision 24;
 - (4) new foster care licenses or community residential setting licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital-level care; or
 - (5) new foster care licenses or community residential setting licenses for people receiving customized living or 24-hour customized living services under the brain injury or community access for disability inclusion waiver plans under section 256B.49 or elderly waiver plan under chapter 256S and residing in the customized living setting ~~before July 1, 2022~~, for which a license is required. A customized living service provider subject to this exception may rebut the presumption that a license is required by seeking a reconsideration of the commissioner's determination. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14. The exception is available until ~~June 30~~ December 31, 2023. This exception is available when:
 - (i) the person's customized living services are provided in a customized living service setting serving four or fewer people ~~under the brain injury or community access for disability inclusion waiver plans under section 256B.49~~ in a single-family home operational on or before June 30, 2021. Operational is defined in section 256B.49, subdivision 28;
 - (ii) the person's case manager provided the person with information about the choice of service, service provider, and location of service, including in the person's home, to help the person make an informed choice; and
 - (iii) the person's services provided in the licensed foster care or community residential setting are less than or equal to the cost of the person's services delivered in the customized living setting as determined by the lead agency.
- (b) The commissioner shall determine the need for newly licensed foster care homes or community residential settings as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.
- (c) When an adult resident served by the program moves out of a foster home that is not the primary residence of the license holder according to section 256B.49, subdivision 15, paragraph (f), or the adult community residential setting, the county shall immediately inform the Department of Human Services Licensing Division. The department may decrease the statewide licensed capacity for adult foster care settings.
- (d) Residential settings that would otherwise be subject to the decreased license capacity established in paragraph (c) shall be exempt if the license holder's beds are occupied by residents whose primary diagnosis is mental illness and the license holder is certified under the requirements in subdivision 6a or section 245D.33.
- (e) A resource need determination process, managed at the state level, using the available data required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of

those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

(f) At the time of application and reapplication for licensure, the applicant and the license holder that are subject to the moratorium or an exclusion established in paragraph (a) are required to inform the commissioner whether the physical location where the foster care will be provided is or will be the primary residence of the license holder for the entire period of licensure. If the primary residence of the applicant or license holder changes, the applicant or license holder must notify the commissioner immediately. The commissioner shall print on the foster care license certificate whether or not the physical location is the primary residence of the license holder.

(g) License holders of foster care homes identified under paragraph (f) that are not the primary residence of the license holder and that also provide services in the foster care home that are covered by a federally approved home and community-based services waiver, as authorized under chapter 256S or section 256B.092 or 256B.49, must inform the human services licensing division that the license holder provides or intends to provide these waiver-funded services.

(h) The commissioner may adjust capacity to address needs identified in section 144A.351. Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section 256B.493.

(i) The commissioner must notify a license holder when its corporate foster care or community residential setting licensed beds are reduced under this section. The notice of reduction of licensed beds must be in writing and delivered to the license holder by certified mail or personal service. The notice must state why the licensed beds are reduced and must inform the license holder of its right to request reconsideration by the commissioner. The license holder's request for reconsideration must be in writing. If mailed, the request for reconsideration must be postmarked and sent to the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds. If a request for reconsideration is made by personal service, it must be received by the commissioner within 20 calendar days after the license holder's receipt of the notice of reduction of licensed beds.

(j) The commissioner shall not issue an initial license for children's residential treatment services licensed under Minnesota Rules, parts 2960.0580 to 2960.0700, under this chapter for a program that Centers for Medicare and Medicaid Services would consider an institution for mental diseases. Facilities that serve only private pay clients are exempt from the moratorium described in this paragraph. The commissioner has the authority to manage existing statewide capacity for children's residential treatment services subject to the moratorium under this paragraph and may issue an initial license for such facilities if the initial license would not increase the statewide capacity for children's residential treatment services subject to the moratorium under this paragraph.

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

Sec. 4. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

Subd. 3. **Application fee for initial license or certification.** (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a \$500 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a \$250 application fee with each new application. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in clauses (1) to (3), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide. ~~Notwithstanding paragraph (a), applications received by the commissioner between July 1, 2013, and December 31, 2013, for licensure of services provided under chapter 245D must include an application fee that is equal to the annual license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less. Applications received by the commissioner after January 1, 2014, must include the application fee required under paragraph (a). Applicants who meet the modified application criteria identified in section 245A.042, subdivision 2, are exempt from paying an application fee.~~

(2) For a license to provide independent living assistance for youth under section 245A.22, an applicant shall submit a single application to provide services statewide.

(3) For a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application to provide services statewide.

(c) The initial application fee charged under this subdivision does not include the temporary license surcharge under section 16E.22.

Sec. 5. Minnesota Statutes 2022, section 245A.11, subdivision 7, is amended to read:

Subd. 7. **Adult foster care; variance for alternate overnight supervision.** (a) The commissioner may grant a variance under section 245A.04, subdivision 9, to rule parts requiring a caregiver to be present in an adult foster care home during normal sleeping hours to allow for alternative methods of overnight supervision. The commissioner may grant the variance if the local county licensing agency recommends the variance and the county recommendation includes documentation verifying that:

(1) the county has approved the license holder's plan for alternative methods of providing overnight supervision and determined the plan protects the residents' health, safety, and rights;

(2) the license holder has obtained written and signed informed consent from each resident or each resident's legal representative documenting the resident's or legal representative's agreement with the alternative method of overnight supervision; and

(3) the alternative method of providing overnight supervision, which may include the use of technology, is specified for each resident in the resident's: (i) individualized plan of care; (ii) individual service plan under section 256B.092, subdivision 1b, if required; or (iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required.

(b) To be eligible for a variance under paragraph (a), the adult foster care license holder must not have had a conditional license issued under section 245A.06, or any other licensing sanction issued under section 245A.07 during the prior 24 months based on failure to provide adequate supervision, health care services, or resident safety in the adult foster care home.

(c) A license holder requesting a variance under this subdivision to utilize technology as a component of a plan for alternative overnight supervision may request the commissioner's review in the absence of a county recommendation. Upon receipt of such a request from a license holder, the commissioner shall review the variance request with the county.

(d) ~~A variance granted by the commissioner according to this subdivision before January 1, 2014, to a license holder for an adult foster care home must transfer with the license when the license converts to a community residential setting license under chapter 245D. The terms and conditions of the variance remain in effect as approved at the time the variance was granted. The variance requirements under this subdivision for alternative overnight supervision do not apply to community residential settings licensed under chapter 245D.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 6. Minnesota Statutes 2022, section 245A.11, subdivision 7a, is amended to read:

Subd. 7a. **Alternate overnight supervision technology; adult foster care and community residential setting licenses.** (a) The commissioner may grant an applicant or license holder an adult foster care ~~or community residential setting~~ license for a residence that does not have a caregiver in the residence during normal sleeping hours as required under Minnesota Rules, part 9555.5105, subpart 37, item B, or section 245D.02, subdivision 33b, but uses monitoring technology to alert the license holder when an incident occurs that may jeopardize the health, safety, or rights of a foster care recipient. The applicant or license holder must comply with all other requirements under Minnesota Rules, parts 9555.5105 to 9555.6265, or applicable requirements under chapter 245D, and the requirements under this subdivision. The license printed by the commissioner must state in bold and large font:

(1) that the facility is under electronic monitoring; and

(2) the telephone number of the county's common entry point for making reports of suspected maltreatment of vulnerable adults under section 626.557, subdivision 9.

(b) Applications for a license under this section must be submitted directly to the Department of Human Services licensing division. The licensing division must immediately notify the county licensing agency. The licensing division must collaborate with the county licensing agency in the review of the application and the licensing of the program.

(c) Before a license is issued by the commissioner, and for the duration of the license, the applicant or license holder must establish, maintain, and document the implementation of written policies and procedures addressing the requirements in paragraphs (d) through (f).

(d) The applicant or license holder must have policies and procedures that:

(1) establish characteristics of target populations that will be admitted into the home, and characteristics of populations that will not be accepted into the home;

(2) explain the discharge process when a resident served by the program requires overnight supervision or other services that cannot be provided by the license holder due to the limited hours that the license holder is on site;

(3) describe the types of events to which the program will respond with a physical presence when those events occur in the home during time when staff are not on site, and how the license holder's response plan meets the requirements in paragraph (e), clause (1) or (2);

(4) establish a process for documenting a review of the implementation and effectiveness of the response protocol for the response required under paragraph (e), clause (1) or (2). The documentation must include:

(i) a description of the triggering incident;

(ii) the date and time of the triggering incident;

(iii) the time of the response or responses under paragraph (e), clause (1) or (2);

(iv) whether the response met the resident's needs;

(v) whether the existing policies and response protocols were followed; and

(vi) whether the existing policies and protocols are adequate or need modification.

When no physical presence response is completed for a three-month period, the license holder's written policies and procedures must require a physical presence response drill to be conducted for which the effectiveness of the response protocol under paragraph (e), clause (1) or (2), will be reviewed and documented as required under this clause; and

(5) establish that emergency and nonemergency phone numbers are posted in a prominent location in a common area of the home where they can be easily observed by a person responding to an incident who is not otherwise affiliated with the home.

(e) The license holder must document and include in the license application which response alternative under clause (1) or (2) is in place for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program:

(1) response alternative (1) requires only the technology to provide an electronic notification or alert to the license holder that an event is underway that requires a response. Under this alternative, no more than ten minutes will pass before the license holder will be physically present on site to respond to the situation; or

(2) response alternative (2) requires the electronic notification and alert system under alternative (1), but more than ten minutes may pass before the license holder is present on site to respond to the situation. Under alternative (2), all of the following conditions are met:

(i) the license holder has a written description of the interactive technological applications that will assist the license holder in communicating with and assessing the needs related to the care, health, and safety of the foster care recipients. This interactive technology must permit the license holder to remotely assess the well being of the resident served by the program without requiring the initiation of the foster care recipient. Requiring the foster care recipient to initiate a telephone call does not meet this requirement;

(ii) the license holder documents how the remote license holder is qualified and capable of meeting the needs of the foster care recipients and assessing foster care recipients' needs under item (i) during the absence of the license holder on site;

(iii) the license holder maintains written procedures to dispatch emergency response personnel to the site in the event of an identified emergency; and

(iv) each resident's individualized plan of care, support plan under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision 15; and 256S.10, if required, or individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required, identifies the maximum response time, which may be greater than ten minutes, for the license holder to be on site for that resident.

(f) Each resident's placement agreement, individual service agreement, and plan must clearly state that the adult foster care ~~or community residential setting~~ license category is a program without the presence of a caregiver in the residence during normal sleeping hours; the protocols in place for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program under paragraph (e), clause (1) or (2); and a signed informed consent from each resident served by the program or the person's legal representative documenting the person's or legal representative's agreement with placement in the program. If electronic monitoring technology is used in the home, the informed consent form must also explain the following:

(1) how any electronic monitoring is incorporated into the alternative supervision system;

(2) the backup system for any electronic monitoring in times of electrical outages or other equipment malfunctions;

(3) how the caregivers or direct support staff are trained on the use of the technology;

(4) the event types and license holder response times established under paragraph (e);

(5) how the license holder protects each resident's privacy related to electronic monitoring and related to any electronically recorded data generated by the monitoring system. A resident served by the program may not be removed from a program under this subdivision for failure to consent to electronic monitoring. The consent form must explain where and how the electronically recorded data is stored, with whom it will be shared, and how long it is retained; and

(6) the risks and benefits of the alternative overnight supervision system.

The written explanations under clauses (1) to (6) may be accomplished through cross-references to other policies and procedures as long as they are explained to the person giving consent, and the person giving consent is offered a copy.

(g) Nothing in this section requires the applicant or license holder to develop or maintain separate or duplicative policies, procedures, documentation, consent forms, or individual plans that may be required for other licensing standards, if the requirements of this section are incorporated into those documents.

(h) The commissioner may grant variances to the requirements of this section according to section 245A.04, subdivision 9.

(i) For the purposes of paragraphs (d) through (h), "license holder" has the meaning under section 245A.02, subdivision 9, and additionally includes all staff, volunteers, and contractors affiliated with the license holder.

(j) For the purposes of paragraph (e), the terms "assess" and "assessing" mean to remotely determine what action the license holder needs to take to protect the well-being of the foster care recipient.

(k) The commissioner shall evaluate license applications using the requirements in paragraphs (d) to (f). The commissioner shall provide detailed application forms, including a checklist of criteria needed for approval.

(l) To be eligible for a license under paragraph (a), the adult foster care ~~or community residential setting~~ license holder must not have had a conditional license issued under section 245A.06 or any licensing sanction under section 245A.07 during the prior 24 months based on failure to provide adequate supervision, health care services, or resident safety in the adult foster care home ~~or community residential setting~~.

(m) The commissioner shall review an application for an alternative overnight supervision license within 60 days of receipt of the application. When the commissioner receives an application that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant, the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05. The commissioner shall complete subsequent review within 30 days.

(n) Once the application is considered complete under paragraph (m), the commissioner will approve or deny an application for an alternative overnight supervision license within 60 days.

(o) For the purposes of this subdivision, "supervision" means:

(1) oversight by a caregiver or direct support staff as specified in the individual resident's place agreement or support plan and awareness of the resident's needs and activities; and

(2) the presence of a caregiver or direct support staff in a residence during normal sleeping hours, unless a determination has been made and documented in the individual's support plan that the individual does not require the presence of a caregiver or direct support staff during normal sleeping hours.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 245D.03, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) The commissioner shall regulate the provision of home and community-based services to persons with disabilities and persons age 65 and older pursuant to this chapter. The licensing standards in this chapter govern the provision of basic support services and intensive support services.

(b) Basic support services provide the level of assistance, supervision, and care that is necessary to ensure the health and welfare of the person and do not include services that are specifically directed toward the training, treatment, habilitation, or rehabilitation of the person. Basic support services include:

(1) in-home and out-of-home respite care services as defined in section 245A.02, subdivision 15, and under the brain injury, community alternative care, community access for disability inclusion, developmental disabilities, and elderly waiver plans, excluding out-of-home respite care provided to children in a family child foster care home licensed under Minnesota Rules, parts 2960.3000 to 2960.3100, when the child foster care license holder complies with the requirements under section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, which must be stipulated in the statement of intended use required under Minnesota Rules, part 2960.3000, subpart 4;

(2) adult companion services as defined under the brain injury, community access for disability inclusion, community alternative care, and elderly waiver plans, excluding adult companion services provided under the Corporation for National and Community Services Senior Companion Program established under the Domestic Volunteer Service Act of 1973, Public Law 98-288;

(3) personal support as defined under the developmental disabilities waiver plan;

(4) 24-hour emergency assistance, personal emergency response as defined under the community access for disability inclusion and developmental disabilities waiver plans;

(5) night supervision services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(6) homemaker services as defined under the community access for disability inclusion, brain injury, community alternative care, developmental disabilities, and elderly waiver plans, excluding providers licensed by the Department of Health under chapter 144A and those providers providing cleaning services only;

(7) individual community living support under section 256S.13; and

(8) individualized home supports services as defined under the brain injury, community alternative care, and community access for disability inclusion, and developmental disabilities waiver plans.

(c) Intensive support services provide assistance, supervision, and care that is necessary to ensure the health and welfare of the person and services specifically directed toward the training, habilitation, or rehabilitation of the person. Intensive support services include:

(1) intervention services, including:

(i) positive support services as defined under the brain injury and community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(ii) in-home or out-of-home crisis respite services as defined under the brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans; and

(iii) specialist services as defined under the current brain injury, community access for disability inclusion, community alternative care, and developmental disabilities waiver plans;

(2) in-home support services, including:

- (i) in-home family support and supported living services as defined under the developmental disabilities waiver plan;
- (ii) independent living services training as defined under the brain injury and community access for disability inclusion waiver plans;
- (iii) semi-independent living services;
- (iv) individualized home support with training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and
- (v) individualized home support with family training services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(3) residential supports and services, including:

- (i) supported living services as defined under the developmental disabilities waiver plan provided in a family or corporate child foster care residence, a family adult foster care residence, a community residential setting, or a supervised living facility;
- (ii) foster care services as defined in the brain injury, community alternative care, and community access for disability inclusion waiver plans provided in a family or corporate child foster care residence, a family adult foster care residence, or a community residential setting;
- (iii) community residential services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a corporate child foster care residence, a community residential setting, or a supervised living facility;
- (iv) family residential services as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans provided in a family child foster care residence or a family adult foster care residence; ~~and~~
- (v) residential services provided to more than four persons with developmental disabilities in a supervised living facility, including ICFs/DD; and
- (vi) life sharing as defined in the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(4) day services, including:

- (i) structured day services as defined under the brain injury waiver plan;
- (ii) day services under sections 252.41 to 252.46, and as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;
- (iii) day training and habilitation services under sections 252.41 to 252.46, and as defined under the developmental disabilities waiver plan; and
- (iv) prevocational services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(5) employment exploration services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(6) employment development services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans;

(7) employment support services as defined under the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities waiver plans; and

(8) integrated community support as defined under the brain injury and community access for disability inclusion waiver plans beginning January 1, 2021, and community alternative care and developmental disabilities waiver plans beginning January 1, 2023.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. **[245D.261] COMMUNITY RESIDENTIAL SETTINGS; REMOTE OVERNIGHT SUPERVISION.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given them, unless otherwise specified.

(b) "Resident" means an adult residing in a community residential setting.

(c) "Technology" means:

(1) enabling technology, which is a device capable of live, two-way communication or engagement between a resident and direct support staff at a remote location; or

(2) monitoring technology, which is the use of equipment to oversee, monitor, and supervise an individual who receives medical assistance waiver or alternative care services under section 256B.0913, 256B.092, or 256B.49 or chapter 256S.

Subd. 2. Documentation of permissible remote overnight supervision. A license holder providing remote overnight supervision in a community residential setting in lieu of on-site direct support staff must comply with the requirements of this chapter, including the requirement under section 245D.02, subdivision 33b, paragraph (a), clause (3), that the absence of direct support staff from the community residential setting while services are being delivered must be documented in the resident's support plan or support plan addendum.

Subd. 3. Provider requirements for remote overnight supervision; commissioner notification. (a) A license holder providing remote overnight supervision in a community residential setting must:

(1) use technology;

(2) notify the commissioner of the community residential setting's intent to use technology in lieu of on-site staff. The notification must:

(i) indicate a start date for the use of technology; and

(ii) attest that all requirements under this section are met and policies required under subdivision 4 are available upon request;

(3) clearly state in each person's support plan addendum that the community residential setting is a program without the in-person presence of overnight direct support;

(4) include with each person's support plan addendum the license holder's protocols for responding to situations that present a serious risk to the health, safety, or rights of residents served by the program; and

(5) include in each person's support plan addendum the person's maximum permissible response time as determined by the person's support team.

(b) Upon being notified via technology that an incident has occurred that may jeopardize the health, safety, or rights of a resident, the license holder must conduct an evaluation of the need for the physical presence of a staff member. If a physical presence is needed, a staff person, volunteer, or contractor must be on site to respond to the situation within the resident's maximum permissible response time.

(c) A license holder must notify the commissioner if remote overnight supervision technology will no longer be used by the license holder.

(d) When no physical presence response is completed for a three-month period, the license holder must conduct a physical presence response drill. The effectiveness of the response protocol must be reviewed and documented.

(e) Upon receipt of notification of use of remote overnight supervision or discontinuation of use of remote overnight supervision by a license holder, the commissioner shall notify the county licensing agency and update the license.

Subd. 4. Required policies and procedures for remote overnight supervision. (a) A license holder providing remote overnight supervision must have policies and procedures that:

(1) protect the residents' health, safety, and rights;

(2) explain the discharge process if a person served by the program requires in-person supervision or other services that cannot be provided by the license holder due to the limited hours that direct support staff are on site;

(3) explain the backup system for technology in times of electrical outages or other equipment malfunctions;

(4) explain how the license holder trains the direct support staff on the use of the technology; and

(5) establish a plan for dispatching emergency response personnel to the site in the event of an identified emergency.

(b) Nothing in this section requires the license holder to develop or maintain separate or duplicative policies, procedures, documentation, consent forms, or individual plans that may be required for other licensing standards if the requirements of this section are incorporated into those documents.

Subd. 5. Consent to use of monitoring technology. If a license holder uses monitoring technology in a community residential setting, the license holder must obtain a signed informed consent form from each resident served by the program or the resident's legal representative documenting the resident's or legal representative's agreement to use of the specific monitoring technology used in the setting. The informed consent form documenting this agreement must also explain:

(1) how the license holder uses monitoring technology to provide remote supervision;

(2) the risks and benefits of using monitoring technology;

(3) how the license holder protects each resident's privacy while monitoring technology is being used in the setting; and

(4) how the license holder protects each resident's privacy when the monitoring technology system electronically records personally identifying data.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 252.44, is amended to read:

252.44 LEAD AGENCY BOARD RESPONSIBILITIES.

When the need for day services in a county or Tribe has been determined under section 252.28, the board of commissioners for that lead agency shall:

(1) authorize the delivery of services according to the support plans and support plan addendums required as part of the lead agency's provision of case management services under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision 15; and 256S.10 and Minnesota Rules, parts 9525.0004 to 9525.0036;

(2) ensure that transportation is provided or arranged by the vendor in the most efficient and reasonable way possible; ~~and~~

(3) monitor and evaluate the cost and effectiveness of the services;

(4) ensure that on or after August 1, 2026, employers do not hire any new employee at a wage that is less than the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act; and

(5) ensure that on or after August 1, 2028, any day service program, including county, Tribal, or privately funded day services, pay employees with disabilities the highest applicable minimum wage, regardless of whether the employer holds a special certificate from the United States Department of Labor under section 14(c) of the federal Fair Labor Standards Act.

Sec. 10. **[252.54] STATEWIDE DISABILITY EMPLOYMENT TECHNICAL ASSISTANCE CENTER.**

The commissioner must establish a statewide technical assistance center to provide resources and assistance to programs, people, and families to support individuals with disabilities to achieve meaningful and competitive employment in integrated settings. Duties of the technical assistance center include but are not limited to:

(1) offering provider business model transition support to ensure ongoing access to employment and day services;

(2) identifying and providing training on innovative, promising, and emerging practices;

(3) maintaining a resource clearinghouse to serve as a hub of information to ensure programs, people, and families have access to high-quality materials and information;

(4) fostering innovation and actionable progress by providing direct technical assistance to programs; and

(5) cultivating partnerships and mentorship across support programs, people, and families in the exploration of and successful transition to competitive, integrated employment.

Sec. 11. **[252.55] LEAD AGENCY EMPLOYMENT FIRST CAPACITY BUILDING GRANTS.**

The commissioner shall establish a grant program to expand lead agency capacity to support people with disabilities to contemplate, explore, and maintain competitive, integrated employment options. Allowable uses of money include:

(1) enhancing resources and staffing to support people and families in understanding employment options and navigating service options;

(2) implementing and testing innovative approaches to better support people with disabilities and their families in achieving competitive, integrated employment; and

(3) other activities approved by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 12. **[256.4761] PROVIDER CAPACITY GRANTS FOR RURAL AND UNDERSERVED COMMUNITIES.**

Subdivision 1. Establishment and authority. (a) The commissioner of human services shall award grants to organizations that provide community-based services to rural or underserved communities. The grants must be used to build organizational capacity to provide home and community-based services in the state and to build new or expanded infrastructure to access medical assistance reimbursement.

(b) The commissioner shall conduct community engagement, provide technical assistance, and establish a collaborative learning community related to the grants available under this section and shall work with the commissioner of management and budget and the commissioner of the Department of Administration to mitigate barriers in accessing grant money.

(c) The commissioner shall limit expenditures under this subdivision to the amount appropriated for this purpose.

(d) The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services or that serve historically underserved communities throughout the state.

Subd. 2. Eligibility. An eligible applicant for the capacity grants under subdivision 1 is an organization or provider that serves, or will serve, rural or underserved communities and:

(1) provides, or will provide, home and community-based services in the state; or

(2) serves, or will serve, as a connector for communities to available home and community-based services.

Subd. 3. Allowable grant activities. Grants under this section must be used by recipients for the following activities:

(1) expanding existing services;

(2) increasing access in rural or underserved areas;

(3) creating new home and community-based organizations;

(4) connecting underserved communities to benefits and available services; or

(5) building new or expanded infrastructure to access medical assistance reimbursement.

Sec. 13. Minnesota Statutes 2022, section 256.482, is amended by adding a subdivision to read:

Subd. 9. Report to legislature. On or before January 15, 2025, and annually on January 15 thereafter, the Minnesota Council on Disability shall submit a report to the chair and ranking minority members of the legislative committees with jurisdiction over state government finance and local government specifying the number of cities and counties that received training or technical assistance on website accessibility, the outcomes of website accessibility training and outreach, the costs incurred by cities and counties to make website accessibility improvements, and any other information that the council deems relevant.

Sec. 14. Minnesota Statutes 2022, section 256B.056, subdivision 3, is amended to read:

Subd. 3. **Asset limitations for certain individuals.** (a) To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members, husband and wife, or parent and child, the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The accumulation of the clothing and personal needs allowance according to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets excluded under the Supplemental Security Income program for aged, blind, and disabled persons, with the following exceptions:

- (1) household goods and personal effects are not considered;
 - (2) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered;
 - (3) motor vehicles are excluded to the same extent excluded by the Supplemental Security Income program;
 - (4) assets designated as burial expenses are excluded to the same extent excluded by the Supplemental Security Income program. Burial expenses funded by annuity contracts or life insurance policies must irrevocably designate the individual's estate as contingent beneficiary to the extent proceeds are not used for payment of selected burial expenses;
 - (5) for a person who no longer qualifies as an employed person with a disability due to loss of earnings, assets allowed while eligible for medical assistance under section 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility as an employed person with a disability, to the extent that the person's total assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph (d);
 - (6) a designated employment incentives asset account is disregarded when determining eligibility for medical assistance for a person age 65 years or older under section 256B.055, subdivision 7. An employment incentives asset account must only be designated by a person who has been enrolled in medical assistance under section 256B.057, subdivision 9, for a 24-consecutive-month period. A designated employment incentives asset account contains qualified assets owned by the person ~~and the person's spouse~~ in the last month of enrollment in medical assistance under section 256B.057, subdivision 9. Qualified assets include retirement and pension accounts, medical expense accounts, and up to \$17,000 of the person's other nonexcluded liquid assets. An employment incentives asset account is no longer designated when a person loses medical assistance eligibility for a calendar month or more before turning age 65. A person who loses medical assistance eligibility before age 65 can establish a new designated employment incentives asset account by establishing a new 24-consecutive-month period of enrollment under section 256B.057, subdivision 9. ~~The income of a spouse of a person enrolled in medical assistance under section 256B.057, subdivision 9, during each of the 24 consecutive months before the person's 65th birthday must be disregarded when determining eligibility for medical assistance under section 256B.055, subdivision 7.~~ Persons eligible under this clause are not subject to the provisions in section 256B.059; and
 - (7) effective July 1, 2009, certain assets owned by American Indians are excluded as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.
- (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision 15.

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

Sec. 15. Minnesota Statutes 2022, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

(1) but for excess earnings or assets, meets the definition of disabled under the Supplemental Security Income program;

(2) meets the asset limits in paragraph (d); and

(3) pays a premium and other obligations under paragraph (e).

(b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than \$65 of earned income. Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding. Any spousal income or assets shall be disregarded for purposes of eligibility and premium determinations.

(c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, advanced practice registered nurse, or physician assistant; or

(2) loses employment for reasons not attributable to the enrollee, and is without receipt of earned income may retain eligibility for up to four consecutive months after the month of job loss. To receive a four-month extension, enrollees must verify the medical condition or provide notification of job loss. All other eligibility requirements must be met and the enrollee must pay all calculated premium costs for continued eligibility.

(d) For purposes of determining eligibility under this subdivision, a person's assets must not exceed \$20,000, excluding:

(1) all assets excluded under section 256B.056;

(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans;

(3) medical expense accounts set up through the person's employer; and

(4) spousal assets, including spouse's share of jointly held assets.

(e) All enrollees must pay a premium to be eligible for medical assistance under this subdivision, except as provided under clause (5).

(1) An enrollee must pay the greater of a \$35 premium or the premium calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

(3) All enrollees who receive unearned income must pay one-half of one percent of unearned income in addition to the premium amount, except as provided under clause (5).

(4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(5) Effective July 1, 2009, American Indians are exempt from paying premiums as required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5. For purposes of this clause, an American Indian is any person who meets the definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

(f) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(g) Any required premium shall be determined at application and redetermined at the enrollee's six-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ten days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next six-month review.

(h) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(i) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. "Good cause" means an excuse for the enrollee's failure to pay the required premium when due because the circumstances were beyond the enrollee's control or not reasonably foreseeable. The commissioner shall determine whether good cause exists based on the weight of the supporting evidence submitted by the enrollee to demonstrate good cause. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(j) The commissioner is authorized to determine that a premium amount was calculated or billed in error, make corrections to financial records and billing systems, and refund premiums collected in error.

⊕ (k) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

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

Sec. 16. Minnesota Statutes 2022, section 256B.0659, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in paragraphs (b) to (r) have the meanings given unless otherwise provided in text.

(b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(c) "Behavior," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section. "Level I behavior" means physical aggression ~~towards~~ toward self, others, or destruction of property that requires the immediate response of another person.

(d) "Complex health-related needs," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.

(e) "Critical activities of daily living," effective January 1, 2010, means transferring, mobility, eating, and toileting.

(f) "Dependency in activities of daily living" means a person requires assistance to begin and complete one or more of the activities of daily living.

(g) "Extended personal care assistance service" means personal care assistance services included in a service plan under one of the home and community-based services waivers authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which exceed the amount, duration, and frequency of the state plan personal care assistance services for participants who:

(1) need assistance provided periodically during a week, but less than daily will not be able to remain in their homes without the assistance, and other replacement services are more expensive or are not available when personal care assistance services are to be reduced; or

(2) need additional personal care assistance services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(h) "Health-related procedures and tasks" means procedures and tasks that can be delegated or assigned by a licensed health care professional under state law to be performed by a personal care assistant.

(i) "Instrumental activities of daily living" means activities to include meal planning and preparation; basic assistance with paying bills; shopping for food, clothing, and other essential items; performing household tasks integral to the personal care assistance services; communication by telephone and other media; and traveling, including to medical appointments and to participate in the community. For purposes of this paragraph, traveling includes driving and accompanying the recipient in the recipient's chosen mode of transportation and according to the recipient's personal care assistance care plan.

(j) "Managing employee" has the same definition as Code of Federal Regulations, title 42, section 455.

(k) "Qualified professional" means a professional providing supervision of personal care assistance services and staff as defined in section 256B.0625, subdivision 19c.

(l) "Personal care assistance provider agency" means a medical assistance enrolled provider that provides or assists with providing personal care assistance services and includes a personal care assistance provider organization, personal care assistance choice agency, class A licensed nursing agency, and Medicare-certified home health agency.

(m) "Personal care assistant" or "PCA" means an individual employed by a personal care assistance agency who provides personal care assistance services.

(n) "Personal care assistance care plan" means a written description of personal care assistance services developed by the personal care assistance provider according to the service plan.

(o) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

(p) "Self-administered medication" means medication taken orally, by injection, nebulizer, or insertion, or applied topically without the need for assistance.

(q) "Service plan" means a written summary of the assessment and description of the services needed by the recipient.

(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. Minnesota Statutes 2022, section 256B.0659, subdivision 12, is amended to read:

Subd. 12. **Documentation of personal care assistance services provided.** (a) Personal care assistance services for a recipient must be documented daily by each personal care assistant, on a time sheet form approved by the commissioner. All documentation may be web-based, electronic, or paper documentation. The completed form must be submitted on a monthly basis to the provider and kept in the recipient's health record.

(b) The activity documentation must correspond to the personal care assistance care plan and be reviewed by the qualified professional.

(c) The personal care assistant time sheet must be on a form approved by the commissioner documenting time the personal care assistant provides services in the home. The following criteria must be included in the time sheet:

- (1) full name of personal care assistant and individual provider number;
- (2) provider name and telephone numbers;
- (3) full name of recipient and either the recipient's medical assistance identification number or date of birth;
- (4) consecutive dates, including month, day, and year, and arrival and departure times with a.m. or p.m. notations;
- (5) signatures of recipient or the responsible party;
- (6) personal signature of the personal care assistant;
- (7) any shared care provided, if applicable;
- (8) a statement that it is a federal crime to provide false information on personal care service billings for medical assistance payments; ~~and~~
- (9) dates and location of recipient stays in a hospital, care facility, or incarceration; and
- (10) any time spent traveling, as described in subdivision 1, paragraph (i), including start and stop times with a.m. and p.m. designations, the origination site, and the destination site.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 18. Minnesota Statutes 2022, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual reassessment as required in subdivision 3a to determine continuing eligibility and service authorization; ~~and~~

(7) use the same personal care assistance choice provider agency if shared personal assistance care is being used; and

(8) ensure that a personal care assistant driving the recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including but not limited to purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including but not limited to workers' compensation, unemployment insurance, and labor market data required under section 256B.4912, subdivision 1a;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

- (8) enroll in the medical assistance program as a personal care assistance choice agency; and
- (9) enter into a written agreement as specified in subdivision 20 before services are provided.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 19. Minnesota Statutes 2022, section 256B.0659, subdivision 24, is amended to read:

Subd. 24. **Personal care assistance provider agency; general duties.** A personal care assistance provider agency shall:

- (1) enroll as a Medicaid provider meeting all provider standards, including completion of the required provider training;
- (2) comply with general medical assistance coverage requirements;
- (3) demonstrate compliance with law and policies of the personal care assistance program to be determined by the commissioner;
- (4) comply with background study requirements;
- (5) verify and keep records of hours worked by the personal care assistant and qualified professional;
- (6) not engage in any agency-initiated direct contact or marketing in person, by phone, or other electronic means to potential recipients, guardians, or family members;
- (7) pay the personal care assistant and qualified professional based on actual hours of services provided;
- (8) withhold and pay all applicable federal and state taxes;
- (9) document that the agency uses a minimum of 72.5 percent of the revenue generated by the medical assistance rate for personal care assistance services for employee personal care assistant wages and benefits. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation;
- (10) make the arrangements and pay unemployment insurance, taxes, workers' compensation, liability insurance, and other benefits, if any;
- (11) enter into a written agreement under subdivision 20 before services are provided;
- (12) report suspected neglect and abuse to the common entry point according to section 256B.0651;
- (13) provide the recipient with a copy of the home care bill of rights at start of service;
- (14) request reassessments at least 60 days prior to the end of the current authorization for personal care assistance services, on forms provided by the commissioner;
- (15) comply with the labor market reporting requirements described in section 256B.4912, subdivision 1a; ~~and~~
- (16) document that the agency uses the additional revenue due to the enhanced rate under subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements under subdivision 11, paragraph (d); and

(17) ensure that a personal care assistant driving a recipient under subdivision 1, paragraph (i), has a valid driver's license and the vehicle used is registered and insured according to Minnesota law.

EFFECTIVE DATE. This section is effective 90 days following federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 256B.0911, subdivision 13, is amended to read:

Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The commissioner shall develop and implement a curriculum and an assessor certification process.

(b) MnCHOICES certified assessors must:

(1) either have a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field ~~with at least one year of home and community-based experience~~ or be a registered nurse with at least two years of home and community-based experience; and

(2) have received training and certification specific to assessment and consultation for long-term care services in the state.

(c) Certified assessors shall demonstrate best practices in assessment and support planning, including person-centered planning principles, and have a common set of skills that ensures consistency and equitable access to services statewide.

(d) Certified assessors must be recertified every three years.

Sec. 21. Minnesota Statutes 2022, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management services.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application.

(b) Case management service activities provided to or arranged for a person include:

(1) development of the person-centered support plan under subdivision 1b;

(2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options, including all service options available under the waiver plan;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers of chosen services, including:

(i) providers of services provided in a non-disability-specific setting;

(ii) employment service providers;

(iii) providers of services provided in settings that are not controlled by a provider; and

(iv) providers of financial management services;

(5) assisting the person to access services and assisting in appeals under section 256.045;

(6) coordination of services, if coordination is not provided by another service provider;

(7) evaluation and monitoring of the services identified in the support plan, which must incorporate at least one annual face-to-face visit by the case manager with each person; and

(8) reviewing support plans and providing the lead agency with recommendations for service authorization based upon the individual's needs identified in the support plan.

(c) Case management service activities that are provided to the person with a developmental disability shall be provided directly by county agencies or under contract. If a county agency contracts for case management services, the county agency must provide each recipient of home and community-based services who is receiving contracted case management services with the contact information the recipient may use to file a grievance with the county agency about the quality of the contracted services the recipient is receiving from a county-contracted case manager. Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has a financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(d) Case managers are responsible for service provisions listed in paragraphs (a) and (b). Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the person-centered support plan and habilitation plan.

(e) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
- (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(f) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ~~ten~~ 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers must document completion of training in a system identified by the commissioner.

Sec. 22. Minnesota Statutes 2022, section 256B.0949, subdivision 15, is amended to read:

Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be employed by an agency and be:

(1) a licensed mental health professional who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development; or

(2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development.

(b) A level I treatment provider must be employed by an agency and:

(1) have at least 2,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or an equivalent combination of documented coursework or hours of experience; and

(2) have or be at least one of the following:

(i) a master's degree in behavioral health or child development or related fields including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university;

(ii) a bachelor's degree in a behavioral health, child development, or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy, from an accredited college or university, and advanced certification in a treatment modality recognized by the department;

(iii) a board-certified behavior analyst; or

(iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical experience that meets all registration, supervision, and continuing education requirements of the certification.

(c) A level II treatment provider must be employed by an agency and must be:

(1) a person who has a bachelor's degree from an accredited college or university in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy; and meets at least one of the following:

(i) has at least 1,000 hours of supervised clinical experience or training in examining or treating people with ASD or a related condition or equivalent documented coursework at the graduate level by an accredited university in ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child development or a combination of coursework or hours of experience;

(ii) has certification as a board-certified assistant behavior analyst from the Behavior Analyst Certification Board;

(iii) is a registered behavior technician as defined by the Behavior Analyst Certification Board; or

(iv) is certified in one of the other treatment modalities recognized by the department; or

(2) a person who has:

(i) an associate's degree in a behavioral or child development science or related field including, but not limited to, mental health, special education, social work, psychology, speech pathology, or occupational therapy from an accredited college or university; and

(ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(3) a person who has at least 4,000 hours of supervised clinical experience in delivering treatment to people with ASD or a related condition. Hours worked as a mental health behavioral aide or level III treatment provider may be included in the required hours of experience; or

(4) a person who is a graduate student in a behavioral science, child development science, or related field and is receiving clinical supervision by a QSP affiliated with an agency to meet the clinical training requirements for experience and training with people with ASD or a related condition; or

(5) a person who is at least 18 years of age and who:

(i) is fluent in a non-English language or is an individual certified by a Tribal nation;

(ii) completed the level III EIDBI training requirements; and

(iii) receives observation and direction from a QSP or level I treatment provider at least once a week until the person meets 1,000 hours of supervised clinical experience.

(d) A level III treatment provider must be employed by an agency, have completed the level III training requirement, be at least 18 years of age, and have at least one of the following:

(1) a high school diploma or commissioner of education-selected high school equivalency certification;

(2) fluency in a non-English language or Tribal nation certification;

(3) one year of experience as a primary personal care assistant, community health worker, waiver service provider, or special education assistant to a person with ASD or a related condition within the previous five years; or

(4) completion of all required EIDBI training within six months of employment.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. Minnesota Statutes 2022, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** (a) Each recipient of a home and community-based waiver shall be provided case management services by qualified vendors as described in the federally approved waiver application. The case management service activities provided must include:

(1) finalizing the person-centered written support plan within the timelines established by the commissioner and section 256B.0911, subdivision 29;

(2) informing the recipient or the recipient's legal guardian or conservator of service options, including all service options available under the waiver plans;

(3) assisting the recipient in the identification of potential service providers of chosen services, including:

(i) available options for case management service and providers;

(ii) providers of services provided in a non-disability-specific setting;

- (iii) employment service providers;
- (iv) providers of services provided in settings that are not community residential settings; and
- (v) providers of financial management services;
- (4) assisting the recipient to access services and assisting with appeals under section 256.045; and
- (5) coordinating, evaluating, and monitoring of the services identified in the service plan.

(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including:

- (1) finalizing the person-centered support plan;
- (2) ongoing assessment and monitoring of the person's needs and adequacy of the approved person-centered support plan; and
- (3) adjustments to the person-centered support plan.

(c) Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services must not be provided to a recipient by a private agency that has any financial interest in the provision of any other services included in the recipient's support plan. For purposes of this section, "private agency" means any agency that is not identified as a lead agency under section 256B.0911, subdivision 10.

(d) For persons who need a positive support transition plan as required in chapter 245D, the case manager shall participate in the development and ongoing evaluation of the plan with the expanded support team. At least quarterly, the case manager, in consultation with the expanded support team, shall evaluate the effectiveness of the plan based on progress evaluation data submitted by the licensed provider to the case manager. The evaluation must identify whether the plan has been developed and implemented in a manner to achieve the following within the required timelines:

- (1) phasing out the use of prohibited procedures;
- (2) acquisition of skills needed to eliminate the prohibited procedures within the plan's timeline; and
- (3) accomplishment of identified outcomes.

If adequate progress is not being made, the case manager shall consult with the person's expanded support team to identify needed modifications and whether additional professional support is required to provide consultation.

(e) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ~~ten~~ 20 hours of case management education and disability-related training each year. The education and training must include person-centered planning, informed choice, cultural competency, employment planning, community living planning, self-direction options, and use of technology supports. By August 1, 2024, all case managers must complete an employment support training course identified by the commissioner of human services. For case managers hired after August 1, 2024, this training must be completed within the first six months of providing case management services. For the purposes of this section, "person-centered planning" or "person-centered" has the meaning given in section 256B.0911, subdivision 10. Case managers shall document completion of training in a system identified by the commissioner.

Sec. 24. Minnesota Statutes 2022, section 256B.4905, subdivision 4a, is amended to read:

Subd. 4a. **Informed choice in employment policy.** It is the policy of this state that working-age individuals who have disabilities:

(1) can work and achieve competitive integrated employment with appropriate services and supports, as needed;

(2) make informed choices about their postsecondary education, work, and career goals; ~~and~~

(3) will be offered the opportunity to make an informed choice, at least annually, to pursue postsecondary education or to work and earn a competitive wage-; and

(4) will be offered benefits planning assistance and supports to understand available work incentive programs and to understand the impact of work on benefits.

Sec. 25. **[256B.4906] SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED SERVICES PROHIBITION; REQUIREMENTS.**

Subdivision 1. **Subminimum wage outcome reporting.** (a) A provider of home and community-based services for people with developmental disabilities under section 256B.092 or home and community-based services for people with disabilities under section 256B.49 that holds a credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner of human services data on individuals who are currently being paid subminimum wages or were being paid subminimum wages by the provider organization as of August 1, 2023:

(1) a certificate through the United States Department of Labor under United States Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of subminimum wages to workers with disabilities; or

(2) a permit by the Minnesota Department of Labor and Industry under section 177.28.

(b) The report required under paragraph (a) must include the following data about each individual being paid subminimum wages:

(1) name;

(2) date of birth;

(3) identified race and ethnicity;

(4) disability type;

(5) key employment status measures as determined by the commissioner; and

(6) key community-life engagement measures as determined by the commissioner.

(c) The information in paragraph (b) must be submitted in a format determined by the commissioner.

(d) A provider must submit the data required under this section annually on a date specified by the commissioner. The commissioner must give a provider at least 30 calendar days to submit the data following notice of the due date. If a provider fails to submit the requested data by the date specified by the commissioner, the commissioner may delay medical assistance reimbursement until the requested data is submitted.

(e) Individually identifiable data submitted to the commissioner under this section are considered private data on individuals as defined by section 13.02, subdivision 12.

(f) The commissioner must analyze data annually for tracking employment and community-life engagement outcomes.

Subd. 2. **Prohibition of subminimum wages.** Providers of home and community-based services are prohibited from paying a person with a disability wages below the state minimum wage pursuant to section 177.24, or below the prevailing local minimum wage on the basis of the person's disability. A special certificate authorizing the payment of less than the minimum wage to a person with a disability issued pursuant to a law of this state or to a federal law is without effect as of August 1, 2028.

Sec. 26. Minnesota Statutes 2022, section 256B.4914, subdivision 3, is amended to read:

Subd. 3. **Applicable services.** Applicable services are those authorized under the state's home and community-based services waivers under sections 256B.092 and 256B.49, including the following, as defined in the federally approved home and community-based services plan:

- (1) 24-hour customized living;
- (2) adult day services;
- (3) adult day services bath;
- (4) community residential services;
- (5) customized living;
- (6) day support services;
- (7) employment development services;
- (8) employment exploration services;
- (9) employment support services;
- (10) family residential services;
- (11) individualized home supports;
- (12) individualized home supports with family training;
- (13) individualized home supports with training;
- (14) integrated community supports;
- (15) life sharing;
- ~~(15)~~ (16) night supervision;
- ~~(16)~~ (17) positive support services;
- ~~(17)~~ (18) prevocational services;

(18) (19) residential support services;

(19) (20) respite services;

(20) (21) transportation services; and

(21) (22) other services as approved by the federal government in the state home and community-based services waiver plan.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 27. Minnesota Statutes 2022, section 256B.4914, subdivision 5, is amended to read:

Subd. 5. **Base wage index; establishment and updates.** (a) The base wage index is established to determine staffing costs associated with providing services to individuals receiving home and community-based services. For purposes of calculating the base wage, Minnesota-specific wages taken from job descriptions and standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the Occupational Handbook must be used.

(b) The commissioner shall update the base wage index in subdivision 5a, publish these updated values, and load them into the rate management system as follows:

(1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics available as of December 31, 2019;

(2) on ~~November~~ January 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics ~~available as of December 31, 2021~~ published in March 2022; and

(3) on ~~July~~ January 1, 2026, and every two years thereafter, based on wage data by SOC from the Bureau of Labor Statistics ~~available 30 months and one day~~ published in March, 22 months prior to the scheduled update.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. Minnesota Statutes 2022, section 256B.4914, subdivision 5a, is amended to read:

Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as follows:

(1) for supervisory staff, 100 percent of the median wage for community and social services specialist (SOC code 21-1099), with the exception of the supervisor of positive supports professional, positive supports analyst, and positive supports specialist, which is 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC code 29-1141);

(3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical nurses (SOC code 29-2061);

(4) for residential asleep-overnight staff, the minimum wage in Minnesota for large employers, ~~with the exception of asleep overnight staff for family residential services, which is 36 percent of the minimum wage in Minnesota for large employers;~~

(5) for residential direct care staff, the sum of:

(i) 15 percent of the subtotal of 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant (SOC code 31-1131); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(ii) 85 percent of the subtotal of 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

(6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC code 31-1131); and 30 percent of the median wage for home health and personal care aide (SOC code 31-1120);

(7) for day support services staff and prevocational services staff, 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

(8) for positive supports analyst staff, 100 percent of the median wage for substance abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

(9) for positive supports professional staff, 100 percent of the median wage for clinical counseling and school psychologist (SOC code 19-3031);

(10) for positive supports specialist staff, 100 percent of the median wage for psychiatric technicians (SOC code 29-2053);

(11) for individualized home supports with family training staff, 20 percent of the median wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community social service specialist (SOC code 21-1099); 40 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(12) for individualized home supports with training services staff, 40 percent of the median wage for community social service specialist (SOC code 21-1099); 50 percent of the median wage for social and human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

(13) for employment support services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(14) for employment exploration services staff, 50 percent of the median wage for rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(15) for employment development services staff, 50 percent of the median wage for education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent of the median wage for community and social services specialist (SOC code 21-1099);

(16) for individualized home support without training staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the median wage for nursing assistant (SOC code 31-1131);

(17) for night supervision staff, 40 percent of the median wage for home health and personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code 29-2053); and 20 percent of the median wage for social and human services aide (SOC code 21-1093); and

(18) for respite staff, 50 percent of the median wage for home health and personal care aide (SOC code 31-1131); and 50 percent of the median wage for nursing assistant (SOC code 31-1014).

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 29. Minnesota Statutes 2022, section 256B.4914, subdivision 5b, is amended to read:

Subd. 5b. **Standard component value adjustments.** The commissioner shall update the client and programming support, transportation, and program facility cost component values as required in subdivisions 6 to 9a and the rates identified in subdivision 19 for changes in the Consumer Price Index. The commissioner shall adjust these values higher or lower, publish these updated values, and load them into the rate management system as follows:

(1) on January 1, 2022, by the percentage change in the CPI-U from the date of the previous update to the data available on December 31, 2019;

(2) on ~~November~~ January 1, 2024, by the percentage change in the CPI-U from the date of the previous update to the data available as of December 31, ~~2021~~ 2022; and

(3) on ~~July~~ January 1, 2026, and every two years thereafter, by the percentage change in the CPI-U from the date of the previous update to the data available 30 months and one day prior to the scheduled update.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later, except that the amendments to clauses (2) and (3), are effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 30. Minnesota Statutes 2022, section 256B.4914, subdivision 6, is amended to read:

Subd. 6. **Residential support services; generally.** (a) For purposes of this section, residential support services includes 24-hour customized living services, community residential services, customized living services, ~~family residential services~~, and integrated community supports.

(b) A unit of service for residential support services is a day. Any portion of any calendar day, within allowable Medicaid rules, where an individual spends time in a residential setting is billable as a day. The number of days authorized for all individuals enrolling in residential support services must include every day that services start and end.

(c) When the available shared staffing hours in a residential setting are insufficient to meet the needs of an individual who enrolled in residential support services after January 1, 2014, then individual staffing hours shall be used.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 31. Minnesota Statutes 2022, section 256B.4914, subdivision 10a, is amended to read:

Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure that wage values and component values in subdivisions 5 to ~~9a~~ 9 reflect the cost to provide the service. As determined by the commissioner, in consultation with stakeholders identified in subdivision 17, a provider enrolled to provide services

with rates determined under this section must submit requested cost data to the commissioner to support research on the cost of providing services that have rates determined by the disability waiver rates system. Requested cost data may include, but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to its submission due date. If a provider fails to submit required reporting data, the commissioner shall provide notice to providers that have not provided required data 30 days after the required submission date, and a second notice for providers who have not provided required data 60 days after the required submission date. The commissioner shall temporarily suspend payments to the provider if cost data is not received 90 days after the required submission date. Withheld payments shall be made once data is received by the commissioner.

(c) The commissioner shall conduct a random validation of data submitted under paragraph (a) to ensure data accuracy. The commissioner shall analyze cost documentation in paragraph (a) and provide recommendations for adjustments to cost components.

(d) The commissioner shall analyze cost data submitted under paragraph (a) and, in consultation with stakeholders identified in subdivision 17, may submit recommendations on component values and inflationary factor adjustments to the chairs and ranking minority members of the legislative committees with jurisdiction over human services once every four years beginning January 1, 2021. The commissioner shall make recommendations in conjunction with reports submitted to the legislature according to subdivision 10, paragraph (c). The commissioner shall release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law.

~~(e) The commissioner shall release cost data in an aggregate form, and cost data from individual providers shall not be released except as provided for in current law.~~ The commissioner shall use data collected in paragraph (a) to determine the compliance with requirements identified under subdivision 10d. The commissioner shall identify providers who have not met the thresholds identified under subdivision 10d on the Department of Human Services website for the year for which the providers reported their costs.

~~(f) The commissioner, in consultation with stakeholders identified in subdivision 17, shall develop and implement a process for providing training and technical assistance necessary to support provider submission of cost documentation required under paragraph (a).~~

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 32. Minnesota Statutes 2022, section 256B.4914, is amended by adding a subdivision to read:

Subd. 10d. **Direct care staff; compensation.** (a) A provider paid with rates determined under subdivision 6 must use a minimum of 66 percent of the revenue generated by rates determined under that subdivision for direct care staff compensation.

(b) A provider paid with rates determined under subdivision 7 must use a minimum of 45 percent of the revenue generated by rates determined under that subdivision for direct care compensation.

(c) A provider paid with rates determined under subdivision 8 or 9 must use a minimum of 60 percent of the revenue generated by rates determined under those subdivisions for direct care compensation.

(d) Compensation under this subdivision includes:

(1) wages;

(2) taxes and workers' compensation;

(3) health insurance;

(4) dental insurance;

(5) vision insurance;

(6) life insurance;

(7) short-term disability insurance;

(8) long-term disability insurance;

(9) retirement spending;

(10) tuition reimbursement;

(11) wellness programs;

(12) paid vacation time;

(13) paid sick time; or

(14) other items of monetary value provided to direct care staff.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 33. Minnesota Statutes 2022, section 256B.4914, subdivision 14, is amended to read:

Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead agencies must identify individuals with exceptional needs that cannot be met under the disability waiver rate system. The commissioner shall use that information to evaluate and, if necessary, approve an alternative payment rate for those individuals. Whether granted, denied, or modified, the commissioner shall respond to all exception requests in writing. The commissioner shall include in the written response the basis for the action and provide notification of the right to appeal under paragraph (h).

(b) Lead agencies must act on an exception request within 30 days and notify the initiator of the request of their recommendation in writing. A lead agency shall submit all exception requests along with its recommendation to the commissioner.

(c) An application for a rate exception may be submitted for the following criteria:

(1) an individual has service needs that cannot be met through additional units of service;

(2) an individual's rate determined under subdivisions 6 to 9a is so insufficient that it has resulted in an individual receiving a notice of discharge from the individual's provider; or

(3) an individual's service needs, including behavioral changes, require a level of service which necessitates a change in provider or which requires the current provider to propose service changes beyond those currently authorized.

(d) Exception requests must include the following information:

(1) the service needs required by each individual that are not accounted for in subdivisions 6 to 9a;

(2) the service rate requested and the difference from the rate determined in subdivisions 6 to 9a;

(3) a basis for the underlying costs used for the rate exception and any accompanying documentation; and

(4) any contingencies for approval.

(e) Approved rate exceptions shall be managed within lead agency allocations under sections 256B.092 and 256B.49.

(f) Individual disability waiver recipients, an interested party, or the license holder that would receive the rate exception increase may request that a lead agency submit an exception request. A lead agency that denies such a request shall notify the individual waiver recipient, interested party, or license holder of its decision and the reasons for denying the request in writing no later than 30 days after the request has been made and shall submit its denial to the commissioner in accordance with paragraph (b). The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

(g) The commissioner shall determine whether to approve or deny an exception request no more than 30 days after receiving the request. If the commissioner denies the request, the commissioner shall notify the lead agency and the individual disability waiver recipient, the interested party, and the license holder in writing of the reasons for the denial.

(h) The individual disability waiver recipient may appeal any denial of an exception request by either the lead agency or the commissioner, pursuant to sections 256.045 and 256.0451. When the denial of an exception request results in the proposed demission of a waiver recipient from a residential or day habilitation program, the commissioner shall issue a temporary stay of demission, when requested by the disability waiver recipient, consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary stay shall remain in effect until the lead agency can provide an informed choice of appropriate, alternative services to the disability waiver.

(i) Providers may petition lead agencies to update values that were entered incorrectly or erroneously into the rate management system, based on past service level discussions and determination in subdivision 4, without applying for a rate exception.

(j) The starting date for the rate exception will be the later of the date of the recipient's change in support or the date of the request to the lead agency for an exception.

(k) The commissioner shall track all exception requests received and their dispositions. The commissioner shall issue quarterly public exceptions statistical reports, including the number of exception requests received and the numbers granted, denied, withdrawn, and pending. The report shall include the average amount of time required to process exceptions.

(l) Approved rate exceptions remain in effect in all cases until an individual's needs change as defined in paragraph (c).

(m) Rates determined under subdivision 19 are ineligible for rate exceptions.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 34. Minnesota Statutes 2022, section 256B.4914, is amended by adding a subdivision to read:

Subd. 19. Payments for family residential and life sharing services. The commissioner shall establish rates for family residential services and life sharing services based on a person's assessed need, as described in the federally-approved waiver plans. Rates for life sharing services must be ten percent higher than the corresponding family residential services rate.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 35. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision to read:

Subd. 19. ICF/DD rate transition. (a) Effective January 1, 2024, the minimum daily operating rate for intermediate care facilities for persons with developmental disabilities is \$260.00.

(b) Beginning January 1, 2026, and every two years thereafter, the rate in paragraph (a) must be updated for the percentage change in the Consumer Price Index (CPI-U) from the date of the previous CPI-U update to the data available 12 months and one day prior to the scheduled update.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 36. Minnesota Statutes 2022, section 256B.851, subdivision 3, is amended to read:

Subd. 3. Payment rates; base wage index. When initially establishing the base wage component values, the commissioner must use the Minnesota-specific median wage for the standard occupational classification (SOC) codes published by the Bureau of Labor Statistics in the edition of the Occupational Handbook available January 1, published in March 2021. The commissioner must calculate the base wage component values as follows for:

(1) personal care assistance services, CFSS, extended personal care assistance services, and extended CFSS. The base wage component value equals the median wage for personal care aide (SOC code 31-1120);

(2) enhanced rate personal care assistance services and enhanced rate CFSS. The base wage component value equals the product of median wage for personal care aide (SOC code 31-1120) and the value of the enhanced rate under section 256B.0659, subdivision 17a; and

(3) qualified professional services and CFSS worker training and development. The base wage component value equals the sum of 70 percent of the median wage for registered nurse (SOC code 29-1141), 15 percent of the median wage for health care social worker (SOC code 21-1099), and 15 percent of the median wage for social and human service assistant (SOC code 21-1093).

EFFECTIVE DATE. This section is effective January 1, 2024, or within 90 days of federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 37. Minnesota Statutes 2022, section 256B.851, subdivision 5, is amended to read:

Subd. 5. **Payment rates; component values.** (a) The commissioner must use the following component values:

- (1) employee vacation, sick, and training factor, 8.71 percent;
- (2) employer taxes and workers' compensation factor, 11.56 percent;
- (3) employee benefits factor, 12.04 percent;
- (4) client programming and supports factor, 2.30 percent;
- (5) program plan support factor, 7.00 percent;
- (6) general business and administrative expenses factor, 13.25 percent;
- (7) program administration expenses factor, 2.90 percent; and
- (8) absence and utilization factor, 3.90 percent.

(b) For purposes of implementation, the commissioner shall use the following implementation components:

- (1) personal care assistance services and CFSS: ~~75.45~~ 88.66 percent;
- (2) enhanced rate personal care assistance services and enhanced rate CFSS: ~~75.45~~ 88.66 percent; and
- (3) qualified professional services and CFSS worker training and development: ~~75.45~~ 88.66 percent.

(c) Effective January 1, 2025, for purposes of implementation, the commissioner shall use the following implementation components:

- (1) personal care assistance services and CFSS: 92.08 percent;
- (2) enhanced rate personal care assistance services and enhanced rate CFSS: 92.08 percent; and
- (3) qualified professional services and CFSS worker training and development: 92.08 percent.

(d) The commissioner shall use the following worker retention components:

(1) for workers who have provided fewer than 1,001 cumulative hours in personal care assistance services or CFSS, the worker retention component is zero percent;

(2) for workers who have provided between 1,001 and 2,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 2.17 percent;

(3) for workers who have provided between 2,001 and 6,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 4.36 percent;

(4) for workers who have provided between 6,001 and 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 7.35 percent; and

(5) for workers who have provided more than 10,000 cumulative hours in personal care assistance services or CFSS, the worker retention component is 10.81 percent.

(e) The commissioner shall define the appropriate worker retention component based on the total number of units billed for services rendered by the individual provider since July 1, 2017. The worker retention component must be determined by the commissioner for each individual provider and is not subject to appeal.

EFFECTIVE DATE. The amendments to paragraph (b) are effective January 1, 2024, or within 90 days of federal approval, whichever is later. Paragraph (b) expires January 1, 2025, or within 90 days of federal approval of paragraph (c), whichever is later. Paragraphs (c) to (e) are effective January 1, 2025, or within 90 days of federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 38. Minnesota Statutes 2022, section 256B.851, subdivision 6, is amended to read:

Subd. 6. **Payment rates; rate determination.** (a) The commissioner must determine the rate for personal care assistance services, CFSS, extended personal care assistance services, extended CFSS, enhanced rate personal care assistance services, enhanced rate CFSS, qualified professional services, and CFSS worker training and development as follows:

(1) multiply the appropriate total wage component value calculated in subdivision 4 by one plus the employee vacation, sick, and training factor in subdivision 5;

(2) for program plan support, multiply the result of clause (1) by one plus the program plan support factor in subdivision 5;

(3) for employee-related expenses, add the employer taxes and workers' compensation factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is employee-related expenses. Multiply the product of clause (2) by one plus the value for employee-related expenses;

(4) for client programming and supports, multiply the product of clause (3) by one plus the client programming and supports factor in subdivision 5;

(5) for administrative expenses, add the general business and administrative expenses factor in subdivision 5, the program administration expenses factor in subdivision 5, and the absence and utilization factor in subdivision 5;

(6) divide the result of clause (4) by one minus the result of clause (5). The quotient is the hourly rate;

(7) multiply the hourly rate by the appropriate implementation component under subdivision 5. This is the adjusted hourly rate; and

(8) divide the adjusted hourly rate by four. The quotient is the total adjusted payment rate.

(b) In processing claims, the commissioner shall incorporate the worker retention component specified in subdivision 5, by multiplying one plus the total adjusted payment rate by the appropriate worker retention component under subdivision 5, paragraph (d).

(b) (c) The commissioner must publish the total ~~adjusted~~ final payment rates.

EFFECTIVE DATE. This section is effective January 1, 2025, or 90 days after federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 39. Minnesota Statutes 2022, section 256D.425, subdivision 1, is amended to read:

Subdivision 1. **Persons entitled to receive aid.** A person who is aged, blind, or 18 years of age or older and disabled and who is receiving supplemental security benefits under Title XVI on the basis of age, blindness, or disability (or would be eligible for such benefits except for excess income) is eligible for a payment under the Minnesota supplemental aid program, if the person's net income is less than the standards in section 256D.44. A person who is receiving benefits under the Minnesota supplemental aid program in the month prior to becoming eligible under section 1619(b) of the Social Security Act is eligible for a payment under the Minnesota supplemental aid program while they remain in section 1619(b) status. Persons who are not receiving Supplemental Security Income benefits under Title XVI of the Social Security Act or disability insurance benefits under Title II of the Social Security Act due to exhausting time limited benefits are not eligible to receive benefits under the MSA program. Persons who are not receiving Social Security or other maintenance benefits for failure to meet or comply with the Social Security or other maintenance program requirements are not eligible to receive benefits under the MSA program. Persons who are found ineligible for Supplemental Security Income because of excess income, but whose income is within the limits of the Minnesota supplemental aid program, must have blindness or disability determined by the state medical review team.

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

Sec. 40. Minnesota Statutes 2022, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;
- (5) human rights agencies within Minnesota that have enforcement powers;
- (6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;
- (7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

~~(10)~~ (11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

~~(11)~~ (12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

~~(12)~~ (13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

~~(13)~~ (14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

~~(14)~~ (15) the Department of Health for the purposes of epidemiologic investigations;

~~(15)~~ (16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preincarceration and postincarceration employment tracking of committed offenders;

~~(16)~~ (17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; and

~~(17)~~ (18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 41. Laws 2021, First Special Session chapter 7, article 17, section 16, is amended to read:

Sec. 16. **RESEARCH ON ACCESS TO LONG-TERM CARE SERVICES AND FINANCING.**

(a) This act includes \$400,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 for an actuarial research study of public and private financing options for long-term services and supports reform to increase access across the state. Any unexpended amount in fiscal year 2023 is available through June 30, 2024. The commissioner of

human services must conduct the study. Of this amount, the commissioner may transfer up to \$100,000 to the commissioner of commerce for costs related to the requirements of the study. The general fund base included in this act for this purpose is \$0 in fiscal year 2024 and \$0 in fiscal year 2025.

(b) All activities must be completed by June 30, 2024.

Sec. 42. **HOME AND COMMUNITY-BASED WORKFORCE INCENTIVE FUND GRANTS.**

Subdivision 1. Grant program established. The commissioner of human services shall establish grants for disability and home and community-based providers to assist with recruiting and retaining direct support and frontline workers.

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

(b) "Commissioner" means the commissioner of human services.

(c) "Eligible employer" means an organization enrolled in a Minnesota health care program or providing housing services and is:

(1) a provider of home and community-based services under Minnesota Statutes, chapter 245D; or

(2) a facility certified as an intermediate care facility for persons with developmental disabilities.

(d) "Eligible worker" means a worker who earns \$30 per hour or less and is currently employed or recruited to be employed by an eligible employer.

Subd. 3. Allowable uses of grant money. (a) Grantees must use grant money to provide payments to eligible workers for the following purposes:

(1) retention, recruitment, and incentive payments;

(2) postsecondary loan and tuition payments;

(3) child care costs;

(4) transportation-related costs; and

(5) other costs associated with retaining and recruiting workers, as approved by the commissioner.

(b) Eligible workers may receive payments up to \$1,000 per year from the home and community-based workforce incentive fund.

(c) The commissioner must develop a grant cycle distribution plan that allows for equitable distribution of money among eligible employers. The commissioner's determination of the grant awards and amounts is final and is not subject to appeal.

Subd. 4. Attestation. As a condition of obtaining grant payments under this section, an eligible employer must attest and agree to the following:

(1) the employer is an eligible employer;

(2) the total number of eligible employees;

(3) the employer will distribute the entire value of the grant to eligible workers allowed under this section;

(4) the employer will create and maintain records under subdivision 6;

(5) the employer will not use the money appropriated under this section for any purpose other than the purposes permitted under this section; and

(6) the entire value of any grant amounts will be distributed to eligible workers identified by the employer.

Subd. 5. Distribution plan; report. (a) A provider agency or individual provider that receives a grant under subdivision 4 shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive and how that money will be distributed for recruitment and retention purposes for eligible employees. Within 60 days of receiving the grant, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all direct support professionals have access.

(b) Within 12 months of receiving a grant under this section, each provider agency or individual provider that receives a grant under subdivision 4 shall submit a report to the commissioner that includes the following information:

(1) a description of how grant money was distributed to eligible employees; and

(2) the total dollar amount distributed.

(c) Failure to submit the report under paragraph (b) may result in recoupment of grant money.

Subd. 6. Audits and recoupment. (a) The commissioner may perform an audit under this section up to six years after a grant is awarded to ensure:

(1) the grantee used the money solely for allowable purposes under subdivision 3;

(2) the grantee was truthful when making attestations under subdivision 4; and

(3) the grantee complied with the conditions of receiving a grant under this section.

(b) If the commissioner determines that a grantee used grant money for purposes not authorized under this section, the commissioner must treat any amount used for a purpose not authorized under this section as an overpayment. The commissioner must recover any overpayment.

Subd. 7. Grants not to be considered income. (a) For the purposes of this subdivision, "subtraction" has the meaning given in Minnesota Statutes, section 290.0132, subdivision 1, paragraph (a), and the rules in that subdivision apply to this subdivision. The definitions in Minnesota Statutes, section 290.01, apply to this subdivision.

(b) The amount of a grant award received under this section is a subtraction.

(c) Grant awards under this section are excluded from income, as defined in Minnesota Statutes, sections 290.0674, subdivision 2a, and 290A.03, subdivision 3.

(d) Notwithstanding any law to the contrary, grant awards under this section must not be considered income, assets, or personal property for purposes of determining eligibility or recertifying eligibility for:

(1) child care assistance programs under Minnesota Statutes, chapter 119B;

(2) general assistance, Minnesota supplemental aid, and food support under Minnesota Statutes, chapter 256D;

(3) housing support under Minnesota Statutes, chapter 256I;

(4) the Minnesota family investment program and diversionary work program under Minnesota Statutes, chapter 256J; and

(5) economic assistance programs under Minnesota Statutes, chapter 256P.

(e) The commissioner must not consider grant awards under this section as income or assets under Minnesota Statutes, section 256B.056, subdivision 1a, paragraph (a), 3, or 3c, or for persons with eligibility determined under Minnesota Statutes, section 256B.057, subdivision 3, 3a, 3b, 4, or 9.

Sec. 43. **NEW AMERICAN LEGAL AND SOCIAL SERVICES WORKFORCE GRANT PROGRAM.**

Subdivision 1. **Definition.** "Eligible workers" means persons who require legal services to seek or maintain status and secure or maintain legal authorization for employment.

Subd. 2. **Grant program established.** The commissioner of human services shall establish a new American legal and social services workforce grant program for organizations that assist eligible workers:

(1) in seeking or maintaining legal or citizenship status to become or remain legally authorized for employment in any field or industry, including but not limited to the long-term care workforce; or

(2) to provide supports during the legal process or while seeking qualified legal assistance.

Subd. 3. **Distribution of grants.** The commissioner shall ensure that grant money is awarded to organizations and entities that demonstrate that they have the qualifications, experience, expertise, cultural competency, and geographic reach to offer legal or social services under this section to eligible workers. In distributing grant awards, the commissioner shall prioritize organizations or entities serving populations for whom existing legal services and social services for the purposes listed in subdivision 2 are unavailable or insufficient.

Subd. 4. **Eligible grantees.** Organizations or entities eligible to receive grant money under this section include local governmental units, federally recognized Tribal Nations, and nonprofit organizations as defined under section 501(c)(3) of the Internal Revenue Code that provide legal or social services to eligible populations. Priority should be given to organizations and entities that serve populations in areas of the state where worker shortages are most acute.

Subd. 5. **Grantee duties.** Organizations or entities receiving grant money under this section must provide services that include the following activities:

(1) intake, assessment, referral, orientation, legal advice, or representation to eligible workers to seek or maintain legal or citizenship status and secure or maintain legal authorization for employment in the United States; or

(2) social services designed to help eligible populations meet their immediate basic needs during the process of seeking or maintaining legal status and legal authorization for employment, including but not limited to accessing housing, food, employment or employment training, education, course fees, community orientation, transportation, child care, and medical care. Social services may also include navigation services to address ongoing needs once immediate basic needs have been met and repaying student loan debt directly incurred as a result of pursuing a qualifying course of study or training.

Subd. 6. **Reporting.** (a) Grant recipients under this section must collect and report to the commissioner information on program participation and program outcomes. The commissioner shall determine the form and timing of reports.

(b) Grant recipients providing immigration legal services under this section must collect and report to the commissioner data that are consistent with the requirements established for the advisory committee established by the supreme court under Minnesota Statutes, section 480.242, subdivision 1.

Sec. 44. **SUPPORTING NEW AMERICANS IN THE LONG-TERM CARE WORKFORCE GRANTS.**

Subdivision 1. **Definition.** For the purposes of this section, "new American" means an individual born abroad and the individual's children, irrespective of immigration status.

Subd. 2. **Grant program established.** The commissioner of human services shall establish a grant program for organizations that support immigrants, refugees, and new Americans interested in entering the long-term care workforce.

Subd. 3. **Eligibility.** (a) The commissioner shall select projects for funding under this section. An eligible applicant for the grant program in subdivision 1 is an:

(1) organization or provider that is experienced in working with immigrants, refugees, and people born outside of the United States and that demonstrates cultural competency; or

(2) organization or provider with the expertise and capacity to provide training, peer mentoring, supportive services, and workforce development or other services to develop and implement strategies for recruiting and retaining qualified employees.

(b) The commissioner shall prioritize applications from joint labor management programs.

Subd. 4. **Allowable grant activities.** Money allocated under this section must be used to:

(1) support immigrants, refugees, or new Americans to obtain or maintain employment in the long-term care workforce;

(2) develop connections to employment with long-term care employers and potential employees;

(3) provide recruitment, training, guidance, mentorship, and other support services necessary to encourage employment, employee retention, and successful community integration;

(4) provide career education, wraparound support services, and job skills training in high-demand health care and long-term care fields;

(5) pay for program expenses, including but not limited to hiring instructors and navigators, space rentals, and supportive services to help participants attend classes. Allowable uses for supportive services include but are not limited to:

(i) course fees;

(ii) child care costs;

(iii) transportation costs;

(iv) tuition fees;

(v) financial coaching fees; or

(vi) mental health supports and uniforms costs incurred as a direct result of participating in classroom instruction or training; or

(6) repay student loan debt directly incurred as a result of pursuing a qualifying course of study or training.

Sec. 45. **APPROVAL OF CORPORATE FOSTER CARE MORATORIUM EXCEPTIONS.**

(a) The commissioner of human services may approve or deny corporate foster care moratorium exceptions requested under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5), prior to approval of a service provider's home and community-based services licensed under Minnesota Statutes, chapter 245D. Approval of the moratorium exception must not be construed as final approval of a service provider's home and community-based services or community residential setting license.

(b) Approval under paragraph (a) must be available only for service providers that have requested a home and community-based services license under Minnesota Statutes, chapter 245D.

(c) Approval under paragraph (a) must be rescinded if the service provider's application for a home and community-based services or community residential setting license is denied.

(d) This section expires December 31, 2023.

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

Sec. 46. **BUDGET INCREASE FOR CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

(a) Effective January 1, 2024, or upon federal approval, whichever is later, consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S, and the alternative care program under Minnesota Statutes, section 256B.0913, must be increased by 8.49 percent.

(b) Effective January 1, 2025, or upon federal approval, whichever is later, consumer-directed community support budgets identified in the waiver plans under Minnesota Statutes, sections 256B.092 and 256B.49, and chapter 256S, and the alternative care program under Minnesota Statutes, section 256B.0913, must be increased by 4.53 percent.

Sec. 47. **EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION LICENSURE STUDY.**

(a) The commissioner of human services must review the medical assistance early intensive developmental and behavioral intervention (EIDBI) service and evaluate the need for licensure or other regulatory modifications. At a minimum, the evaluation must include:

(1) an examination of current Department of Human Services-licensed programs that are similar to EIDBI;

(2) an environmental scan of licensure requirements for Medicaid autism programs in other states; and

(3) consideration of health and safety needs for populations with autism and related conditions.

(b) The commissioner must consult with interested stakeholders, including self-advocates who use EIDBI services, EIDBI providers, parents of youth who use EIDBI services, and advocacy organizations. The commissioner must convene stakeholder meetings to obtain feedback on licensure or regulatory recommendations.

Sec. 48. **STUDY TO EXPAND ACCESS TO SERVICES FOR PEOPLE WITH CO-OCCURRING BEHAVIORAL HEALTH CONDITIONS AND DISABILITIES.**

The commissioner of human services, in consultation with stakeholders, must evaluate options to expand services authorized under Minnesota's federally approved home and community-based waivers, including positive support, crisis respite, respite, and specialist services. The evaluation may include options to authorize services under Minnesota's medical assistance state plan and strategies to decrease the number of people who remain in hospitals, jails, and other acute or crisis settings when they no longer meet medical or other necessity criteria.

Sec. 49. **SELF-DIRECTED WORKER CONTRACT RATIFICATION.**

The labor agreement between the state of Minnesota and the Service Employees International Union Healthcare Minnesota and Iowa, submitted to the Legislative Coordinating Commissioner on February 27, 2023, is ratified.

Sec. 50. **MEMORANDUMS OF UNDERSTANDING.**

The memorandums of understanding with the Service Employees International Union Healthcare Minnesota and Iowa, submitted by the commissioner of management and budget on February 27, 2023, are ratified.

Sec. 51. **SPECIALIZED EQUIPMENT AND SUPPLIES LIMIT INCREASE.**

Upon federal approval, the commissioner of human services must increase the annual limit for specialized equipment and supplies under Minnesota's federally approved home and community-based service waiver plans, alternative care, and essential community supports to \$10,000.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 52. **INTERAGENCY EMPLOYMENT SUPPORTS ALIGNMENT STUDY.**

The commissioners of human services, employment and economic development, and education must conduct an interagency alignment study on employment supports for people with disabilities. The study must evaluate:

(1) service rates;

(2) provider enrollment and monitoring standards; and

(3) eligibility processes and people's lived experience transitioning between employment programs.

Sec. 53. **MONITORING EMPLOYMENT OUTCOMES.**

By January 15, 2025, the Departments of Human Services, Employment and Economic Development, and Education must provide the chairs and ranking minority members of the legislative committees with jurisdiction over health, human services, and labor with a plan for tracking employment outcomes for people with disabilities served by programs administered by the agencies. This plan must include any needed changes to state law to track supports received and outcomes across programs.

Sec. 54. **PHASE-OUT OF THE USE OF SUBMINIMUM WAGE FOR MEDICAL ASSISTANCE DISABILITY SERVICES.**

The commissioner of human services must seek all necessary amendments to Minnesota's federally approved disability waiver plans to require that people receiving prevocational or employment support services are compensated at or above the state minimum wage or at or above the prevailing local minimum wage no later than August 1, 2028.

Sec. 55. **RATE INCREASE FOR CERTAIN DISABILITY WAIVER SERVICES.**

The commissioner of human services shall increase payment rates for chore services, homemaker services, and home-delivered meals provided under Minnesota Statutes, sections 256B.092 and 256B.49, by 15.8 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 56. **RATE INCREASE FOR EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION BENEFIT SERVICES.**

The commissioner of human services shall increase payment rates for early intensive developmental and behavioral intervention services under Minnesota Statutes, section 256B.0949, by 15.8 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 57. **RATE INCREASE FOR HOME CARE SERVICES.**

The commissioner of human services shall increase payment rates for home health services and home care nursing services under Minnesota Statutes, section 256B.0651, subdivision 2, clauses (1) and (3); respiratory therapy under Minnesota Rules, part 9505.0295, subpart 2, item E; and home health agency services under Minnesota Statutes, section 256B.0653, by 15.8 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 58. **RATE INCREASE FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES DAY TRAINING AND HABILITATION SERVICES.**

The commissioner of human services shall increase payment rates for day training and habilitation services under Minnesota Statutes, section 252.46, by 15.8 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 59. **STUDY ON PRESUMPTIVE ELIGIBILITY FOR LONG-TERM SERVICES AND SUPPORTS.**

(a) The commissioner of human services must study presumptive functional eligibility for people with disabilities and older adults in the following programs:

(1) medical assistance, alternative care, and essential community supports; and

(2) home and community-based services.

(b) The commissioner must evaluate the following in the study of presumptive eligibility within the programs listed in paragraph (a):

(1) current eligibility processes;

(2) barriers to timely eligibility determinations; and

(3) strategies to enhance access to home and community-based services in the least restrictive setting.

(c) By January 1, 2025, the commissioner must report recommendations and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy.

Sec. 60. **SYSTEMIC REVIEW OF ACUTE CARE HOSPITALIZATIONS STUDY.**

(a) The commissioner of human services must conduct a systemic review of acute care hospitalizations for older adults on medical assistance and people on medical assistance with disabilities and behavioral health conditions. The review must include:

(1) an analysis of reimbursement rates to support people with complex support needs;

(2) a survey of other states' policies, models, and service options to reduce and respond to acute care hospitalizations;

(3) systemic critical incident reviews of people who are hospitalized in acute care hospitals for longer than 90 days in order to determine systemic, regulatory, staff training, or other reoccurring barriers keeping individuals from returning to the community or lower levels of care; and

(4) a comparison of different methods to increase and enhance statewide provider capacity to support people with complex needs.

(b) The commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services policy and finance by January 15, 2025. The report must include proposed legislation necessary to enact the report's recommendations.

Sec. 61. **REPEALER.**

Minnesota Statutes 2022, section 256B.4914, subdivision 6b, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2026, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 2
AGING SERVICES

Section 1. Minnesota Statutes 2022, section 256.975, subdivision 6, is amended to read:

Subd. 6. **Indian Native American elders coordinator position.** (a) The Minnesota Board on Aging shall create an ~~Indian~~ a Native American elders coordinator position, and shall hire staff as appropriations permit for the purposes of ~~coordinating efforts with the National Indian Council on Aging and developing~~ facilitating the coordination and development of a comprehensive statewide Tribal-based service system for Indian Native American elders. ~~An Indian elder is defined for purposes of this subdivision as an Indian enrolled in a band or tribe who is 55 years or older.~~

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Native American elder" means an individual enrolled in a federally recognized Tribe and identified as an elder according to the requirements of the individual's home Tribe; and

(2) "Tribal government" means representatives of each of the 11 federally recognized Native American Tribes located wholly or partially within the boundaries of the state of Minnesota.

(c) The statewide Tribal-based service system ~~must~~ may include the following components:

~~(1) an assessment of the program eligibility, examining the need to change the age-based eligibility criteria to need-based eligibility criteria;~~

~~(2) (1) a planning system that would plan to grant, or make recommendations for granting, federal and state funding for statewide Tribal-based Native American programs and services;~~

(2) a plan to develop business initiatives involving Tribal members that will qualify for federal- and state-funded elder service contracts;

~~(3) a plan for statewide Tribal-based service focal points, senior centers, or community centers for socialization and service accessibility for Indian Native American elders;~~

~~(4) a plan to develop and implement statewide education and public awareness campaigns promotions, including awareness programs, sensitivity cultural sensitivity training, and public education on Indian elder needs Native American elders;~~

~~(5) a plan for statewide culturally appropriate information and referral services for Native American elders, including legal advice and counsel and trained advocates and an Indian elder newsletter;~~

~~(6) a plan for a coordinated statewide Tribal-based health care system including health promotion/prevention promotion and prevention, in-home service, long-term care service, and health care services;~~

~~(7) a plan for ongoing research involving Indian elders including needs assessment and needs analysis; collection of significant data on Native American elders, including population, health, socialization, mortality, homelessness, and economic status; and~~

~~(8) information and referral services for legal advice or legal counsel; and~~

~~(9) (8) a plan to coordinate services with existing organizations, including but not limited to the state of Minnesota, the Council of Minnesota Indian Affairs Council, the Minnesota Indian Council of Elders, the Minnesota Board on Aging, Wisdom Steps, and Minnesota Tribal governments.~~

Sec. 2. Minnesota Statutes 2022, section 256.9754, is amended to read:

256.9754 COMMUNITY SERVICES DEVELOPMENT LIVE WELL AT HOME GRANTS PROGRAM.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Community" means a town, township, city, or targeted neighborhood within a city, or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

(b) "Core home and community-based services provider" means a Faith in Action, Living at Home/Block Nurse, congregational nurse, or similar community-based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain their community living and integration in the community.

(c) "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.

~~(b)~~ (d) "Older adult services" means any services available under the elderly waiver program or alternative care grant programs; nursing facility services; transportation services; respite services; and other community-based services identified as necessary either to maintain lifestyle choices for older Minnesotans, or to promote independence.

~~(e)~~ (e) "Older adult" refers to individuals 65 years of age and older.

Subd. 2. **Creation; purpose.** (a) ~~The community services development live well at home grants program is~~ are created under the administration of the commissioner of human services.

(b) The purpose of projects selected by the commissioner of human services under this section is to make strategic changes in the long-term services and supports system for older adults and people with dementia, including statewide capacity for local service development and technical assistance, and statewide availability of home and community-based services for older adult services, caregiver support and respite care services, and other supports in Minnesota. These projects are intended to create incentives for new and expanded home and community-based services in Minnesota in order to:

(1) reach older adults early in the progression of their need for long-term services and supports, providing them with low-cost, high-impact services that will prevent or delay the use of more costly services;

(2) support older adults to live in the most integrated, least restrictive community setting;

(3) support the informal caregivers of older adults;

(4) develop and implement strategies to integrate long-term services and supports with health care services, in order to improve the quality of care and enhance the quality of life of older adults and their informal caregivers;

(5) ensure cost-effective use of financial and human resources;

(6) build community-based approaches and community commitment to delivering long-term services and supports for older adults in their own homes;

(7) achieve a broad awareness and use of lower-cost in-home services as an alternative to nursing homes and other residential services;

(8) strengthen and develop additional home and community-based services and alternatives to nursing homes and other residential services; and

(9) strengthen programs that use volunteers.

(c) The services provided by these projects are available to older adults who are eligible for medical assistance and the elderly waiver under chapter 256S, the alternative care program under section 256B.0913, or the essential community supports grant under section 256B.0922, and to persons who have their own money to pay for services.

Subd. 3. **Provision of Community services development grants.** The commissioner shall make community services development grants available to communities, providers of older adult services ~~identified in subdivision 1,~~ or to a consortium of providers of older adult services, to establish older adult services. Grants may be provided for capital and other costs including, but not limited to, start-up and training costs, equipment, and supplies related to older adult services or other residential or service alternatives to nursing facility care. Grants may also be made to renovate current buildings, provide transportation services, fund programs that would allow older adults or individuals with a disability to stay in their own homes by sharing a home, fund programs that coordinate and manage formal and informal services to older adults in their homes to enable them to live as independently as possible in their own homes as an alternative to nursing home care, or expand state-funded programs in the area.

Subd. 3a. **Priority for other grants.** The commissioner of health shall give priority to a grantee selected under subdivision 3 when awarding technology-related grants, if the grantee is using technology as part of the proposal unless that priority conflicts with existing state or federal guidance related to grant awards by the Department of Health. The commissioner of transportation shall give priority to a grantee under subdivision 3 when distributing transportation-related funds to create transportation options for older adults unless that preference conflicts with existing state or federal guidance related to grant awards by the Department of Transportation.

Subd. 3b. **State waivers.** The commissioner of health may waive applicable state laws and rules for grantees under subdivision 3 on a time-limited basis if the commissioner of health determines that a participating grantee requires a waiver in order to achieve demonstration project goals.

Subd. 3c. **Caregiver support and respite care projects.** (a) The commissioner shall establish projects to expand the availability of caregiver support and respite care services for family and other caregivers. The commissioner shall use a request for proposals to select nonprofit entities to administer the projects. Projects must:

(1) establish a local coordinated network of volunteer and paid respite workers;

(2) coordinate assignment of respite care services to caregivers of older adults;

(3) assure the health and safety of the older adults;

(4) identify at-risk caregivers;

(5) provide information, education, and training for caregivers in the designated community; and

(6) demonstrate the need in the proposed service area, particularly where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. Preference must be given for projects that reach underserved populations.

(b) Projects must clearly describe:

(1) how they will achieve their purpose;

(2) the process for recruiting, training, and retraining volunteers; and

(3) a plan to promote the project in the designated community, including outreach to persons needing the services.

(c) Money for all projects under this subdivision may be used to:

(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;

(2) recruit and train volunteer providers;

(3) provide information, training, and education to caregivers;

(4) advertise the availability of the caregiver support and respite care project; and

(5) purchase equipment to maintain a system of assigning workers to clients.

(d) Volunteer and caregiver training must include resources on how to support an individual with dementia.

(e) Project money may not be used to supplant existing funding sources.

Subd. 3d. **Core home and community-based services projects.** The commissioner shall select and contract with core home and community-based services providers for projects to provide services and supports to older adults both with and without family and other informal caregivers using a request for proposals process. Projects must:

(1) have a credible public or private nonprofit sponsor providing ongoing financial support;

(2) have a specific, clearly defined geographic service area;

(3) use a practice framework designed to identify high-risk older adults and help them take action to better manage their chronic conditions and maintain their community living;

(4) have a team approach to coordination and care, ensuring that the older adult participants, their families, and the formal and informal providers are all part of planning and providing services;

(5) provide information, support services, homemaking services, counseling, and training for the older adults and family caregivers;

(6) encourage service area or neighborhood residents and local organizations to collaborate in meeting the needs of older adults in their geographic service areas;

(7) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to older adults and their caregivers; and

(8) provide coordination and management of formal and informal services to older adults and their families using less expensive alternatives.

Subd. 3e. **Community service grants.** The commissioner shall award contracts for grants to public and private nonprofit agencies to establish services that strengthen a community's ability to provide a system of home and community-based services for elderly persons. The commissioner shall use a request for proposals process.

Subd. 4. **Eligibility.** Grants may be awarded only to communities and providers or to a consortium of providers that have a local match of 50 percent of the costs for the project in the form of donations, local tax dollars, in-kind donations, fundraising, or other local matches.

Subd. 5. **Grant preference.** The commissioner of human services shall give preference when awarding grants under this section to areas where nursing facility closures have occurred or are occurring or areas with service needs identified by section 144A.351. The commissioner may award grants to the extent grant funds are available and to the extent applications are approved by the commissioner. Denial of approval of an application in one year does not preclude submission of an application in a subsequent year. The maximum grant amount is limited to \$750,000.

Sec. 3. **[256.9756] CAREGIVER RESPITE SERVICES GRANTS.**

Subdivision 1. **Caregiver respite services grant program established.** The commissioner of human services must establish a caregiver respite services grant program to increase the availability of respite services for family caregivers of people with dementia and older adults and to provide information, education, and training to respite caregivers and volunteers regarding caring for people with dementia. From the money made available for this purpose, the commissioner must award grants on a competitive basis to respite service providers, giving priority to areas of the state where there is a high need of respite services.

Subd. 2. **Eligible uses.** Grant recipients awarded grant money under this section must use a portion of the grant award as determined by the commissioner to provide free or subsidized respite services for family caregivers of people with dementia and older adults.

Subd. 3. **Report.** By January 15, 2026, and every other January 15 thereafter, the commissioner shall submit a progress report about the caregiver respite services grants in this section to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy. The progress report must include metrics of the use of the grant program money.

Sec. 4. Minnesota Statutes 2022, section 256B.0917, subdivision 1b, is amended to read:

Subd. 1b. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

~~(b) "Community" means a town; township; city; or targeted neighborhood within a city; or a consortium of towns, townships, cities, or specific neighborhoods within a city.~~

~~(c) "Core home and community based services provider" means a Faith in Action, Living at Home Block Nurse, Congregational Nurse, or similar community based program governed by a board, the majority of whose members reside within the program's service area, that organizes and uses volunteers and paid staff to deliver nonmedical services intended to assist older adults to identify and manage risks and to maintain their community living and integration in the community.~~

~~(d) (b) "Eldercare development partnership" means a team of representatives of county social service and public health agencies, the area agency on aging, local nursing home providers, local home care providers, and other appropriate home and community-based providers in the area agency's planning and service area.~~

~~(e) (c) "Long-term services and supports" means any service available under the elderly waiver program or alternative care grant programs, nursing facility services, transportation services, caregiver support and respite care services, and other home and community-based services identified as necessary either to maintain lifestyle choices for older adults or to support them to remain in their own home.~~

~~(f) (d) "Older adult" refers to an individual who is 65 years of age or older.~~

Sec. 5. Minnesota Statutes 2022, section 256M.42, is amended to read:

256M.42 ADULT PROTECTION GRANT ALLOCATIONS.

Subdivision 1. **Formula.** (a) The commissioner shall allocate state money appropriated under this section on an annual basis to each county board and tribal government approved by the commissioner to assume county agency duties for adult protective services or as a lead investigative agency protection under section 626.557 on an annual basis in an amount determined and to Tribal Nations that have voluntarily chosen by resolution of Tribal government to participate in vulnerable adult protection programs according to the following formula after the award of the amounts in paragraph (c):

(1) 25 percent must be allocated to the responsible agency on the basis of the number of reports of suspected vulnerable adult maltreatment under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~ as determined by the most recent data of the commissioner; and

(2) 75 percent must be allocated to the responsible agency on the basis of the number of screened-in reports for adult protective services or vulnerable adult maltreatment investigations under sections 626.557 and 626.5572, ~~when the county or tribe is responsible~~ as determined by the most recent data of the commissioner.

~~(b) The commissioner is precluded from changing the formula under this subdivision or recommending a change to the legislature without public review and input. Notwithstanding this subdivision, no county must be awarded less than a minimum allocation established by the commissioner.~~

(c) To receive money under this subdivision, a participating Tribal Nation must apply to the commissioner. Of the amount appropriated for purposes of this section, the commissioner must award \$100,000 to each federally recognized Tribal Nation with a Tribal resolution establishing a vulnerable adult protection program. Money received by a Tribal Nation under this section must be used for its vulnerable adult protection program.

Subd. 2. **Payment.** The commissioner shall make allocations for the state fiscal year starting July 1, ~~2019~~ 2023, and to each county board or Tribal government on or before October 10, ~~2019~~ 2023. The commissioner shall make allocations under subdivision 1 to each county board or Tribal government each year thereafter on or before July 10.

Subd. 3. ~~Prohibition on supplanting existing money~~ **Purpose of expenditures.** Money received under this section must be used ~~for staffing for protection of vulnerable adults or to meet the agency's duties under section 626.557 and~~ to expand adult protective services to stop, prevent, and reduce risks of maltreatment for adults accepted for services under section 626.557 or for multidisciplinary teams under section 626.5571. ~~Money must not be used to supplant current county or tribe expenditures for these purposes.~~

Subd. 4. **Required expenditures.** State money must be used to expand, not supplant, county or Tribal expenditures for the fiscal year 2023 base for adult protection programs, service interventions, or multidisciplinary teams. This prohibition on county or Tribal expenditures supplanting state money ends July 1, 2027.

Subd. 5. **County performance on adult protection measures.** The commissioner must set vulnerable adult protection measures and standards for money received under this section. The commissioner must require an underperforming county to demonstrate that the county designated money allocated under this section for the purpose required and implemented a reasonable strategy to improve adult protection performance, including the development of a performance improvement plan and additional remedies identified by the commissioner. The commissioner may redirect up to 20 percent of an underperforming county's money under this section toward the performance improvement plan.

Subd. 6. **American Indian adult protection.** Tribal Nations shall establish vulnerable adult protection measures and standards and report annually to the commissioner on these outcomes and the number of adults served.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 256R.17, subdivision 2, is amended to read:

Subd. 2. **Case mix indices.** (a) ~~The commissioner shall assign a case mix index to each case mix classification based on the Centers for Medicare and Medicaid Services staff time measurement study as determined by the commissioner of health under section 144.0724.~~

(b) An index maximization approach shall be used to classify residents. "Index maximization" has the meaning given in section 144.0724, subdivision 2, paragraph (c).

Sec. 7. Minnesota Statutes 2022, section 256R.25, is amended to read:

256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.

(a) The payment rate for external fixed costs is the sum of the amounts in paragraphs (b) to ~~(o)~~ (p).

(b) For a facility licensed as a nursing home, the portion related to the provider surcharge under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a nursing home and a boarding care home, the portion related to the provider surcharge under section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number of nursing home beds divided by its total number of licensed beds.

(c) The portion related to the licensure fee under section 144.122, paragraph (d), is the amount of the fee divided by the sum of the facility's resident days.

(d) The portion related to development and education of resident and family advisory councils under section 144A.33 is \$5 per resident day divided by 365.

(e) The portion related to scholarships is determined under section 256R.37.

(f) The portion related to planned closure rate adjustments is as determined under section 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

(g) The portion related to consolidation rate adjustments shall be as determined under section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

(h) The portion related to single-bed room incentives is as determined under section 256R.41.

(i) The portions related to real estate taxes, special assessments, and payments made in lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable amounts divided by the sum of the facility's resident days. Allowable costs under this paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes.

(j) The portion related to employer health insurance costs is the allowable costs divided by the sum of the facility's resident days.

(k) The portion related to the Public Employees Retirement Association is the allowable costs divided by the sum of the facility's resident days.

(l) The portion related to quality improvement incentive payment rate adjustments is the amount determined under section 256R.39.

(m) The portion related to performance-based incentive payments is the amount determined under section 256R.38.

(n) The portion related to special dietary needs is the amount determined under section 256R.51.

(o) The portion related to the rate adjustments for border city facilities is the amount determined under section 256R.481.

(p) The portion related to the rate adjustment for critical access nursing facilities is the amount determined under section 256R.47.

Sec. 8. Minnesota Statutes 2022, section 256R.47, is amended to read:

256R.47 RATE ADJUSTMENT FOR CRITICAL ACCESS NURSING FACILITIES.

(a) The commissioner, in consultation with the commissioner of health, may designate certain nursing facilities as critical access nursing facilities. The designation shall be granted on a competitive basis, within the limits of funds appropriated for this purpose.

(b) The commissioner shall request proposals from nursing facilities every two years. Proposals must be submitted in the form and according to the timelines established by the commissioner. In selecting applicants to designate, the commissioner, in consultation with the commissioner of health, and with input from stakeholders, shall develop criteria designed to preserve access to nursing facility services in isolated areas, rebalance long-term care, and improve quality. To the extent practicable, the commissioner shall ensure an even distribution of designations across the state.

(c) ~~The commissioner shall allow the benefits in clauses (1) to (5)~~ For nursing facilities designated as critical access nursing facilities: the commissioner shall allow a supplemental payment above a facility's operating payment rate as determined to be necessary by the commissioner to maintain access to nursing facility services in isolated areas identified in paragraph (b). The commissioner must approve the amounts of supplemental payments through a memorandum of understanding. Supplemental payments to facilities under this section must be in the form of time-limited rate adjustments included in the external fixed costs payment rate under section 256R.25.

~~(1) partial rebasing, with the commissioner allowing a designated facility operating payment rates being the sum of up to 60 percent of the operating payment rate determined in accordance with section 256R.21, subdivision 3, and at least 40 percent, with the sum of the two portions being equal to 100 percent, of the operating payment rate that would have been allowed had the facility not been designated. The commissioner may adjust these percentages by up to 20 percent and may approve a request for less than the amount allowed;~~

~~(2) enhanced payments for leave days. Notwithstanding section 256R.43, upon designation as a critical access nursing facility, the commissioner shall limit payment for leave days to 60 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 90 percent;~~

~~(3) two designated critical access nursing facilities, with up to 100 beds in active service, may jointly apply to the commissioner of health for a waiver of Minnesota Rules, part 4658.0500, subpart 2, in order to jointly employ a director of nursing. The commissioner of health shall consider each waiver request independently based on the criteria under Minnesota Rules, part 4658.0040;~~

~~(4) the minimum threshold under section 256B.431, subdivision 15, paragraph (e), shall be 40 percent of the amount that would otherwise apply; and~~

~~(5) the quality based rate limits under section 256R.23, subdivisions 5 to 7, apply to designated critical access nursing facilities.~~

(d) Designation of a critical access nursing facility is for a maximum period of up to two years, after which the ~~benefits~~ benefit allowed under paragraph (c) shall be removed. Designated facilities may apply for continued designation.

~~(e) This section is suspended and no state or federal funding shall be appropriated or allocated for the purposes of this section from January 1, 2016, to December 31, 2019.~~

(e) The memorandum of understanding required by paragraph (c) must state that the designation of a critical access nursing facility must be removed if the facility undergoes a change of ownership as defined in section 144A.06, subdivision 2.

Sec. 9. Minnesota Statutes 2022, section 256S.211, is amended to read:

256S.211 RATE SETTING; ~~RATE ESTABLISHMENT~~ UPDATING RATES; EVALUATION; COST REPORTING.

Subdivision 1. **Establishing base wages.** When establishing the base wages according to section 256S.212, the commissioner shall use standard occupational classification (SOC) codes from the Bureau of Labor Statistics as defined in the edition of the Occupational Handbook published immediately prior to January 1, 2019, using Minnesota-specific wages taken from job descriptions.

Subd. 2. **Establishing Updating rates.** By January 1 of each year, The commissioner shall establish factors, update component rates, and rates effective January 1, 2024, according to sections 256S.213 and 256S.212 to 256S.215, using the factor and base wages established according to section 256S.212 values the commissioner used to establish rates effective January 1, 2019.

Subd. 3. **Spending requirements.** (a) Except for community access for disability inclusion customized living and brain injury customized living under section 256B.49, at least 80 percent of the marginal increase in revenue from the implementation of any rate adjustments under this section must be used to increase compensation-related costs for employees directly employed by the provider.

(b) For the purposes of this subdivision, compensation-related costs include:

(1) wages and salaries;

(2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement;

(3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and

(4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of the adjusted phase-in in subdivision 2, including any concurrent or subsequent adjustments to the base wage indices.

(c) Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement under this subdivision.

(d) A provider agency or individual provider that receives additional revenue subject to the requirements of this subdivision shall prepare, and upon request submit to the commissioner, a distribution plan that specifies the amount of money the provider expects to receive that is subject to the requirements of this subdivision, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new phase-in proportion or adjustment to the base wage indices subject to the requirements of this subdivision, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operation to which all employees have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan.

Subd. 4. **Evaluation of rate setting.** (a) Beginning January 1, 2024, and every two years thereafter, the commissioner, in consultation with stakeholders, shall use all available data and resources to evaluate the following rate setting elements:

(1) the base wage index;

(2) the factors and supervision wage components; and

(3) the formulas to calculate adjusted base wages and rates.

(b) Beginning January 15, 2026, and every two years thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services finance and policy with a full report on the information and data gathered under paragraph (a).

Subd. 5. **Cost reporting.** (a) As determined by the commissioner, in consultation with stakeholders, a provider enrolled to provide services with rates determined under this chapter must submit requested cost data to the commissioner to support evaluation of the rate methodologies in this chapter. Requested cost data may include but is not limited to:

- (1) worker wage costs;
- (2) benefits paid;
- (3) supervisor wage costs;
- (4) executive wage costs;
- (5) vacation, sick, and training time paid;
- (6) taxes, workers' compensation, and unemployment insurance costs paid;
- (7) administrative costs paid;
- (8) program costs paid;
- (9) transportation costs paid;
- (10) vacancy rates; and
- (11) other data relating to costs required to provide services requested by the commissioner.

(b) At least once in any five-year period, a provider must submit cost data for a fiscal year that ended not more than 18 months prior to the submission date. The commissioner shall provide each provider a 90-day notice prior to the provider's submission due date. If by 30 days after the required submission date a provider fails to submit required reporting data, the commissioner shall provide notice to the provider, and if by 60 days after the required submission date a provider has not provided the required data the commissioner shall provide a second notice. The commissioner shall temporarily suspend payments to the provider if cost data are not received 90 days after the required submission date. Withheld payments must be made once data is received by the commissioner.

(c) The commissioner shall coordinate the cost reporting activities required under this section with the cost reporting activities directed under section 256B.4914, subdivision 10a.

(d) The commissioner shall analyze cost documentation in paragraph (a) and, in consultation with stakeholders, may submit recommendations on rate methodologies in this chapter, including ways to monitor and enforce the spending requirements directed in section 256S.2101, subdivision 3, through the reports directed by subdivision 2.

EFFECTIVE DATE. Subdivisions 2 to 4 are effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained. Subdivision 5 is effective January 1, 2025.

Sec. 10. Minnesota Statutes 2022, section 256S.214, is amended to read:

256S.214 RATE SETTING; ADJUSTED BASE WAGE.

(a) For the purposes of section 256S.215, the adjusted base wage for each position equals the position's base wage under section 256S.212 plus:

- (1) the position's base wage multiplied by the payroll taxes and benefits factor under section 256S.213, subdivision 1;

(2) the position's base wage multiplied by the general and administrative factor under section 256S.213, subdivision 2; and

(3) the position's base wage multiplied by the program plan support factor under section 256S.213, subdivision 3.

(b) If the base wage described in paragraph (a) is below \$16.96, the base wage shall equal \$16.96.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2022, section 256S.215, subdivision 15, is amended to read:

Subd. 15. **Home-delivered meals rate.** The home-delivered meals rate ~~equals \$9.30~~ is the rate in effect on July 1, 2023, adjusted by 15.8 percent. The commissioner shall increase the home delivered meals rate every July 1 by the percent increase in the nursing facility dietary per diem using the two most recent and available nursing facility cost reports.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 12. Laws 2021, chapter 30, article 12, section 5, as amended by Laws 2021, First Special Session chapter 7, article 17, section 2, is amended to read:

Sec. 5. **GOVERNOR'S COUNCIL ON AN AGE-FRIENDLY MINNESOTA.**

The Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall: (1) work to advance age-friendly policies; and (2) coordinate state, local, and private partners' collaborative work on emergency preparedness, with a focus on older adults, communities, and persons in zip codes most impacted by the COVID-19 pandemic. The Governor's Council on an Age-Friendly Minnesota is extended and expires June 30, ~~2024~~ 2027.

Sec. 13. Laws 2021, First Special Session chapter 7, article 17, section 8, is amended to read:

Sec. 8. **AGE-FRIENDLY MINNESOTA.**

Subdivision 1. **Age-friendly community grants.** (a) This act includes \$0 in fiscal year 2022 and \$875,000 in fiscal year 2023 for age-friendly community grants. The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the age-friendly community grant program to help communities, including cities, counties, other municipalities, Tribes, and collaborative efforts, to become age-friendly communities, with an emphasis on structures, services, and community features necessary to support older adult residents over the next decade, including but not limited to:

- (1) coordination of health and social services;
- (2) transportation access;
- (3) safe, affordable places to live;
- (4) reducing social isolation and improving wellness;
- (5) combating ageism and racism against older adults;
- (6) accessible outdoor space and buildings;

- (7) communication and information technology access; and
- (8) opportunities to stay engaged and economically productive.

The general fund base in this act for this purpose is \$875,000 in fiscal year 2024 and ~~\$0~~ \$3,000,000 in fiscal year 2025.

- (b) All grant activities must be completed by March 31, ~~2024~~ 2027.
- (c) This subdivision expires June 30, ~~2024~~ 2027.

Subd. 2. **Technical assistance grants.** (a) This act includes \$0 in fiscal year 2022 and \$575,000 in fiscal year 2023 for technical assistance grants. The commissioner of human services, in collaboration with the Minnesota Board on Aging and the Governor's Council on an Age-Friendly Minnesota, established in Executive Order 19-38, shall develop the age-friendly technical assistance grant program. The general fund base in this act for this purpose is \$575,000 in fiscal year 2024 and ~~\$0~~ \$1,725,000 in fiscal year 2025.

- (b) All grant activities must be completed by March 31, ~~2024~~ 2027.
- (c) This subdivision expires June 30, ~~2024~~ 2027.

Sec. 14. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; CAREGIVER RESPITE SERVICES GRANTS.

Beginning in fiscal year 2025, the commissioner of human services must continue the respite services for older adults grant program established under Laws 2021, First Special Session chapter 7, article 17, section 17, subdivision 3, under the authority granted under Minnesota Statutes, section 256.9756. The commissioner may begin the grant application process for awarding grants under Minnesota Statutes, section 256.9756, during fiscal year 2024 in order to facilitate the continuity of the grant program during the transition from a temporary program to a permanent one.

Sec. 15. DIRECTION TO COMMISSIONER; FUTURE PACE IMPLEMENTATION FUNDING.

The commissioner of human services must work with stakeholders to develop recommendations for financing mechanisms to complete the actuarial work and cover the administrative costs of a program of all-inclusive care for the elderly (PACE). The commissioner must recommend a financing mechanism that could begin July 1, 2024. By December 15, 2023, the commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health care finance on the commissioner's progress toward developing a recommended financing mechanism.

Sec. 16. RATE INCREASE FOR CERTAIN HOME AND COMMUNITY-BASED SERVICES.

The commissioner of human services shall increase payment rates for community living assistance and family caregiver services under Minnesota Statutes, sections 256B.0913 and 256B.0922, and chapter 256S by 15.8 percent from the rates in effect on December 31, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 17. TEMPORARY GRANT FOR SMALL CUSTOMIZED LIVING PROVIDERS.

The commissioner of human services must establish a temporary grant for customized living providers that serve six or fewer people in a single-family home and that are transitioning to community residential setting licensure or integrated community supports licensure. Allowable uses of grant money include physical plant updates required

for community residential setting or integrated community supports licensure, technical assistance to adapt business models and meet policy and regulatory guidance, and other uses approved by the commissioner. License holders of eligible settings must apply for grant money using an application process determined by the commissioner. Grant money approved by the commissioner is a onetime award of up to \$20,000 per eligible setting. To be considered for grant money, eligible license holders must submit a grant application by June 30, 2024. The commissioner may approve grant applications on a rolling basis.

Sec. 18. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.0917, from "HOME AND COMMUNITY-BASED SERVICES FOR OLDER ADULTS" to "ELDERCARE DEVELOPMENT PARTNERSHIPS."

Sec. 19. **REPEALER.**

Minnesota Statutes 2022, section 256S.2101, subdivisions 1 and 2, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2024.

ARTICLE 3
BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2022, section 4.046, subdivision 6, is amended to read:

Subd. 6. **Office of Addiction and ~~recovery~~ Recovery; director.** The Office of Addiction and Recovery is created in the Department of Management and Budget. The governor must appoint an addiction and recovery director, who shall serve as chair of the subcabinet and administer the Office of Addiction and Recovery. The director shall serve in the unclassified service and shall report to the governor. The director must:

(1) make efforts to break down silos and work across agencies to better target the state's role in addressing addiction, treatment, and recovery for youth and adults;

(2) assist in leading the subcabinet and the advisory council toward progress on measurable goals that track the state's efforts in combatting addiction for youth and adults, and preventing substance use and addiction among the state's youth population; and

(3) establish and manage external partnerships and build relationships with communities, community leaders, and those who have direct experience with addiction to ensure that all voices of recovery are represented in the work of the subcabinet and advisory council.

Sec. 2. Minnesota Statutes 2022, section 4.046, subdivision 7, is amended to read:

Subd. 7. **Staff and administrative support.** The commissioner of ~~human services~~ management and budget, in coordination with other state agencies and boards as applicable, must provide staffing and administrative support to the Office of Addiction and Recovery, the addiction and recovery director, the subcabinet, and the advisory council established in this section.

Sec. 3. Minnesota Statutes 2022, section 245.91, subdivision 4, is amended to read:

Subd. 4. **Facility or program.** "Facility" or "program" means a nonresidential or residential program as defined in section 245A.02, subdivisions 10 and 14, and any agency, facility, or program that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance that is required to be licensed, certified, or registered by the commissioner of human services, health, or education; a sober home under section 254B.18; and an acute care inpatient facility that provides services or treatment for mental illness, developmental disability, substance use disorder, or emotional disturbance.

Sec. 4. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 4a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM criteria" has the meaning provided in section 254B.01, subdivision 2a.

Sec. 5. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 20c. **Protective factors.** "Protective factors" means the actions or efforts a person can take to reduce the negative impact of certain issues, such as substance use disorders, mental health disorders, and risk of suicide. Protective factors include connecting to positive supports in the community, a nutritious diet, exercise, attending counseling or 12-step groups, and taking appropriate medications.

Sec. 6. Minnesota Statutes 2022, section 245G.02, subdivision 2, is amended to read:

Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county or recovery community organization that is providing a service for which the county or recovery community organization is an eligible vendor under section 254B.05. This chapter does not apply to an organization whose primary functions are information, referral, diagnosis, case management, and assessment for the purposes of client placement, education, support group services, or self-help programs. This chapter does not apply to the activities of a licensed professional in private practice. A license holder providing the initial set of substance use disorder services allowable under section 254A.03, subdivision 3, paragraph (c), to an individual referred to a licensed nonresidential substance use disorder treatment program after a positive screen for alcohol or substance misuse is exempt from sections 245G.05; 245G.06, subdivisions 1, 1a, 2, and 4; 245G.07, subdivisions 1, paragraph (a), clauses (2) to (4), and 2, clauses (1) to (7); and 245G.17.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 245G.05, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive assessment.** ~~(a)~~ A comprehensive assessment of the client's substance use disorder must be administered face-to-face by an alcohol and drug counselor within ~~three~~ five calendar days from the day of service initiation for a residential program or ~~within three calendar days on which a treatment session has been provided of the day of service initiation for a client~~ by the end of the fifth day on which a treatment service is provided in a nonresidential program. ~~The number of days to complete the comprehensive assessment excludes the day of service initiation.~~ If the comprehensive assessment is not completed within the required time frame, the person-centered reason for the delay and the planned completion date must be documented in the client's file. The comprehensive assessment is complete upon a qualified staff member's dated signature. If the client received a comprehensive assessment that authorized the treatment service, an alcohol and drug counselor may use the comprehensive assessment for requirements of this subdivision but must document a review of the comprehensive assessment and update the comprehensive assessment as clinically necessary to ensure compliance with this subdivision within applicable timelines. ~~The comprehensive assessment must include sufficient information to complete the assessment summary according to subdivision 2 and the individual treatment plan according to section 245G.06. The comprehensive assessment must include information about the client's needs that relate to substance use and personal strengths that support recovery, including:~~

- ~~(1) age, sex, cultural background, sexual orientation, living situation, economic status, and level of education;~~
- ~~(2) a description of the circumstances on the day of service initiation;~~
- ~~(3) a list of previous attempts at treatment for substance misuse or substance use disorder, compulsive gambling, or mental illness;~~

~~(4) a list of substance use history including amounts and types of substances used, frequency and duration of use, periods of abstinence, and circumstances of relapse, if any. For each substance used within the previous 30 days, the information must include the date of the most recent use and address the absence or presence of previous withdrawal symptoms;~~

~~(5) specific problem behaviors exhibited by the client when under the influence of substances;~~

~~(6) the client's desire for family involvement in the treatment program, family history of substance use and misuse, history or presence of physical or sexual abuse, and level of family support;~~

~~(7) physical and medical concerns or diagnoses, current medical treatment needed or being received related to the diagnoses, and whether the concerns need to be referred to an appropriate health care professional;~~

~~(8) mental health history, including symptoms and the effect on the client's ability to function; current mental health treatment; and psychotropic medication needed to maintain stability. The assessment must utilize screening tools approved by the commissioner pursuant to section 245.4863 to identify whether the client screens positive for co-occurring disorders;~~

~~(9) arrests and legal interventions related to substance use;~~

~~(10) a description of how the client's use affected the client's ability to function appropriately in work and educational settings;~~

~~(11) ability to understand written treatment materials, including rules and the client's rights;~~

~~(12) a description of any risk taking behavior, including behavior that puts the client at risk of exposure to blood borne or sexually transmitted diseases;~~

~~(13) social network in relation to expected support for recovery;~~

~~(14) leisure time activities that are associated with substance use;~~

~~(15) whether the client is pregnant and, if so, the health of the unborn child and the client's current involvement in prenatal care;~~

~~(16) whether the client recognizes needs related to substance use and is willing to follow treatment recommendations; and~~

~~(17) information from a collateral contact may be included, but is not required.~~

~~(b) If the client is identified as having opioid use disorder or seeking treatment for opioid use disorder, the program must provide educational information to the client concerning:~~

~~(1) risks for opioid use disorder and dependence;~~

~~(2) treatment options, including the use of a medication for opioid use disorder;~~

~~(3) the risk of and recognizing opioid overdose; and~~

~~(4) the use, availability, and administration of naloxone to respond to opioid overdose.~~

~~(e) The commissioner shall develop educational materials that are supported by research and updated periodically. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.~~

~~(d) If the comprehensive assessment is completed to authorize treatment service for the client, at the earliest opportunity during the assessment interview the assessor shall determine if:~~

- ~~(1) the client is in severe withdrawal and likely to be a danger to self or others;~~
- ~~(2) the client has severe medical problems that require immediate attention; or~~
- ~~(3) the client has severe emotional or behavioral symptoms that place the client or others at risk of harm.~~

~~If one or more of the conditions in clauses (1) to (3) are present, the assessor must end the assessment interview and follow the procedures in the program's medical services plan under section 245G.08, subdivision 2, to help the client obtain the appropriate services. The assessment interview may resume when the condition is resolved. An alcohol and drug counselor must sign and date the comprehensive assessment review and update.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 245G.05, is amended by adding a subdivision to read:

Subd. 3. **Comprehensive assessment requirements.** (a) A comprehensive assessment must meet the requirements under section 245I.10, subdivision 6, paragraphs (b) and (c). It must also include:

(1) a diagnosis of a substance use disorder or a finding that the client does not meet the criteria for a substance use disorder;

(2) a determination of whether the individual screens positive for co-occurring mental health disorders using a screening tool approved by the commissioner pursuant to section 245.4863;

(3) a risk rating and summary to support the risk ratings within each of the dimensions listed in section 254B.04, subdivision 4; and

(4) a recommendation for the ASAM level of care identified in section 254B.19, subdivision 1.

(b) If the individual is assessed for opioid use disorder, the program must provide educational material to the client within 24 hours of service initiation on:

(1) risks for opioid use disorder and dependence;

(2) treatment options, including the use of a medication for opioid use disorder;

(3) the risk and recognition of opioid overdose; and

(4) the use, availability, and administration of an opiate antagonist to respond to opioid overdose.

If the client is identified as having opioid use disorder at a later point, the required educational material must be provided at that point. The license holder must use the educational materials that are approved by the commissioner to comply with this requirement.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 245G.06, subdivision 1, is amended to read:

Subdivision 1. **General.** Each client must have a person-centered individual treatment plan developed by an alcohol and drug counselor within ten days from the day of service initiation for a residential program ~~and within five calendar days, by the end of the tenth day~~ on which a treatment session has been provided from the day of service initiation for a client in a nonresidential program, not to exceed 30 days. Opioid treatment programs must

complete the individual treatment plan within 21 days from the day of service initiation. The number of days to complete the individual treatment plan excludes the day of service initiation. The individual treatment plan must be signed by the client and the alcohol and drug counselor and document the client's involvement in the development of the plan. The individual treatment plan is developed upon the qualified staff member's dated signature. Treatment planning must include ongoing assessment of client needs. An individual treatment plan must be updated based on new information gathered about the client's condition, the client's level of participation, and on whether methods identified have the intended effect. A change to the plan must be signed by the client and the alcohol and drug counselor. If the client chooses to have family or others involved in treatment services, the client's individual treatment plan must include how the family or others will be involved in the client's treatment. If a client is receiving treatment services or an assessment via telehealth and the alcohol and drug counselor documents the reason the client's signature cannot be obtained, the alcohol and drug counselor may document the client's verbal approval or electronic written approval of the treatment plan or change to the treatment plan in lieu of the client's signature.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 1a. Individual treatment plan contents and process. (a) After completing a client's comprehensive assessment, the license holder must complete an individual treatment plan. The license holder must:

- (1) base the client's individual treatment plan on the client's comprehensive assessment;
- (2) use a person-centered, culturally appropriate planning process that allows the client's family and other natural supports to observe and participate in the client's individual treatment services, assessments, and treatment planning;
- (3) identify the client's treatment goals in relation to any or all of the applicable ASAM six dimensions identified in section 254B.04, subdivision 4, to ensure measurable treatment objectives, a treatment strategy, and a schedule for accomplishing the client's treatment goals and objectives;
- (4) document in the treatment plan the ASAM level of care identified in section 254B.19, subdivision 1, under which the client is receiving services;
- (5) identify the participants involved in the client's treatment planning. The client must participate in the client's treatment planning. If applicable, the license holder must document the reasons that the license holder did not involve the client's family or other natural supports in the client's treatment planning;
- (6) identify resources to refer the client to when the client's needs will be addressed concurrently by another provider; and
- (7) identify maintenance strategy goals and methods designed to address relapse prevention and to strengthen the client's protective factors.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 11. Minnesota Statutes 2022, section 245G.06, subdivision 3, is amended to read:

Subd. 3. Treatment plan review. A treatment plan review must be entered in a client's file weekly or after each treatment service, whichever is less frequent, completed by the alcohol and drug counselor responsible for the client's treatment plan. The review must indicate the span of time covered by the review and each of the six dimensions listed in section 245G.05, subdivision 2, paragraph (c). The review and must:

(1) ~~address each goal in the document~~ client goals addressed since the last treatment plan review and whether the identified methods to address the goals are continue to be effective;

(2) ~~include document~~ monitoring of any physical and mental health problems and include toxicology results for alcohol and substance use, when available;

(3) document the participation of others involved in the individual's treatment planning, including when services are offered to the client's family or significant others;

(4) if changes to the treatment plan are determined to be necessary, document staff recommendations for changes in the methods identified in the treatment plan and whether the client agrees with the change; ~~and~~

(5) include a review and evaluation of the individual abuse prevention plan according to section 245A.65-; and

(6) document any referrals made since the previous treatment plan review.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 12. Minnesota Statutes 2022, section 245G.06, is amended by adding a subdivision to read:

Subd. 3a. Frequency of treatment plan reviews. (a) A license holder must ensure that the alcohol and drug counselor responsible for a client's treatment plan completes and documents a treatment plan review that meets the requirements of subdivision 3 in each client's file, according to the frequencies required in this subdivision. All ASAM levels referred to in this chapter are those described in section 254B.19, subdivision 1.

(b) For a client receiving residential ASAM level 3.3 or 3.5 high-intensity services or residential hospital-based services, a treatment plan review must be completed once every 14 days.

(c) For a client receiving residential ASAM level 3.1 low-intensity services or any other residential level not listed in paragraph (b), a treatment plan review must be completed once every 30 days.

(d) For a client receiving nonresidential ASAM level 2.5 partial hospitalization services, a treatment plan review must be completed once every 14 days.

(e) For a client receiving nonresidential ASAM level 1.0 outpatient or 2.1 intensive outpatient services or any other nonresidential level not included in paragraph (d), a treatment plan review must be completed once every 30 days.

(f) For a client receiving nonresidential opioid treatment program services according to section 245G.22, a treatment plan review must be completed weekly for the ten weeks following completion of the treatment plan and monthly thereafter. Treatment plan reviews must be completed more frequently when clinical needs warrant.

(g) Notwithstanding paragraphs (e) and (f), for a client in a nonresidential program with a treatment plan that clearly indicates less than five hours of skilled treatment services will be provided to the client each month, a treatment plan review must be completed once every 90 days.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 245G.06, subdivision 4, is amended to read:

Subd. 4. Service discharge summary. (a) An alcohol and drug counselor must write a service discharge summary for each client. The service discharge summary must be completed within five days of the client's service termination. A copy of the client's service discharge summary must be provided to the client upon the client's request.

(b) The service discharge summary must be recorded in the six dimensions listed in section ~~245G.05, subdivision 2, paragraph (c)~~ 254B.04, subdivision 4, and include the following information:

- (1) the client's issues, strengths, and needs while participating in treatment, including services provided;
- (2) the client's progress toward achieving each goal identified in the individual treatment plan;
- (3) a risk description according to section ~~245G.05~~ 254B.04, subdivision 4;
- (4) the reasons for and circumstances of service termination. If a program discharges a client at staff request, the reason for discharge and the procedure followed for the decision to discharge must be documented and comply with the requirements in section 245G.14, subdivision 3, clause (3);
- (5) the client's living arrangements at service termination;
- (6) continuing care recommendations, including transitions between more or less intense services, or more frequent to less frequent services, and referrals made with specific attention to continuity of care for mental health, as needed; and
- (7) service termination diagnosis.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 14. Minnesota Statutes 2022, section 245G.09, subdivision 3, is amended to read:

Subd. 3. **Contents.** Client records must contain the following:

- (1) documentation that the client was given information on client rights and responsibilities, grievance procedures, tuberculosis, and HIV, and that the client was provided an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4). If the client has an opioid use disorder, the record must contain documentation that the client was provided educational information according to section 245G.05, subdivision ~~4~~ 3, paragraph (b);
- (2) an initial services plan completed according to section 245G.04;
- (3) a comprehensive assessment completed according to section 245G.05;
- ~~(4) an assessment summary completed according to section 245G.05, subdivision 2;~~
- ~~(5)~~ (4) an individual abuse prevention plan according to sections 245A.65, subdivision 2, and 626.557, subdivision 14, when applicable;
- ~~(6)~~ (5) an individual treatment plan according to section 245G.06, subdivisions 1 and 2;
- ~~(7)~~ (6) documentation of treatment services, significant events, appointments, concerns, and treatment plan reviews according to section 245G.06, subdivisions 2a, 2b, ~~and 3, and 3a~~; and
- ~~(8)~~ (7) a summary at the time of service termination according to section 245G.06, subdivision 4.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 245G.22, subdivision 15, is amended to read:

Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must ~~offer at least 50 consecutive minutes of individual or group therapy treatment services as defined in section 245G.07, subdivision 1, paragraph (a), clause (1), per week, for the first ten weeks following the day of service initiation, and at least 50 consecutive minutes per month thereafter. As clinically appropriate, the program may offer these services cumulatively and not consecutively in increments of no less than 15 minutes over the required time period, and for a total of 60 minutes of treatment services over the time period, and must document the reason for providing services cumulatively in the client's record. The program may offer additional levels of service when deemed clinically necessary meet the requirements in section 245G.07, subdivision 1, paragraph (a), and must document each time the client was offered an individual or group counseling service. If the individual or group counseling service was offered but not provided to the client, the license holder must document the reason the service was not provided. If the service was provided, the license holder must ensure that the service is documented according to the requirements in section 245G.06, subdivision 2a.~~

(b) Notwithstanding the requirements of comprehensive assessments in section 245G.05, the assessment must be completed within 21 days from the day of service initiation.

~~(c) Notwithstanding the requirements of individual treatment plans set forth in section 245G.06:~~

~~(1) treatment plan contents for a maintenance client are not required to include goals the client must reach to complete treatment and have services terminated;~~

~~(2) treatment plans for a client in a taper or detox status must include goals the client must reach to complete treatment and have services terminated; and~~

~~(3) for the ten weeks following the day of service initiation for all new admissions, readmissions, and transfers, a weekly treatment plan review must be documented once the treatment plan is completed. Subsequently, the counselor must document treatment plan reviews in the six dimensions at least once monthly or, when clinical need warrants, more frequently.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context. An alcohol and drug counselor may gather and document the information in paragraphs (b) and (c) when completing a comprehensive assessment according to section 245G.05.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

(1) the client's age;

(2) the client's current living situation, including the client's housing status and household members;

(3) the status of the client's basic needs;

(4) the client's education level and employment status;

(5) the client's current medications;

(6) any immediate risks to the client's health and safety, including withdrawal symptoms, medical conditions, and behavioral and emotional symptoms;

(7) the client's perceptions of the client's condition;

(8) the client's description of the client's symptoms, including the reason for the client's referral;

(9) the client's history of mental health and substance use disorder treatment; ~~and~~

(10) cultural influences on the client-; and

(11) substance use history, if applicable, including:

(i) amounts and types of substances, frequency and duration, route of administration, periods of abstinence, and circumstances of relapse; and

(ii) the impact to functioning when under the influence of substances, including legal interventions.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.

(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASII) to the client and include the results in the client's assessment.

(5) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client; and

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

Sec. 17. Minnesota Statutes 2022, section 253B.10, subdivision 1, is amended to read:

Subdivision 1. **Administrative requirements.** (a) When a person is committed, the court shall issue a warrant or an order committing the patient to the custody of the head of the treatment facility, state-operated treatment program, or community-based treatment program. The warrant or order shall state that the patient meets the statutory criteria for civil commitment.

(b) The commissioner shall prioritize civily committed patients who are determined by the Office of Medical Director or a designee to require emergency admission to a state-operated treatment program, as well as patients being admitted from jail or a correctional institution who are:

(1) ordered confined in a state-operated treatment program for an examination under Minnesota Rules of Criminal Procedure, rules 20.01, subdivision 4, paragraph (a), and 20.02, subdivision 2;

(2) under civil commitment for competency treatment and continuing supervision under Minnesota Rules of Criminal Procedure, rule 20.01, subdivision 7;

(3) found not guilty by reason of mental illness under Minnesota Rules of Criminal Procedure, rule 20.02, subdivision 8, and under civil commitment or are ordered to be detained in a state-operated treatment program pending completion of the civil commitment proceedings; or

(4) committed under this chapter to the commissioner after dismissal of the patient's criminal charges.

Patients described in this paragraph must be admitted to a state-operated treatment program within 48 hours of the Office of Medical Director or a designee determining that a medically appropriate bed is available. The commitment must be ordered by the court as provided in section 253B.09, subdivision 1, paragraph (d).

(c) Upon the arrival of a patient at the designated treatment facility, state-operated treatment program, or community-based treatment program, the head of the facility or program shall retain the duplicate of the warrant and endorse receipt upon the original warrant or acknowledge receipt of the order. The endorsed receipt or acknowledgment must be filed in the court of commitment. After arrival, the patient shall be under the control and custody of the head of the facility or program.

(d) Copies of the petition for commitment, the court's findings of fact and conclusions of law, the court order committing the patient, the report of the court examiners, and the prepetition report, and any medical and behavioral information available shall be provided at the time of admission of a patient to the designated treatment facility or program to which the patient is committed. Upon a patient's referral to the commissioner of human services for admission pursuant to subdivision 1, paragraph (b), any inpatient hospital, treatment facility, jail, or correctional facility that has provided care or supervision to the patient in the previous two years shall, when requested by the treatment facility or commissioner, provide copies of the patient's medical and behavioral records to the Department of Human Services for purposes of preadmission planning. This information shall be provided by the head of the treatment facility to treatment facility staff in a consistent and timely manner and pursuant to all applicable laws.

Sec. 18. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 2a. **American Society of Addiction Medicine criteria or ASAM criteria.** "American Society of Addiction Medicine criteria" or "ASAM" means the clinical guidelines for purposes of assessment, treatment, placement, and transfer or discharge of individuals with substance use disorders. The ASAM criteria are contained in the current edition of the ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions.

Sec. 19. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 9. **Skilled treatment services.** "Skilled treatment services" has the meaning given for the "treatment services" described in section 245G.07, subdivisions 1, paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6). Skilled treatment services must be provided by qualified professionals as identified in section 245G.07, subdivision 3.

Sec. 20. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 10. **Sober home.** A sober home is a cooperative living residence, a room and board residence, an apartment, or any other living accommodation that:

- (1) provides temporary housing to persons with substance use disorders;
- (2) stipulates that residents must abstain from using alcohol or other illicit drugs or substances not prescribed by a physician and meet other requirements as a condition of living in the home;
- (3) charges a fee for living there;
- (4) does not provide counseling or treatment services to residents; and
- (5) promotes sustained recovery from substance use disorders.

Sec. 21. Minnesota Statutes 2022, section 254B.01, is amended by adding a subdivision to read:

Subd. 11. **Comprehensive assessment.** "Comprehensive assessment" means a person-centered, trauma-informed assessment that:

(1) is completed for a substance use disorder diagnosis, treatment planning, and determination of client eligibility for substance use disorder treatment services;

(2) meets the requirements in section 245G.05; and

(3) is completed by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5.

Sec. 22. Minnesota Statutes 2022, section 254B.04, is amended by adding a subdivision to read:

Subd. 4. Assessment criteria and risk descriptions. (a) The level of care determination must follow criteria approved by the commissioner.

(b) Dimension 1: Acute intoxication and withdrawal potential. A vendor must use the following criteria in Dimension 1 to determine a client's acute intoxication and withdrawal potential, the client's ability to cope with withdrawal symptoms, and the client's current state of intoxication.

"0" The client displays full functioning with good ability to tolerate and cope with withdrawal discomfort, and the client shows no signs or symptoms of intoxication or withdrawal or diminishing signs or symptoms.

"1" The client can tolerate and cope with withdrawal discomfort. The client displays mild-to-moderate intoxication or signs and symptoms interfering with daily functioning but does not immediately endanger self or others. The client poses a minimal risk of severe withdrawal.

"2" The client has some difficulty tolerating and coping with withdrawal discomfort. The client's intoxication may be severe, but the client responds to support and treatment such that the client does not immediately endanger self or others. The client displays moderate signs and symptoms of withdrawal with moderate risk of severe withdrawal.

"3" The client tolerates and copes with withdrawal discomfort poorly. The client has severe intoxication, such that the client endangers self or others, or intoxication has not abated with less intensive services. The client displays severe signs and symptoms of withdrawal, has a risk of severe-but-manageable withdrawal, or has worsening withdrawal despite detoxification at a less intensive level.

"4" The client is incapacitated with severe signs and symptoms. The client displays severe withdrawal and is a danger to self or others.

(c) Dimension 2: biomedical conditions and complications. The vendor must use the following criteria in Dimension 2 to determine a client's biomedical conditions and complications, the degree to which any physical disorder of the client would interfere with treatment for substance use, and the client's ability to tolerate any related discomfort. If the client is pregnant, the provider must determine the impact of continued substance use on the unborn child.

"0" The client displays full functioning with good ability to cope with physical discomfort.

"1" The client tolerates and copes with physical discomfort and is able to get the services that the client needs.

"2" The client has difficulty tolerating and coping with physical problems or has other biomedical problems that interfere with recovery and treatment. The client neglects or does not seek care for serious biomedical problems.

"3" The client tolerates and copes poorly with physical problems or has poor general health. The client neglects the client's medical problems without active assistance.

"4" The client is unable to participate in substance use disorder treatment and has severe medical problems, has a condition that requires immediate intervention, or is incapacitated.

(d) Dimension 3: Emotional, behavioral, and cognitive conditions and complications. The vendor must use the following criteria in Dimension 3 to determine a client's emotional, behavioral, and cognitive conditions and complications; the degree to which any condition or complication is likely to interfere with treatment for substance use or with functioning in significant life areas; and the likelihood of harm to self or others.

"0" The client has good impulse control and coping skills and presents no risk of harm to self or others. The client functions in all life areas and displays no emotional, behavioral, or cognitive problems or the problems are stable.

"1" The client has impulse control and coping skills. The client presents a mild to moderate risk of harm to self or others or displays symptoms of emotional, behavioral, or cognitive problems. The client has a mental health diagnosis and is stable. The client functions adequately in significant life areas.

"2" The client has difficulty with impulse control and lacks coping skills. The client has thoughts of suicide or harm to others without means, however, the thoughts may interfere with participation in some activities. The client has difficulty functioning in significant life areas. The client has moderate symptoms of emotional, behavioral, or cognitive problems. The client is able to participate in most treatment activities.

"3" The client has a severe lack of impulse control and coping skills. The client also has frequent thoughts of suicide or harm to others including a plan and the means to carry out the plan. In addition, the client is severely impaired in significant life areas and has severe symptoms of emotional, behavioral, or cognitive problems that interfere with the client's participation in treatment activities.

"4" The client has severe emotional or behavioral symptoms that place the client or others at acute risk of harm. The client also has intrusive thoughts of harming self or others. The client is unable to participate in treatment activities.

(e) Dimension 4: Readiness for change. The vendor must use the following criteria in Dimension 4 to determine a client's readiness for change and the support necessary to keep the client involved in treatment services.

"0" The client admits problems and is cooperative, motivated, ready to change, committed to change, and engaged in treatment as a responsible participant.

"1" The client is motivated with active reinforcement to explore treatment and strategies for change but ambivalent about illness or need for change.

"2" The client displays verbal compliance but lacks consistent behaviors, has low motivation for change, and is passively involved in treatment.

"3" The client displays inconsistent compliance, displays minimal awareness of either the client's addiction or mental disorder, and is minimally cooperative.

"4" The client is:

(i) noncompliant with treatment and has no awareness of addiction or mental disorder and does not want or is unwilling to explore change or is in total denial of the client's illness and its implications; or

(ii) the client is dangerously oppositional to the extent that the client is a threat of imminent harm to self and others.

(f) Dimension 5: Relapse, continued use, and continued problem potential. The vendor must use the following criteria in Dimension 5 to determine a client's relapse, continued use, and continued problem potential and the degree to which the client recognizes relapse issues and has the skills to prevent relapse of either substance use or mental health problems.

"0" The client recognizes risk well and is able to manage potential problems.

"1" The client recognizes relapse issues and prevention strategies but displays some vulnerability for further substance use or mental health problems.

"2" The client has:

(i) minimal recognition and understanding of relapse and recidivism issues and displays moderate vulnerability for further substance use or mental health problems; or

(ii) some coping skills inconsistently applied.

"3" The client has poor recognition and understanding of relapse and recidivism issues and displays moderately high vulnerability for further substance use or mental health problems. The client has few coping skills and rarely applies coping skills.

"4" The client has no coping skills to arrest mental health or addiction illnesses or prevent relapse. The client has no recognition or understanding of relapse and recidivism issues and displays high vulnerability for further substance use disorder or mental health problems.

(g) Dimension 6: Recovery environment. The vendor must use the following criteria in Dimension 6 to determine a client's recovery environment, whether the areas of the client's life are supportive of or antagonistic to treatment participation and recovery.

"0" The client is engaged in structured meaningful activity and has a supportive significant other, family, and living environment.

"1" The client has passive social network support, or family and significant other are not interested in the client's recovery. The client is engaged in structured meaningful activity.

"2" The client is engaged in structured, meaningful activity, but peers, family, significant other, and living environment are unsupportive, or there is criminal justice involvement by the client or among the client's peers, by a significant other, or in the client's living environment.

"3" The client is not engaged in structured meaningful activity, and the client's peers, family, significant other, and living environment are unsupportive, or there is significant criminal justice system involvement.

"4" The client has:

(i) a chronically antagonistic significant other, living environment, family, or peer group or a long-term criminal justice involvement that is harmful to recovery or treatment progress; or

(ii) an actively antagonistic significant other, family, work, or living environment that poses an immediate threat to the client's safety and well-being.

Sec. 23. Minnesota Statutes 2022, section 254B.05, subdivision 5, is amended to read:

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance use disorder services and service enhancements funded under this chapter.

(b) Eligible substance use disorder treatment services include:

~~(1) outpatient treatment services that are licensed according to sections 245G.01 to 245G.17, or applicable tribal license; those licensed, as applicable, according to chapter 245G or applicable Tribal license and provided according to the following ASAM levels of care:~~

~~(i) ASAM level 0.5 early intervention services provided according to section 254B.19, subdivision 1, clause (1);~~

~~(ii) ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2);~~

~~(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19, subdivision 1, clause (3);~~

~~(iv) ASAM level 2.5 partial hospitalization services provided according to section 254B.19, subdivision 1, clause (4);~~

~~(v) ASAM level 3.1 clinically managed low-intensity residential services provided according to section 254B.19, subdivision 1, clause (5);~~

~~(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential services provided according to section 254B.19, subdivision 1, clause (6); and~~

~~(vii) ASAM level 3.5 clinically managed high-intensity residential services provided according to section 254B.19, subdivision 1, clause (7);~~

(2) comprehensive assessments provided according to sections 245.4863, paragraph (a), and 245G.05;

(3) ~~care~~ treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5);

(4) peer recovery support services provided according to section 245G.07, subdivision 2, clause (8);

(5) ~~on July 1, 2019, or upon federal approval, whichever is later,~~ withdrawal management services provided according to chapter 245F;

(6) substance use disorder treatment services with medications for opioid use disorder ~~that are~~ provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17 and 245G.22, or applicable tribal license;

~~(7) substance use disorder treatment with medications for opioid use disorder plus enhanced treatment services that meet the requirements of clause (6) and provide nine hours of clinical services each week;~~

~~(8) high, medium, and low intensity residential treatment services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;~~

~~(9)~~ (7) hospital-based treatment services that are licensed according to sections 245G.01 to 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

~~(10)~~ (8) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable tribal license;

~~(11) high intensity residential treatment~~ (9) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which provide ~~30 hours of clinical services each week~~ ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and is provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

~~(12)~~ (10) room and board facilities that meet the requirements of subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and one of the following additional requirements:

(1) programs that serve parents with their children if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) meets the licensure exclusion criteria of section 245A.03, subdivision 2, paragraph (a), clause (6), and meets the requirements under section 245G.19, subdivision 4; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

(2) culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a;

(3) disability responsive programs as defined in section 254B.01, subdivision 4b;

(4) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; or

(5) programs that offer services to individuals with co-occurring mental health and substance use disorder problems if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) 25 percent of the counseling staff are licensed mental health professionals under section 245I.04, subdivision 2, or are students or licensing candidates under the supervision of a licensed alcohol and drug counselor supervisor and mental health professional under section 245I.04, subdivision 2, except that no more than 50 percent of the mental health staff may be students or licensing candidates with time documented to be directly related to provisions of co-occurring services;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services. Programs that provide child care according to paragraph (c), clause (1), must be deemed in compliance with the licensing requirements in section 245G.19.

(e) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

(f) Subject to federal approval, substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

(g) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

(h) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

(i) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

EFFECTIVE DATE. Paragraph (b), clause (1), items (i) to (iv), are effective January 1, 2025, or upon federal approval, whichever is later. Paragraph (b), clause (1), items (v) to (vii), are effective January 1, 2024, or upon federal approval, whichever is later. Paragraph (b), clauses (2) to (10), are effective January 1, 2024.

Sec. 24. **[254B.17] WITHDRAWAL MANAGEMENT START-UP AND CAPACITY-BUILDING GRANTS.**

The commissioner must establish start-up and capacity-building grants for prospective or new withdrawal management programs licensed under chapter 245F that will meet medically monitored or clinically monitored levels of care. Grants may be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

(1) costs associated with hiring staff;

(2) costs associated with staff retention;

(3) the purchase of office equipment and supplies;

(4) the purchase of software;

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

(6) business formation costs;

(7) costs associated with staff training; and

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

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 25. **[254B.18] SOBER HOMES.**

Subdivision 1. **Requirements.** All sober homes must comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. All sober homes must register with the Department of Human Services. In addition, all sober homes must:

(1) maintain a supply of an opiate antagonist in the home;

(2) have trained staff that can administer an opiate antagonist;

(3) have written policies regarding access to all prescribed medications;

(4) have written policies regarding evictions;

(5) have staff training and policies regarding co-occurring mental illnesses;

(6) not prohibit prescribed medications taken as directed by a licensed prescriber, such as pharmacotherapies specifically approved by the Food and Drug Administration (FDA) for treatment of opioid use disorder and other medications with FDA-approved indications for the treatment of co-occurring disorders; and

(7) return all property and medications to a person discharged from the home and retain the items for a minimum of 60 days if the person did not collect them upon discharge. The owner must make every effort to contact persons listed as emergency contacts for the discharged person so that the items are returned.

Subd. 2. **Certification.** (a) The commissioner shall establish a certification program for sober homes. Certification is mandatory for sober homes receiving any federal, state, or local funding. The certification requirements must include:

(1) health and safety standards, including separate sleeping and bathroom facilities for people who identify as men and people who identify as women, written policies on how to accommodate residents who do not identify as a man or woman, and verification that the home meets fire and sanitation ordinances;

(2) intake admission procedures, including documentation of names and contact information for persons to contact in case of an emergency or upon discharge and notification of a family member, or other emergency contact designated by the resident under certain circumstances, including but not limited to death due to an overdose;

(3) an assessment of potential resident needs and appropriateness of the residence to meet these needs;

(4) a resident bill of rights, including a right to a refund if discharged;

(5) policies to address mental health and health emergencies, to prevent a person from hurting themselves or others, including contact information for emergency resources in the community;

(6) policies on staff qualifications and prohibition against fraternization;

- (7) drug-testing procedures and requirements;
 - (8) policies to mitigate medication misuse, including policies for:
 - (i) securing medication;
 - (ii) house staff providing medication at specified times to residents;
 - (iii) medication counts with staff and residents;
 - (iv) storing and providing prescribed medications and documenting when a person accesses their prescribed medications; and
 - (v) ensuring that medications cannot be accessed by other residents;
 - (9) a policy on medications for opioid use disorder;
 - (10) having an opiate antagonist on site and in a conspicuous location;
 - (11) prohibiting charging exorbitant fees above standard costs for lab tests;
 - (12) discharge procedures, including involuntary discharge procedures that ensure at least a 24-hours notice prior to filing an eviction action. The notice must include the reasons for the involuntary discharge and a warning that an eviction action may become public as soon as it is filed, making finding future housing more difficult;
 - (13) a policy on referrals to substance use disorder treatment services, mental health services, peer support services, and support groups;
 - (14) training for staff on opiate antagonists, mental health crises, de-escalation, person-centered planning, creating a crisis plan, and becoming a culturally informed and responsive sober home;
 - (15) a fee schedule and refund policy;
 - (16) copies of all forms provided to residents;
 - (17) rules for residents;
 - (18) background checks of staff and administrators;
 - (19) policies that promote recovery by requiring resident participation in treatment, self-help groups or other recovery supports; and
 - (20) policies requiring abstinence from alcohol and illicit drugs.
- (b) Certifications must be renewed every three years.

Subd. 3. Registry. The commissioner shall create a registry containing a listing of sober homes that have met the certification requirements. The registry must include each sober home city and zip code, maximum resident capacity, and whether the setting serves a specific population based on race, ethnicity, national origin, sexual orientation, gender identity, or physical ability.

Subd. 4. **Bill of rights.** An individual living in a sober home has the right to:

- (1) access to an environment that supports recovery;
- (2) access to an environment that is safe and free from alcohol and other illicit drugs or substances;
- (3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;
- (4) be treated with dignity and respect and to have personal property treated with respect;
- (5) have personal, financial, and medical information kept private and to be advised of the sober home's policies and procedures regarding disclosure of such information;
- (6) access, while living in the residence, to other community-based support services as needed;
- (7) be referred to appropriate services upon leaving the residence, if necessary;
- (8) retain personal property that does not jeopardize safety or health;
- (9) assert these rights personally or have them asserted by the individual's representative or by anyone on behalf of the individual without retaliation;
- (10) be provided with the name, address, and telephone number of the ombudsman for mental health, substance use disorder, and developmental disabilities and information about the right to file a complaint;
- (11) be fully informed of these rights and responsibilities, as well as program policies and procedures; and
- (12) not be required to perform services for the residence that are not included in the usual expectations for all residents.

Subd. 5. **Private right of action.** In addition to pursuing other remedies, an individual may bring an action to recover damages caused by a violation of this section. The court shall award a resident who prevails in an action under this section double damages, costs, disbursements, reasonable attorney fees, and any equitable relief the court deems appropriate.

Subd. 6. **Complaints; ombudsman for mental health and developmental disabilities.** Any complaints about a sober home may be made to and reviewed or investigated by the ombudsman for mental health and developmental disabilities, pursuant to sections 245.91 and 245.94.

Sec. 26. **[254B.19] AMERICAN SOCIETY OF ADDICTION MEDICINE STANDARDS OF CARE.**

Subdivision 1. **Level of care requirements.** For each client assigned an ASAM level of care, eligible vendors must implement the standards set by the ASAM for the respective level of care. Additionally, vendors must meet the following requirements:

- (1) for ASAM level 0.5 early intervention targeting individuals who are at risk of developing a substance-related problem but may not have a diagnosed substance use disorder, early intervention services may include individual or group counseling, treatment coordination, peer recovery support, screening brief intervention, and referral to treatment provided according to section 254A.03, subdivision 3, paragraph (c).

(2) for ASAM level 1.0 outpatient clients, adults must receive up to eight hours per week of skilled treatment services and adolescents must receive up to five hours per week. Services must be licensed according to section 245G.20 and meet requirements under section 256B.0759. Peer recovery and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week.

(3) for ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours per week of skilled treatment services and adolescents must receive six or more hours per week. Vendors must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Peer recovery services and treatment coordination may be provided beyond the hourly skilled treatment service hours allowable per week. If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(4) for ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or more of skilled treatment services. Services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Level 2.5 is for clients who need daily monitoring in a structured setting, as directed by the individual treatment plan and in accordance with the limitations in section 254B.05, subdivision 5, paragraph (h). If clinically indicated on the client's treatment plan, this service may be provided in conjunction with room and board according to section 254B.05, subdivision 1a.

(5) for ASAM level 3.1 clinically managed low-intensity residential clients, programs must provide at least 5 hours of skilled treatment services per week according to each client's specific treatment schedule, as directed by the individual treatment plan. Programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759.

(6) for ASAM level 3.3 clinically managed population-specific high-intensity residential clients, programs must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must be enrolled as a disability responsive program as described in section 254B.01, subdivision 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive impairment so significant, and the resulting level of impairment so great, that outpatient or other levels of residential care would not be feasible or effective. Programs must provide, at minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(7) for ASAM level 3.5 clinically managed high-intensity residential clients, services must be licensed according to section 245G.20 and must meet requirements under section 256B.0759. Programs must have 24-hour staffing coverage and provide, at minimum, daily skilled treatment services seven days a week according to each client's specific treatment schedule, as directed by the individual treatment plan.

(8) for ASAM level withdrawal management 3.2 clinically managed clients, withdrawal management must be provided according to chapter 245F.

(9) for ASAM level withdrawal management 3.7 medically monitored clients, withdrawal management must be provided according to chapter 245F.

Subd. 2. **Patient referral arrangement agreement.** The license holder must maintain documentation of a formal patient referral arrangement agreement for each of the following ASAM levels of care not provided by the license holder:

(1) level 1.0 outpatient;

(2) level 2.1 intensive outpatient;

(3) level 2.5 partial hospitalization;

(4) level 3.1 clinically managed low-intensity residential;

(5) level 3.3 clinically managed population-specific high-intensity residential;

(6) level 3.5 clinically managed high-intensity residential;

(7) level withdrawal management 3.2 clinically managed residential withdrawal management; and

(8) level withdrawal management 3.7 medically monitored inpatient withdrawal management.

Subd. 3. Evidence-based practices. All services delivered within the ASAM levels of care referenced in subdivision 1, clauses (1) to (7), must have documentation of the evidence-based practices being utilized as referenced in the most current edition of the ASAM criteria.

Subd. 4. Program outreach plan. Eligible vendors providing services under ASAM levels of care referenced in subdivision 1, clauses (2) to (7), must have a program outreach plan. The treatment director must document a review and update the plan annually. The program outreach plan must include treatment coordination strategies and processes to ensure seamless transitions across the continuum of care. The plan must include how the provider will:

(1) increase the awareness of early intervention treatment services, including but not limited to the services defined in section 254A.03, subdivision 3, paragraph (c);

(2) coordinate, as necessary, with certified community behavioral health clinics when a license holder is located in a geographic region served by a certified community behavioral health clinic;

(3) establish a referral arrangement agreement with a withdrawal management program licensed under chapter 245F when a license holder is located in a geographic region in which a withdrawal management program is licensed under chapter 245F. If a withdrawal management program licensed under chapter 245F is not geographically accessible, the plan must include how the provider will address the client's need for this level of care;

(4) coordinate with inpatient acute care hospitals, including emergency departments, hospital outpatient clinics, urgent care centers, residential crisis settings, medical detoxification inpatient facilities and ambulatory detoxification providers in the area served by the provider to help transition individuals from emergency department or hospital settings and minimize the time between assessment and treatment;

(5) develop and maintain collaboration with local county and Tribal human services agencies; and

(6) collaborate with primary care and mental health settings.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 27. Minnesota Statutes 2022, section 256B.0759, subdivision 2, is amended to read:

Subd. 2. Provider participation. (a) ~~Outpatient Programs licensed by the Department of Human Services as nonresidential substance use disorder treatment providers may elect to participate in the demonstration project and meet the requirements of subdivision 3. To participate, a provider must notify the commissioner of the provider's intent to participate in a format required by the commissioner and enroll as a demonstration project provider~~ programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(b) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(c) Programs licensed by the Department of Human Services as residential treatment programs according to section 245G.21 that receive payment under this chapter and are licensed as a hospital under sections 144.50 to 144.581 must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2025.

~~(e)~~ (d) Programs licensed by the Department of Human Services as withdrawal management programs according to chapter 245F that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

~~(d)~~ (e) Out-of-state residential substance use disorder treatment programs that receive payment under this chapter must enroll as demonstration project providers and meet the requirements of subdivision 3 by January 1, 2024. Programs that do not meet the requirements of this paragraph are ineligible for payment for services provided under section 256B.0625.

(e) (f) Tribally licensed programs may elect to participate in the demonstration project and meet the requirements of subdivision 3. The Department of Human Services must consult with Tribal nations to discuss participation in the substance use disorder demonstration project.

~~(f)~~ (g) The commissioner shall allow providers enrolled in the demonstration project before July 1, 2021, to receive applicable rate enhancements authorized under subdivision 4 for all services provided on or after the date of enrollment, except that the commissioner shall allow a provider to receive applicable rate enhancements authorized under subdivision 4 for services provided on or after July 22, 2020, to fee-for-service enrollees, and on or after January 1, 2021, to managed care enrollees, if the provider meets all of the following requirements:

(1) the provider attests that during the time period for which the provider is seeking the rate enhancement, the provider took meaningful steps in their plan approved by the commissioner to meet the demonstration project requirements in subdivision 3; and

(2) the provider submits attestation and evidence, including all information requested by the commissioner, of meeting the requirements of subdivision 3 to the commissioner in a format required by the commissioner.

~~(g)~~ (h) The commissioner may recoup any rate enhancements paid under paragraph ~~(f)~~ (g) to a provider that does not meet the requirements of subdivision 3 by July 1, 2021.

Sec. 28. **EVIDENCE-BASED TRAINING.**

The commissioner must establish training opportunities for substance use disorder treatment providers under Minnesota Statutes, chapters 245F and 245G, and applicable Tribal licenses, to increase knowledge and develop skills to adopt evidence-based and promising practices in substance use disorder treatment programs. Training opportunities must support the transition to ASAM standards. Training formats may include self or organizational assessments, virtual modules, one-to-one coaching, self-paced courses, interactive hybrid courses, and in-person courses. Foundational and skill-building training topics may include:

(1) ASAM criteria;

(2) person-centered and culturally responsive services;

(3) medical and clinical decision making;

(4) conducting assessments and appropriate level of care;

(5) treatment and service planning;

(6) identifying and overcoming systems challenges;

(7) conducting clinical case reviews; and

(8) appropriate and effective transfer and discharge.

Sec. 29. **FAMILY TREATMENT START-UP AND CAPACITY-BUILDING GRANTS.**

The commissioner of human services must establish start-up and capacity-building grants for prospective or new substance use disorder treatment programs that serve parents with their children. Grants must be used for expenses that are not reimbursable under Minnesota health care programs, including but not limited to:

(1) physical plant upgrades to support larger family units;

(2) supporting the expansion or development of programs that provide holistic services, including trauma supports, conflict resolution, and parenting skills;

(3) increasing awareness, education, and outreach utilizing culturally responsive approaches to develop relationships between culturally specific communities and clinical treatment provider programs; and

(4) expanding culturally specific family programs and accommodating diverse family units.

Sec. 30. **SAFE RECOVERY SITES START-UP AND CAPACITY-BUILDING GRANTS.**

(a) The commissioner of human services must establish start-up and capacity-building grants for current or prospective harm reduction organizations to promote health, wellness, safety, and recovery to people who are in active stages of substance use disorder. Grants must be used to establish safe recovery sites that offer harm reduction services and supplies, including but not limited to:

(1) safe injection spaces;

(2) sterile needle exchange;

(3) opiate antagonist rescue kits;

(4) fentanyl and other drug testing;

(5) street outreach;

(6) educational and referral services;

(7) health, safety, and wellness services; and

(8) access to hygiene and sanitation.

(b) The commissioner must conduct local community outreach and engagement in collaboration with newly established safe recovery sites. The commissioner must evaluate the efficacy of safe recovery sites and collect data to measure health-related and public safety outcomes.

(c) The commissioner must prioritize grant applications for organizations that are culturally specific or culturally responsive and that commit to serving individuals from communities that are disproportionately impacted by the opioid epidemic, including:

(1) Native American, American Indian, and Indigenous communities; and

(2) Black, African American, and African-born communities.

(d) For purposes of this section, a "culturally specific" or "culturally responsive" organization is an organization that is designed to address the unique needs of individuals who share a common language, racial, ethnic, or social background, and is governed with significant input from individuals of that specific background.

Sec. 31. **PUBLIC AWARENESS CAMPAIGN.**

(a) The commissioner of human services must establish a multitiered public awareness and educational campaign on substance use disorders. The campaign must include strategies to prevent substance use disorder, reduce stigma, and ensure people know how to access treatment, recovery, and harm reduction services.

(b) The commissioner must consult with communities disproportionately impacted by substance use disorder to ensure the campaign centers lived experience and equity. The commissioner may also consult with and establish relationships with media and communication experts, behavioral health professionals, state and local agencies, and community organizations to design and implement the campaign.

(c) The campaign must include awareness-raising and educational information using multichannel marketing strategies, social media, virtual events, press releases, reports, and targeted outreach. The commissioner must evaluate the effectiveness of the campaign and modify outreach and strategies as needed.

Sec. 32. **REVISED PAYMENT METHODOLOGY FOR OPIOID TREATMENT PROGRAMS.**

The commissioner of human services must revise the payment methodology for substance use services with medications for opioid use disorder under Minnesota Statutes, section 254B.05, subdivision 5, paragraph (b), clause (6). Payment must occur only if the provider renders the service or services billed on that date of service or, in the case of drugs and drug-related services, within a week as defined by the commissioner. The revised payment methodology must include a weekly bundled rate that includes the costs of drugs, drug administration and observation, drug packaging and preparation, and nursing time. The bundled weekly rate must be based on the Medicare rate. The commissioner must seek all necessary waivers, state plan amendments, and federal authorities required to implement the revised payment methodology.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 33. **MEDICAL ASSISTANCE BEHAVIORAL HEALTH SYSTEM TRANSFORMATION STUDY.**

The commissioner of human services, in consultation with stakeholders, must evaluate the feasibility, potential design, and federal authorities needed to cover traditional healing, behavioral health services in correctional facilities, and contingency management under the medical assistance program.

Sec. 34. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 245G.01, subdivision 20b, as Minnesota Statutes, section 245G.01, subdivision 20d, and make any other necessary changes to subdivision numbers or cross-references.

Sec. 35. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245G.06, subdivision 2; and 256B.0759, subdivision 6, are repealed.

(b) Minnesota Statutes 2022, section 246.18, subdivisions 2 and 2a, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective January 1, 2024. Paragraph (b) is effective July 1, 2023.

ARTICLE 4

OPIOID OVERDOSE PREVENTION AND OPIATE EPIDEMIC RESPONSE

Section 1. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. ~~Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (d) as specified in section 256.043, subdivision 3a.~~

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

Sec. 2. **[121A.224] OPIATE ANTAGONISTS.**

(a) A school district or charter school must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each school site to be administered in compliance with section 151.37, subdivision 12.

(b) Each school building must have two doses of a nasal opiate antagonist available on site.

(c) The commissioner of health must develop and disseminate to schools a short training video about how and when to administer a nasal opiate antagonist. The person having control of the school building must ensure that at least one staff member trained on how and when to administer a nasal opiate antagonist is on site when the school building is open to students, staff, or the public, including before school, after school, or during weekend activities.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 151.065, subdivision 7, is amended to read:

Subd. 7. **Deposit of fees.** (a) The license fees collected under this section, with the exception of the fees identified in paragraphs (b) and (c), shall be deposited in the state government special revenue fund.

(b) \$5,000 of each fee collected under subdivision 1, clauses (6) to (9), and (11) to (15), and subdivision 3, clauses (4) to (7), and (9) to (13), and \$55,000 of each fee collected under subdivision 1, clause (16), and subdivision 3, clause (14), shall be deposited in the opiate epidemic response fund established in section 256.043.

~~(c) If the fees collected under subdivision 1, clause (16), or subdivision 3, clause (14), are reduced under section 256.043, \$5,000 of the reduced fee shall be deposited in the opiate epidemic response fund in section 256.043.~~

Sec. 4. Minnesota Statutes 2022, section 241.021, subdivision 1, is amended to read:

Subdivision 1. **Correctional facilities; inspection; licensing.** (a) Except as provided in paragraph (b), the commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons confined or incarcerated therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons confined or incarcerated therein. These minimum standards shall include but are not limited to specific guidance pertaining to:

(1) screening, appraisal, assessment, and treatment for persons confined or incarcerated in correctional facilities with mental illness or substance use disorders;

(2) a policy on the involuntary administration of medications;

(3) suicide prevention plans and training;

(4) verification of medications in a timely manner;

(5) well-being checks;

(6) discharge planning, including providing prescribed medications to persons confined or incarcerated in correctional facilities upon release;

(7) a policy on referrals or transfers to medical or mental health care in a noncorrectional institution;

- (8) use of segregation and mental health checks;
- (9) critical incident debriefings;
- (10) clinical management of substance use disorders and opioid overdose emergency procedures;
- (11) a policy regarding identification of persons with special needs confined or incarcerated in correctional facilities;
- (12) a policy regarding the use of telehealth;
- (13) self-auditing of compliance with minimum standards;
- (14) information sharing with medical personnel and when medical assessment must be facilitated;
- (15) a code of conduct policy for facility staff and annual training;
- (16) a policy on death review of all circumstances surrounding the death of an individual committed to the custody of the facility; and
- (17) dissemination of a rights statement made available to persons confined or incarcerated in licensed correctional facilities.

No individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless it possesses a current license from the commissioner of corrections. Private adult correctional facilities shall have the authority of section 624.714, subdivision 13, if the Department of Corrections licenses the facility with the authority and the facility meets requirements of section 243.52.

The commissioner shall review the correctional facilities described in this subdivision at least once every two years, except as otherwise provided, to determine compliance with the minimum standards established according to this subdivision or other Minnesota statute related to minimum standards and conditions of confinement.

The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the standards not being met do not impact the interests and well-being of the persons confined or incarcerated in the facility. A limited license under subdivision 1a may be issued for purposes of effectuating a facility closure. The commissioner may grant licensure up to two years. Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license.

The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons confined or incarcerated in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner.

All facility administrators of correctional facilities are required to report all deaths of individuals who died while committed to the custody of the facility, regardless of whether the death occurred at the facility or after removal from the facility for medical care stemming from an incident or need for medical care at the correctional facility, as soon as practicable, but no later than 24 hours of receiving knowledge of the death, including any demographic information as required by the commissioner.

All facility administrators of correctional facilities are required to report all other emergency or unusual occurrences as defined by rule, including uses of force by facility staff that result in substantial bodily harm or suicide attempts, to the commissioner of corrections within ten days from the occurrence, including any demographic information as required by the commissioner. The commissioner of corrections shall consult with the Minnesota Sheriffs' Association and a representative from the Minnesota Association of Community Corrections Act Counties who is responsible for the operations of an adult correctional facility to define "use of force" that results in substantial bodily harm for reporting purposes.

The commissioner may require that any or all such information be provided through the Department of Corrections detention information system. The commissioner shall post each inspection report publicly and on the department's website within 30 days of completing the inspection. The education program offered in a correctional facility for the confinement or incarceration of juvenile offenders must be approved by the commissioner of education before the commissioner of corrections may grant a license to the facility.

(b) For juvenile facilities licensed by the commissioner of human services, the commissioner may inspect and certify programs based on certification standards set forth in Minnesota Rules. For the purpose of this paragraph, "certification" has the meaning given it in section 245A.02.

(c) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(d) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(e) The department's inspection unit must report directly to a division head outside of the correctional institutions division.

Sec. 5. Minnesota Statutes 2022, section 241.31, subdivision 5, is amended to read:

Subd. 5. **Minimum standards.** The commissioner of corrections shall establish minimum standards for the size, area to be served, qualifications of staff, ratio of staff to client population, and treatment programs for community corrections programs established pursuant to this section. Plans and specifications for such programs, including proposed budgets must first be submitted to the commissioner for approval prior to the establishment. Community corrections programs must maintain a supply of opiate antagonists, as defined in section 604A.04, subdivision 1, at each correctional site to be administered in compliance with section 151.37, subdivision 12. Each site must have at least two doses of an opiate antagonist on site. Staff must be trained on how and when to administer opiate antagonists.

Sec. 6. Minnesota Statutes 2022, section 241.415, is amended to read:

241.415 RELEASE PLANS; SUBSTANCE ABUSE.

The commissioner shall cooperate with community-based corrections agencies to determine how best to address the substance abuse treatment needs of offenders who are being released from prison. The commissioner shall ensure that an offender's prison release plan adequately addresses the offender's needs for substance abuse assessment, treatment, or other services following release, within the limits of available resources. The commissioner must provide individuals with known or stated histories of opioid use disorder with emergency opiate antagonist rescue kits upon release.

Sec. 7. Minnesota Statutes 2022, section 245G.08, subdivision 3, is amended to read:

Subd. 3. ~~Standing order protocol~~ **Emergency overdose treatment.** A license holder ~~that maintains~~ must maintain a supply of ~~naloxone~~ opioid antagonists as defined in section 604A.04, subdivision 1, available for emergency treatment of opioid overdose and must have a written standing order protocol by a physician who is licensed under chapter 147, advanced practice registered nurse who is licensed under chapter 148, or physician assistant who is licensed under chapter 147A, that permits the license holder to maintain a supply of ~~naloxone~~ opioid antagonists on site. A license holder must require staff to undergo training in the specific mode of administration used at the program, which may include intranasal administration, intramuscular injection, or both.

Sec. 8. Minnesota Statutes 2022, section 256.042, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The council shall consist of the following ~~19~~ 30 voting members, appointed by the commissioner of human services except as otherwise specified, and three nonvoting members:

(1) two members of the house of representatives, appointed in the following sequence: the first from the majority party appointed by the speaker of the house and the second from the minority party appointed by the minority leader. Of these two members, one member must represent a district outside of the seven-county metropolitan area, and one member must represent a district that includes the seven-county metropolitan area. The appointment by the minority leader must ensure that this requirement for geographic diversity in appointments is met;

(2) two members of the senate, appointed in the following sequence: the first from the majority party appointed by the senate majority leader and the second from the minority party appointed by the senate minority leader. Of these two members, one member must represent a district outside of the seven-county metropolitan area and one member must represent a district that includes the seven-county metropolitan area. The appointment by the minority leader must ensure that this requirement for geographic diversity in appointments is met;

(3) one member appointed by the Board of Pharmacy;

(4) one member who is a physician appointed by the Minnesota Medical Association;

(5) one member representing opioid treatment programs, sober living programs, or substance use disorder programs licensed under chapter 245G;

(6) one member appointed by the Minnesota Society of Addiction Medicine who is an addiction psychiatrist;

(7) one member representing professionals providing alternative pain management therapies, including, but not limited to, acupuncture, chiropractic, or massage therapy;

(8) one member representing nonprofit organizations conducting initiatives to address the opioid epidemic, with the commissioner's initial appointment being a member representing the Steve Rummeler Hope Network, and subsequent appointments representing this or other organizations;

(9) one member appointed by the Minnesota Ambulance Association who is serving with an ambulance service as an emergency medical technician, advanced emergency medical technician, or paramedic;

(10) one member representing the Minnesota courts who is a judge or law enforcement officer;

(11) one public member who is a Minnesota resident and who is in opioid addiction recovery;

(12) ~~two~~ 11 members representing Indian tribes, one representing ~~the Ojibwe tribes and one representing the Dakota tribes~~ each of Minnesota's Tribal Nations;

(13) two members representing urban American Indian populations;

~~(13)~~ (14) one public member who is a Minnesota resident and who is suffering from chronic pain, intractable pain, or a rare disease or condition;

~~(14)~~ (15) one mental health advocate representing persons with mental illness;

~~(15)~~ (16) one member appointed by the Minnesota Hospital Association;

~~(16)~~ (17) one member representing a local health department; and

~~(17)~~ (18) the commissioners of human services, health, and corrections, or their designees, who shall be ex officio nonvoting members of the council.

(b) The commissioner of human services shall coordinate the commissioner's appointments to provide geographic, racial, and gender diversity, and shall ensure that at least ~~one-half~~ one-third of council members appointed by the commissioner reside outside of the seven-county metropolitan area. Of the members appointed by the commissioner, to the extent practicable, at least one member must represent a community of color disproportionately affected by the opioid epidemic.

(c) The council is governed by section 15.059, except that members of the council shall serve three-year terms and shall receive no compensation other than reimbursement for expenses. Notwithstanding section 15.059, subdivision 6, the council shall not expire.

(d) The chair shall convene the council at least quarterly, and may convene other meetings as necessary. The chair shall convene meetings at different locations in the state to provide geographic access, and shall ensure that at least one-half of the meetings are held at locations outside of the seven-county metropolitan area.

(e) The commissioner of human services shall provide staff and administrative services for the advisory council.

(f) The council is subject to chapter 13D.

Sec. 9. Minnesota Statutes 2022, section 256.042, subdivision 4, is amended to read:

Subd. 4. **Grants.** (a) The commissioner of human services shall submit a report of the grants proposed by the advisory council to be awarded for the upcoming calendar year to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance, by December 1 of each year, beginning December 1, 2022. This paragraph expires upon the expiration of the advisory council.

(b) The grants shall be awarded to proposals selected by the advisory council that address the priorities in subdivision 1, paragraph (a), clauses (1) to (4), unless otherwise appropriated by the legislature. The advisory council shall determine grant awards and funding amounts based on the funds appropriated to the commissioner under section 256.043, subdivision 3, paragraph (h), and subdivision 3a, paragraph (d). The commissioner shall award the grants from the opiate epidemic response fund and administer the grants in compliance with section 16B.97. No more than ten percent of the grant amount may be used by a grantee for administration. The commissioner must award at least 50 percent of grants to projects that include a focus on addressing the opioid crisis in Black and Indigenous communities and communities of color.

Sec. 10. Minnesota Statutes 2022, section 256.043, subdivision 3, is amended to read:

Subd. 3. **Appropriations from registration and license fee account.** (a) The appropriations in paragraphs (b) to ~~(h)~~ (k) shall be made from the registration and license fee account on a fiscal year basis in the order specified.

(b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be made accordingly.

(c) \$100,000 is appropriated to the commissioner of human services for grants for opiate antagonist distribution. Grantees may utilize funds for opioid overdose prevention, community asset mapping, education, and opiate antagonist distribution.

(d) \$2,000,000 is appropriated to the commissioner of human services for grants to Tribal nations and five urban Indian communities for traditional healing practices for American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce.

(e) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the commissioner of human services to administer the funding distribution and reporting requirements in paragraph (j).

~~(e)~~ (f) \$300,000 is appropriated to the commissioner of management and budget for evaluation activities under section 256.042, subdivision 1, paragraph (c).

~~(d)~~ (g) \$249,000 is in fiscal year 2023, \$375,000 in fiscal year 2024, and \$315,000 each year thereafter are appropriated to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraph ~~(h)~~ (k).

~~(e)~~ (h) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration fees under section 151.066.

~~(f)~~ (i) \$672,000 is appropriated to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

~~(g)~~ (j) After the appropriations in paragraphs (b) to ~~(f)~~ (i) are made, 50 percent of the remaining amount is appropriated to the commissioner of human services for distribution to county social service agencies and Tribal social service agency initiative projects authorized under section 256.01, subdivision 14b, to provide child protection services to children and families who are affected by addiction. The commissioner shall distribute this money proportionally to county social service agencies and Tribal social service agency initiative projects based on out-of-home placement episodes where parental drug abuse is the primary reason for the out-of-home placement using data from the previous calendar year. County social service agencies and Tribal social service agency initiative projects receiving funds from the opiate epidemic response fund must annually report to the commissioner on how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner. County social service agencies and Tribal social service agency initiative projects must not use funds received under this paragraph to supplant current state or local funding received for child protection services for children and families who are affected by addiction.

~~(h)~~ (k) After the appropriations in paragraphs (b) to ~~(g)~~ (j) are made, the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042, unless otherwise appropriated by the legislature.

~~(i)~~ (l) Beginning in fiscal year 2022 and each year thereafter, funds for county social service agencies and Tribal social service agency initiative projects under paragraph ~~(g)~~ (j) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph ~~(h)~~ (k) may be distributed on a calendar year basis.

(m) Notwithstanding section 16A.28, funds appropriated in paragraphs (c), (d), (j), and (k) are available for up to three years.

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

Sec. 11. Minnesota Statutes 2022, section 256.043, subdivision 3a, is amended to read:

Subd. 3a. **Appropriations from settlement account.** (a) The appropriations in paragraphs (b) to (e) shall be made from the settlement account on a fiscal year basis in the order specified.

(b) If the balance in the registration and license fee account is not sufficient to fully fund the appropriations specified in subdivision 3, paragraphs (b) to (f), an amount necessary to meet any insufficiency shall be transferred from the settlement account to the registration and license fee account to fully fund the required appropriations.

(c) \$209,000 in fiscal year 2023 and \$239,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services for the administration of grants awarded under paragraph (e). \$276,000 in fiscal year 2023 and \$151,000 in fiscal year 2024 and subsequent fiscal years are appropriated to the commissioner of human services to collect, collate, and report data submitted and to monitor compliance with reporting and settlement expenditure requirements by grantees awarded grants under this section and municipalities receiving direct payments from a statewide opioid settlement agreement as defined in section 256.042, subdivision 6.

(d) After any appropriations necessary under paragraphs (b) and (c) are made, an amount equal to the calendar year allocation to Tribal social service agency initiative projects under subdivision 3, paragraph (g), is appropriated from the settlement account to the commissioner of human services for distribution to Tribal social service agency initiative projects to provide child protection services to children and families who are affected by addiction. The requirements related to proportional distribution, annual reporting, and maintenance of effort specified in subdivision 3, paragraph (g), also apply to the appropriations made under this paragraph.

(e) After making the appropriations in paragraphs (b), (c), and (d), the remaining amount in the account is appropriated to the commissioner of human services to award grants as specified by the Opiate Epidemic Response Advisory Council in accordance with section 256.042.

(f) Funds for Tribal social service agency initiative projects under paragraph (d) and grant funds specified by the Opiate Epidemic Response Advisory Council under paragraph (e) may be distributed on a calendar year basis.

(g) Notwithstanding section 16A.28, funds appropriated in paragraphs (d) and (e) are available for three years.

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

Sec. 12. **[256L.052] OPIATE ANTAGONISTS.**

(a) Site-based or group housing support settings must maintain a supply of opiate antagonists as defined in section 604A.04, subdivision 1, at each housing site to be administered in compliance with section 151.37, subdivision 12.

(b) Each site must have at least two doses of an opiate antagonist on site.

(c) Staff on site must have training on how and when to administer opiate antagonists.

Sec. 13. Laws 2019, chapter 63, article 3, section 1, as amended by Laws 2020, chapter 115, article 3, section 35, and Laws 2022, chapter 53, section 12, is amended to read:

Section 1. **APPROPRIATIONS.**

(a) **Board of Pharmacy; administration.** \$244,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for onetime information technology and operating costs for administration of licensing activities under Minnesota Statutes, section 151.066. This is a onetime appropriation.

(b) **Commissioner of human services; administration.** \$309,000 in fiscal year 2020 is appropriated from the general fund and \$60,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for the provision of administrative services to the Opiate Epidemic Response Advisory Council and for the administration of the grants awarded under paragraphs (f), (g), and (h). The opiate epidemic response fund base for this appropriation is \$60,000 in fiscal year 2022, \$60,000 in fiscal year 2023, \$60,000 in fiscal year 2024, and \$0 in fiscal year 2025.

(c) **Board of Pharmacy; administration.** \$126,000 in fiscal year 2020 is appropriated from the general fund to the Board of Pharmacy for the collection of the registration fees under section 151.066.

(d) **Commissioner of public safety; enforcement activities.** \$672,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of public safety for the Bureau of Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

(e) **Commissioner of management and budget; evaluation activities.** \$300,000 in fiscal year 2020 is appropriated from the general fund and \$300,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of management and budget for evaluation activities under Minnesota Statutes, section 256.042, subdivision 1, paragraph (c).

(f) **Commissioner of human services; grants for Project ECHO.** \$400,000 in fiscal year 2020 is appropriated from the general fund and \$400,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for grants of \$200,000 to CHI St. Gabriel's Health Family Medical Center for the opioid-focused Project ECHO program and \$200,000 to Hennepin Health Care for the opioid-focused Project ECHO program. The opiate epidemic response fund base for this appropriation is \$400,000 in fiscal year 2022, \$400,000 in fiscal year 2023, \$400,000 in fiscal year 2024, and \$0 in fiscal year 2025.

(g) **Commissioner of human services; opioid overdose prevention grant.** \$100,000 in fiscal year 2020 is appropriated from the general fund and \$100,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services for a grant to a nonprofit organization that has provided overdose prevention programs to the public in at least 60 counties within the state, for at least three years, has received federal funding before January 1, 2019, and is dedicated to addressing the opioid epidemic. The grant must be used for opioid overdose prevention, community asset mapping, education, and overdose antagonist distribution. ~~The opiate epidemic response fund base for this appropriation is \$100,000 in fiscal year 2022, \$100,000 in fiscal year 2023, \$100,000 in fiscal year 2024, and \$0 in fiscal year 2025.~~

(h) **Commissioner of human services; traditional healing.** \$2,000,000 in fiscal year 2020 is appropriated from the general fund and \$2,000,000 in fiscal year 2021 is appropriated from the opiate epidemic response fund to the commissioner of human services to award grants to Tribal nations and five urban Indian communities for traditional healing practices to American Indians and to increase the capacity of culturally specific providers in the behavioral health workforce. ~~The opiate epidemic response fund base for this appropriation is \$2,000,000 in fiscal year 2022, \$2,000,000 in fiscal year 2023, \$2,000,000 in fiscal year 2024, and \$0 in fiscal year 2025.~~

(i) **Board of Dentistry; continuing education.** \$11,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Dentistry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(j) **Board of Medical Practice; continuing education.** \$17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Medical Practice to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(k) **Board of Nursing; continuing education.** \$17,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Nursing to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(l) **Board of Optometry; continuing education.** \$5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Optometry to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(m) **Board of Podiatric Medicine; continuing education.** \$5,000 in fiscal year 2020 is appropriated from the state government special revenue fund to the Board of Podiatric Medicine to implement the continuing education requirements under Minnesota Statutes, section 214.12, subdivision 6.

(n) **Commissioner of health; nonnarcotic pain management and wellness.** \$1,250,000 is appropriated in fiscal year 2020 from the general fund to the commissioner of health, to provide funding for:

(1) statewide mapping and assessment of community-based nonnarcotic pain management and wellness resources; and

(2) up to five demonstration projects in different geographic areas of the state to provide community-based nonnarcotic pain management and wellness resources to patients and consumers.

The demonstration projects must include an evaluation component and scalability analysis. The commissioner shall award the grant for the statewide mapping and assessment, and the demonstration project grants, through a competitive request for proposal process. Grants for statewide mapping and assessment and demonstration projects may be awarded simultaneously. In awarding demonstration project grants, the commissioner shall give preference to proposals that incorporate innovative community partnerships, are informed and led by people in the community where the project is taking place, and are culturally relevant and delivered by culturally competent providers. This is a onetime appropriation.

(o) **Commissioner of health; administration.** \$38,000 in fiscal year 2020 is appropriated from the general fund to the commissioner of health for the administration of the grants awarded in paragraph (n).

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

Sec. 14. **OPIOID OVERDOSE SURGE ALERT SYSTEM.**

The commissioner of human services must establish a voluntary, statewide opioid overdose surge text message alert system, to prevent opioid overdose by cautioning people to refrain from substance use or to use harm reduction strategies when there is an overdose surge in their surrounding area. The alert system may include other forms of electronic alerts. The commissioner may collaborate with local agencies, other state agencies, and harm reduction organizations to promote and improve the voluntary surge alert service.

Sec. 15. **HARM-REDUCTION AND CULTURALLY SPECIFIC GRANTS.**

(a) The commissioner of human services must establish grants for Tribal Nations or culturally specific organizations to enhance and expand capacity to address the impacts of the opioid epidemic in their respective communities. Grants may be used to purchase and distribute harm-reduction supplies, develop organizational capacity, and expand culturally specific services.

(b) Harm-reduction grant funds must be used to promote safer practices and reduce the transmission of infectious disease. Allowable expenses include syringes, fentanyl-testing supplies, disinfectants, opiate antagonist rescue kits, safe injection kits, safe smoking kits, sharps disposal, wound-care supplies, medication lock boxes, FDA-approved home testing kits for viral hepatitis and HIV, written educational and resource materials, and other supplies approved by the commissioner.

(c) Culturally specific organizational capacity grant funds must be used to develop and improve organizational infrastructure to increase access to culturally specific services and community building. Allowable expenses include funds for organizations to hire staff or consultants who specialize in fundraising, grant writing, business development, and program integrity or other identified organizational needs as approved by the commissioner.

(d) Culturally specific service grant funds must be used to expand culturally specific outreach and services. Allowable expenses include hiring or consulting with cultural advisors, resources to support cultural traditions, and education to empower, develop a sense of community, and develop a connection to ancestral roots.

Sec. 16. **REPEALER.**

Minnesota Statutes 2022, section 256.043, subdivision 4, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 5
OPIOID PRESCRIBING IMPROVEMENT PROGRAM

Section 1. Minnesota Statutes 2022, section 256B.0638, subdivision 1, is amended to read:

Subdivision 1. **Program established.** The commissioner of human services, in conjunction with the commissioner of health, shall coordinate and implement an opioid prescribing improvement program to reduce opioid dependency and substance use by Minnesotans due to the prescribing of opioid analgesics by health care providers and to support patient-centered, compassionate care for Minnesotans who require treatment with opioid analgesics.

Sec. 2. Minnesota Statutes 2022, section 256B.0638, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of human services and the commissioner of health.

(d) "DEA" means the United States Drug Enforcement Administration.

(e) "Minnesota health care program" means a public health care program administered by the commissioner of human services under this chapter and chapter 256L, and the Minnesota restricted recipient program.

(f) "Opioid ~~disenrollment~~ sanction standards" means ~~parameters~~ clinical indicators defined by the Opioid Prescribing Work Group of opioid prescribing practices that fall outside community standard thresholds for prescribing to such a degree that a provider ~~must be disenrolled~~ may be subject to sanctions under section 256B.064 as a ~~medical-assistance~~ Minnesota health care program provider.

(g) "Opioid prescriber" means a licensed health care provider who prescribes opioids to ~~medical-assistance~~ Minnesota health care program and MinnesotaCare enrollees under the fee-for-service system or under a managed care or county-based purchasing plan.

(h) "Opioid quality improvement standard thresholds" means parameters of opioid prescribing practices that fall outside community standards for prescribing to such a degree that quality improvement is required.

(i) "Program" means the statewide opioid prescribing improvement program established under this section.

(j) "Provider group" means a clinic, hospital, or primary or specialty practice group that employs, contracts with, or is affiliated with an opioid prescriber. Provider group does not include a professional association supported by dues-paying members.

(k) "Sentinel measures" means measures of opioid use that identify variations in prescribing practices during the prescribing intervals.

Sec. 3. Minnesota Statutes 2022, section 256B.0638, subdivision 4, is amended to read:

Subd. 4. **Program components.** (a) The working group shall recommend to the commissioners the components of the statewide opioid prescribing improvement program, including, but not limited to, the following:

(1) developing criteria for opioid prescribing protocols, including:

(i) prescribing for the interval of up to four days immediately after an acute painful event;

(ii) prescribing for the interval of up to 45 days after an acute painful event; and

(iii) prescribing for chronic pain, which for purposes of this program means pain lasting longer than 45 days after an acute painful event;

(2) developing sentinel measures;

(3) developing educational resources for opioid prescribers about communicating with patients about pain management and the use of opioids to treat pain;

(4) developing opioid quality improvement standard thresholds and ~~opioid disenrollment~~ sanction standards for opioid prescribers and provider groups. ~~In developing opioid disenrollment standards, the standards may be described in terms of the length of time in which prescribing practices fall outside community standards and the nature and amount of opioid prescribing that fall outside community standards;~~ and

(5) addressing other program issues as determined by the commissioners.

(b) The opioid prescribing protocols shall not apply to opioids prescribed for patients who are experiencing pain caused by a malignant condition or who are receiving hospice care or palliative care, or to opioids prescribed for substance use disorder treatment with medications for opioid use disorder.

(c) All opioid prescribers who prescribe opioids to Minnesota health care program enrollees must participate in the program in accordance with subdivision 5. Any other prescriber who prescribes opioids may comply with the components of this program described in paragraph (a) on a voluntary basis.

Sec. 4. Minnesota Statutes 2022, section 256B.0638, subdivision 5, is amended to read:

Subd. 5. **Program implementation.** (a) The commissioner shall implement the ~~programs within the Minnesota health care quality improvement~~ program to improve the health of and quality of care provided to Minnesota health care program enrollees. The program must be designed to support patient-centered care consistent with community standards of care. The program must discourage unsafe tapering practices and patient abandonment by providers. The commissioner shall annually collect and report to provider groups the sentinel measures of data showing individual opioid prescribers' opioid prescribing patterns compared to their anonymized peers. Provider groups shall distribute data to their affiliated, contracted, or employed opioid prescribers.

(b) The commissioner shall notify an opioid prescriber and all provider groups with which the opioid prescriber is employed or affiliated when the opioid prescriber's prescribing pattern exceeds the opioid quality improvement standard thresholds. An opioid prescriber and any provider group that receives a notice under this paragraph shall submit to the commissioner a quality improvement plan for review and approval by the commissioner with the goal of bringing the opioid prescriber's prescribing practices into alignment with community standards. A quality improvement plan must include:

(1) components of the program described in subdivision 4, paragraph (a);

(2) internal practice-based measures to review the prescribing practice of the opioid prescriber and, where appropriate, any other opioid prescribers employed by or affiliated with any of the provider groups with which the opioid prescriber is employed or affiliated; and

(3) ~~appropriate use of the prescription monitoring program under section 152.126~~ demonstration of patient-centered care consistent with community standards of care.

(c) If, after a year from the commissioner's notice under paragraph (b), the opioid prescriber's prescribing practices for treatment of acute or postacute pain do not improve so that they are consistent with community standards, the commissioner ~~shall~~ may take one or more of the following steps:

(1) require the prescriber, the provider group, or both, to monitor prescribing practices more frequently than annually;

(2) monitor more aspects of the opioid prescriber's prescribing practices than the sentinel measures; or

(3) require the opioid prescriber to participate in additional quality improvement efforts, ~~including but not limited to mandatory use of the prescription monitoring program established under section 152.126.~~

(d) Prescribers treating patients who are on chronic, high doses of opioids must meet community standards of care, including performing regular assessments and addressing unwarranted risks of opioid prescribing, but are not required to show measurable changes in chronic pain prescribing thresholds within a certain period.

(e) The commissioner shall dismiss a prescriber from participating in the opioid prescribing quality improvement program on an annual basis when the prescriber demonstrates that the prescriber's practices are patient-centered and reflect community standards for safe and compassionate treatment of patients experiencing pain.

~~(d)~~ (f) The commissioner shall terminate from Minnesota health care programs may investigate for possible sanctions under section 256B.064 all opioid prescribers and provider groups whose prescribing practices fall within the applicable opioid ~~disenrollment~~ sanction standards.

~~(e)~~ (g) No physician, advanced practice registered nurse, or physician assistant, acting in good faith based on the needs of the patient, may be disenrolled by the commissioner of human services solely for prescribing a dosage that equates to an upward deviation from morphine milligram equivalent dosage recommendations specified in state or federal opioid prescribing guidelines or policies, or quality improvement thresholds established under this section.

Sec. 5. Minnesota Statutes 2022, section 256B.0638, is amended by adding a subdivision to read:

Subd. 8. Sanction standards. (a) Providers enrolled in medical assistance under section 256B.04, subdivision 21, providing services to persons enrolled in medical assistance or MinnesotaCare may be subject to sanctions under section 256B.064 for the following practices:

(1) discontinuing, either abruptly or in the form of a rapid taper, chronic opioid analgesic therapy from daily doses greater or equal to 50 morphine milligram equivalents a day without providing patient support. Discontinuing without providing patient support includes failing to:

(i) document and communicate to the patient a clinical rationale for the opioid discontinuation and for the taper plan or speed;

(ii) ascertain pregnancy status in women of childbearing age prior to beginning the discontinuation;

(iii) provide adequate follow-up care to the patient during the opioid discontinuation;

(iv) document a safety and pain management plan prior to or during the discontinuation;

(v) respond promptly and appropriately to patient-expressed psychological distress, including but not limited to suicidal ideation;

(vi) assess the patient for active, moderate to severe substance use disorder, including but not limited to opioid use disorder, and refer or treat the patient as appropriate; or

(vii) document and address patient harm when it arises. This includes but is not limited to known harms reported by the patient, harms evident in a clinical evaluation, or harms that should have been known through adequate chart review;

(2) continuing chronic opioid analgesic therapy without a safety plan when specific red flags for opioid use disorder are present. Failure to develop a safety plan includes but is not limited to failing to:

(i) document and address risks related to the condition or patterns of behavior and the potential health consequences that an undiagnosed or untreated opioid use disorder poses to the patient;

(ii) pursue a diagnosis when an opioid use disorder is suspected;

(iii) include a clear explanation of the safety plan in the patient's health record and evidence that the plan was communicated to the patient; and

(iv) document the clinical rationale for continuing therapy despite the presence of red flags. Red flags for opioid use disorder that require provider response under this section include:

(A) a history of overdose known to the prescriber or evident from the patient's medical record in the past 12 months;

(B) a history of an episode of opioid withdrawal that is not otherwise explained and is known to the prescriber or evident from the patient's medical record in the past 12 months;

(C) a known history of opioid use disorder. If the opioid use disorder is moderate to severe and the diagnosis was made within the past 12 months, a higher degree of consideration must be included in the safety plan;

(D) a history of opioid use resulting in neglect of other aspects of the patient's health that may result in serious harm known to the prescriber or evident from the patient's medical record in the past 12 months;

(E) an active alcohol use disorder. If the alcohol use disorder is moderate to severe, a higher degree of consideration must be included in the safety plan;

(F) a close personal contact of the patient expressing credible concern about the practice of use or safety of the patient indicating imminent harm to the patient or an opioid use disorder diagnosis;

(G) a pattern of deceptive actions by the patient to obtain opioid prescriptions. Deceptive actions may include but are not limited to forging prescriptions, tampering with prescriptions, and falsely reporting to medical staff with the intent of obtaining or protecting an opioid supply;

(H) a pattern of behavior by the patient that is indicative of loss of control or continued opioid use despite harm. Behaviors indicating a loss of control or continued use include but are not limited to a pattern of recurrent lost prescriptions, patient requests to increase dosage that are not supported by clinical reasoning, and a pattern of early refill requests without a change in clinical condition;

(3) prescribing greater than 400 morphine milligram equivalents per day without assessment of the risk for opioid-induced respiratory depression, without responding to evidence of opioid-related harm, and without mitigating the risk of opioid-induced respiratory depression. Failure to address risk of opioid-related harm includes but is not limited to failure to:

(i) assess and document the diagnosis or diagnoses to be managed with chronic opioid analgesic therapy;

(ii) assess and document comorbid health conditions that may impact the safety of opioid therapy;

(iii) screen and document a patient-specific, opioid-related risk benefit analysis;

(iv) respond to evidence of harm within the patient's medical record. Evidence of harm includes but is not limited to opioid-related falls, nonfatal overdoses, and appearing sedated or with respiratory compromise at clinical visits;

(v) document clinical decision making if dosage is increased;

(vi) document discussion of an opioid taper with the patient on at least an annual basis; and

(vii) evaluate the patient in person at least every three months or assess the patient for diversion;

(4) continuing chronic opioid analgesic therapy at the same dosage without a safety plan when risk factors for serious opioid-induced respiratory depression are present. Failing to develop a safety plan includes failing to document the risk factor as a risk of opioid-induced respiratory depression in the patient's health record and failing to document a clear safety plan in the patient's health record that addresses actions to reduce the risk for serious opioid-induced respiratory depression. Risk factors for serious opioid-induced respiratory depression include but are not limited to:

(i) an active or symptomatic and untreated substance use disorder;

(ii) a serious mental health condition, including symptomatic, untreated mania; symptomatic, untreated psychosis; and symptomatic, untreated suicidality;

(iii) an emergency department visit with a life-threatening opioid complication in the last 12 months;

(iv) a pattern of inconsistent urine toxicology results, excluding the presence of cannabinoids; however, addressing an inconsistent urine toxicology result must not result in the overall worsening clinical status of the patient;

(v) the concurrent prescribing of long-term benzodiazepine therapy to an individual on chronic opioid analgesic therapy;

(vi) a pulmonary disease with respiratory failure or hypoventilation; and

(vii) a failure to select and dose opioids safely for patients with known renal insufficiency; and

(5) failing to participate in the Opioid Prescribing Improvement program for two consecutive years.

Sec. 6. Minnesota Statutes 2022, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. **Grounds for sanctions against vendors.** (a) The commissioner may impose sanctions against a vendor of medical care for any of the following: (1) fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and (8) any reason for which a vendor could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

(c) The commissioner may impose sanctions against a vendor for violations of the sanction standards defined by the Opioid Prescribing Work Group for opioid prescribing practices that fall outside community standard thresholds for prescribing.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 6 DEPARTMENT OF DIRECT CARE AND TREATMENT

Section 1. Minnesota Statutes 2022, section 15.01, is amended to read:

15.01 DEPARTMENTS OF THE STATE.

The following agencies are designated as the departments of the state government: the Department of Administration; the Department of Agriculture; the Department of Commerce; the Department of Corrections; the Department of Direct Care and Treatment; the Department of Education; the Department of Employment and Economic Development; the Department of Health; the Department of Human Rights; the Department of Human Services; the Department of Information Technology Services; the Department of Iron Range Resources and Rehabilitation; the Department of Labor and Industry; the Department of Management and Budget; the Department of Military Affairs; the Department of Natural Resources; the Department of Public Safety; ~~the Department of Human Services~~; the Department of Revenue; the Department of Transportation; the Department of Veterans Affairs; and their successor departments.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 2. Minnesota Statutes 2022, section 15.06, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to the following departments or agencies: the Departments of Administration, Agriculture, Commerce, Corrections, Direct Care and Treatment, Education, Employment and Economic Development, Health, Human Rights, Human Services, Labor and Industry, Management and Budget,

Natural Resources, Public Safety, ~~Human Services~~, Revenue, Transportation, and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner of Iron Range Resources and Rehabilitation; the Department of Information Technology Services; the Bureau of Mediation Services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 3. Minnesota Statutes 2022, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration_; Agriculture_; Commerce_; Corrections_; Direct Care and Treatment, Education_; Employment and Economic Development_; Explore Minnesota Tourism_; Management and Budget_; Health_; Human Rights_; Human Services, Labor and Industry_; Natural Resources_; Public Safety_; ~~Human Services~~; Revenue_; Transportation_; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Department of Information Technology Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

- (1) the designation of the position would not be contrary to other law relating specifically to that agency;
- (2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;
- (3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;
- (4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;
- (5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with, the governor and the agency head, the employing statutory board or commission, or the employing constitutional officer;
- (6) the position would be at the level of division or bureau director or assistant to the agency head; and
- (7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 4. **[246C.01] TITLE.**

This chapter may be cited as the "Department of Direct Care & Treatment Act."

Sec. 5. **[246C.02] DEPARTMENT OF DIRECT CARE AND TREATMENT; ESTABLISHMENT.**

(a) The Department of Direct Care and Treatment is created. An executive board shall head the Department of Direct Care and Treatment. The executive board shall develop and maintain direct care and treatment in a manner consistent with applicable law, including chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B,

and 256. The Department of Direct Care and Treatment shall provide direct care and treatment services in coordination with counties and other vendors. Direct care and treatment services shall include specialized inpatient programs at secure treatment facilities as defined in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13; community preparation services; regional treatment centers; enterprise services; consultative services; aftercare services; community-based services and programs; transition services; nursing home services; and other services consistent with the mission of the Department of Direct Care and Treatment.

(b) "Community preparation services" means specialized inpatient or outpatient services or programs operated outside of a secure environment but administered by a secure treatment facility.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 6. **[246C.03] TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.**

Subdivision 1. **Authority until board is developed and powers defined.** Upon the effective date of this act, the commissioner of human services shall continue to exercise all authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of Direct Care and Treatment executive board and defines the responsibilities and powers of the Department of Direct Care and Treatment and its executive board.

Subd. 2. **Development of Department of Direct Care and Treatment Board.** (a) The commissioner of human services shall prepare legislation for introduction during the 2024 legislative session, with input from stakeholders the commissioner deems necessary, proposing legislation for the creation and implementation of the Direct Care and Treatment executive board and defining the responsibilities, powers, and function of the Department of Direct Care and Treatment executive board.

(b) The Department of Direct Care and Treatment executive board shall consist of no more than five members, all appointed by the governor.

(c) An executive board member's qualifications must be appropriate for overseeing a complex behavioral health system, such as experience serving on a hospital or non-profit board or working as a licensed health care provider, in an allied health profession, or in health care administration.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 7. **[246C.04] TRANSFER OF DUTIES.**

(a) Section 15.039 applies to the transfer of duties required by this chapter.

(b) The commissioner of administration, with the governor's approval, shall issue reorganization orders under section 16B.37 as necessary to carry out the transfer of duties required by section 246C.03. The provision of section 16B.37, subdivision 1, stating that transfers under section 16B.37 may only be to an agency that has existed for at least one year does not apply to transfers to an agency created by this chapter.

(c) The initial salary for the health systems chief executive officer of the Department of Direct Care and Treatment is the same as the salary for the health systems chief executive officer of direct care and treatment at the Department of Human Services immediately before July 1, 2024.

Sec. 8. **[246C.05] EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW DEPARTMENT OF DIRECT CARE AND TREATMENT.**

(a) Personnel whose duties relate to the functions assigned to the Department of Direct Care and Treatment executive board in section 246C.03 are transferred to the Department of Direct Care and Treatment effective 30 days after approval by the commissioner of direct care and treatment.

(b) Before the Department of Direct Care and Treatment executive board is appointed, personnel whose duties relate to the functions in this section may be transferred beginning July 1, 2024, with 30 days' notice from the commissioner of management and budget.

(c) The following protections shall apply to employees who are transferred from the Department of Human Services to the Department of Direct Care and Treatment:

(1) No transferred employee shall have their employment status and job classification altered as a result of the transfer.

(2) Transferred employees who were represented by an exclusive representative prior to the transfer shall continue to be represented by the same exclusive representative after the transfer.

(3) The applicable collective bargaining agreements with exclusive representatives shall continue in full force and effect for such transferred employees after the transfer.

(4) The state shall have the obligation to meet and negotiate with the exclusive representatives of the transferred employees about any proposed changes affecting or relating to the transferred employees' terms and conditions of employment to the extent such changes are not addressed in the applicable collective bargaining agreement.

(5) In the event that the state transfers ownership or control of any of the facilities, services, or operations of the Department of Direct Care and Treatment to another entity, whether private or public, by subcontracting, sale, assignment, lease, or other transfer, the state shall require as a written condition of such transfer of ownership or control the following:

(i) Employees who perform work in transferred facilities, services, or operations must be offered employment with the entity acquiring ownership or control before the entity offers employment to any individual who was not employed by the transferring agency at the time of the transfer.

(ii) The wage and benefit standards of such transferred employees must not be reduced by the entity acquiring ownership or control through the expiration of the collective bargaining agreement in effect at the time of the transfer or for a period of two years after the transfer, whichever is longer.

(d) There is no liability on the part of, and no cause of action arises against, the state of Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership or control of any facilities, services, or operations of the Department of Direct Care and Treatment.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 9. **REVISOR INSTRUCTION.**

The revisor of statutes, in consultation with staff from the House Research Department; House Fiscal Analysis; the Office of Senate Counsel, Research and Fiscal Analysis; and the respective departments shall prepare legislation for introduction in the 2024 legislative session proposing the statutory changes necessary to implement the transfers of duties that this article requires.

EFFECTIVE DATE. This section is effective July 1, 2023.

ARTICLE 7
LICENSING

Section 1. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; and
- (6) any special conditions of licensure.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the evaluation or observation required by subdivision 4, paragraph (a), clause (4), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs ~~(f) and (g)~~ (i) and (j), the commissioner shall not issue ~~or reissue~~ a license if the applicant, license holder, or an affiliated controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter, within the past two years;

(3) had a license issued under this chapter revoked within the past five years; or

~~(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or~~

~~(5) (4) failed to submit the information required of an applicant under subdivision 1, paragraph (f) or (g), after being requested by the commissioner.~~

When a license issued under this chapter is revoked ~~under clause (1) or (3)~~, the license holder and each affiliated controlling individual with a revoked license may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, or license holder, or licenses affiliated with each controlling individual shall also be revoked.

(e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license affiliated with a license holder or controlling individual that had a license revoked within the past five years if the commissioner determines that (1) the license holder or controlling individual is operating the program in substantial compliance with applicable laws and rules, and (2) the program's continued operation is in the best interests of the community being served.

(f) Notwithstanding paragraph (d), the commissioner may issue a new license in response to an application that is affiliated with an applicant, license holder, or controlling individual that had an application denied within the past two years or a license revoked within the past five years if the commissioner determines that (1) the applicant or controlling individual has operated one or more programs in substantial compliance with applicable laws and rules, and (2) the program's operation would be in the best interests of the community to be served.

(g) In determining whether a program's operation would be in the best interests of the community to be served, the commissioner shall consider factors such as the number of persons served, the availability of alternative services available in the surrounding community, the management structure of the program, whether the program provides culturally specific services, and other relevant factors.

~~(e)~~ (h) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

~~(f)~~ (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

~~(g)~~ (j) Notwithstanding paragraph ~~(f)~~ (i), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

~~(h)~~ (k) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

~~(i)~~ (l) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

~~(j)~~ (m) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

Sec. 2. Minnesota Statutes 2022, section 245A.07, is amended by adding a subdivision to read:

Subd. 2b. **Immediate suspension of residential programs.** For suspensions issued to a licensed residential program as defined in section 245A.02, subdivision 14, the effective date of the order may be delayed for up to 30 calendar days to provide for the continuity of care of service recipients. The license holder must cooperate with the commissioner to ensure service recipients receive continued care during the period of the delay and to facilitate the transition of service recipients to new providers. In these cases, the suspension order takes effect when all service recipients have been transitioned to a new provider or 30 days after the suspension order was issued, whichever comes first.

Sec. 3. Minnesota Statutes 2022, section 245A.07, is amended by adding a subdivision to read:

Subd. 2c. **Immediate suspension for programs with multiple licensed service sites.** (a) For license holders that operate more than one service site under a single license, the suspension order must be specific to the service site or sites where the commissioner determines an order is required under subdivision 2. The order must not apply to other service sites operated by the same license holder unless the commissioner has included in the order an articulable basis for applying the order to other service sites.

(b) If the commissioner has issued more than one license to the license holder under this chapter, the suspension imposed under this section must be specific to the license for the program at which the commissioner determines an order is required under subdivision 2. The order must not apply to other licenses held by the same license holder if those programs are being operated in substantial compliance with applicable law and rules.

Sec. 4. Minnesota Statutes 2022, section 245A.10, subdivision 6, is amended to read:

Subd. 6. **License not issued until license or certification fee is paid.** The commissioner shall not issue or reissue a license or certification until the license or certification fee is paid. The commissioner shall send a bill for the license or certification fee to the billing address identified by the license holder. If the license holder does not submit the license or certification fee payment by the due date, the commissioner shall send the license holder a past due notice. If the license holder fails to pay the license or certification fee by the due date on the past due notice, the commissioner shall send a final notice to the license holder informing the license holder that the program license will expire on December 31 unless the license fee is paid before December 31. If a license expires, the program is no longer licensed and, unless exempt from licensure under section 245A.03, subdivision 2, must not operate after the expiration date. After a license expires, if the former license holder wishes to provide licensed services, the former license holder must submit a new license application and application fee under subdivision 3.

Sec. 5. Minnesota Statutes 2022, section 245A.10, is amended by adding a subdivision to read:

Subd. 9. **License not reissued until outstanding debt is paid.** The commissioner shall not reissue a license or certification until the license holder has paid all outstanding debts related to a licensing fine or settlement agreement for which payment is delinquent. If the payment is past due, the commissioner shall send a past due notice informing the license holder that the program license will expire on December 31 unless the outstanding debt is paid before December 31. If a license expires, the program is no longer licensed and must not operate after the expiration date. After a license expires, if the former license holder wishes to provide licensed services, the former license holder must submit a new license application and application fee under subdivision 3.

Sec. 6. Minnesota Statutes 2022, section 245A.13, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) In addition to any other remedy provided by law, the commissioner may petition the district court in Ramsey County for an order directing the controlling individuals of a residential or nonresidential program licensed or certified by the commissioner to show cause why the commissioner should not be appointed receiver to operate the program. The petition to the district court must contain proof by affidavit that one or more of the following circumstances exists: (1) that the commissioner has either begun proceedings to suspend or revoke a license or certification, has suspended or revoked a license or certification, or has decided to deny an application for licensure or certification of the program; or (2) it appears to the commissioner that the health, safety, or rights of the residents or persons receiving care from the program may be in jeopardy because of the manner in which the program may close, the program's financial condition, or violations committed by the program of federal or state laws or rules. If the license holder, applicant, or controlling individual operates more than one program, the commissioner's petition must specify and be limited to the program for which it seeks receivership. The affidavit submitted by the commissioner must set forth alternatives to receivership that have been considered, including rate adjustments. The order to show cause is returnable not less than five days after service is completed and must provide for personal service of a copy to the program administrator and to the persons designated as agents by the controlling individuals to accept service on their behalf.

(1) the commissioner has commenced proceedings to suspend or revoke the program's license or refused to renew the program's license;

(2) there is a threat of imminent abandonment by the program or its controlling individuals;

(3) the program has shown a pattern of failure to meet ongoing financial obligations such as failing to pay for food, pharmaceuticals, personnel costs, or required insurance;

(4) the health, safety, or rights of the residents or persons receiving care from the program appear to be in jeopardy due to the manner in which the program may close, the program's financial condition, or violations of federal or state law or rules committed by the program; or

(5) the commissioner has notified the program or its controlling individuals that the program's federal Medicare or Medicaid provider agreement will be terminated, revoked, canceled, or not renewed.

(b) If the license holder, applicant, or controlling individual operates more than one program, the commissioner's petition must specify and be limited to the program for which it seeks receivership.

(c) The order to show cause shall be personally served on the program through its authorized agent or, in the event the authorized agent cannot be located, on any controlling individual for the program.

Sec. 7. Minnesota Statutes 2022, section 245A.13, subdivision 2, is amended to read:

Subd. 2. **Appointment of receiver.** (a) If the court finds that involuntary receivership is necessary as a means of protecting the health, safety, or rights of persons being served by the program, the court shall appoint the commissioner as receiver to operate the program. The commissioner as receiver may contract with another entity or group to act as the managing agent during the receivership period. The managing agent will be responsible for the day-to-day operations of the program subject at all times to the review and approval of the commissioner. A managing agent shall not:

(1) be the license holder or controlling individual of the program;

(2) have a financial interest in the program at the time of the receivership;

(3) be otherwise affiliated with the program; or

(4) have had a licensed program that has been ordered into receivership.

(b) Notwithstanding state contracting requirements in chapter 16C, the commissioner shall establish and maintain a list of qualified persons or entities with experience in delivering services and with winding down programs under chapter 245A, 245D, or 245G, or other service types licensed by the commissioner. The list shall be a resource for selecting a managing agent, and the commissioner may update the list at any time.

Sec. 8. Minnesota Statutes 2022, section 245A.13, subdivision 3, is amended to read:

Subd. 3. **Powers and duties of receiver.** ~~Within 36 months after the receivership order, the receiver shall provide for the orderly transfer of the persons served by the program to other programs or make other provisions to protect their health, safety, and rights. The receiver or the managing agent shall correct or eliminate deficiencies in the program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the program unless the correction or elimination of deficiencies at a residential program involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies at a residential program~~

~~requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver and the managing agent shall operate the residential or nonresidential program in a manner designed to preserve the health, safety, rights, adequate care, and supervision of the persons served by the program. The receiver or the managing agent may make contracts and incur lawful expenses. The receiver or the managing agent shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the functions of the receivership including the fee set under subdivision 4. No security interest in any real or personal property comprising the program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver or the managing agent. (a) A receiver appointed pursuant to this section shall, within 18 months after the receivership order, determine whether to close the program or to make other provisions with the intent to keep the program open. If the receiver determines that program closure is appropriate, the commissioner shall provide for the orderly transfer of individuals served by the program to other programs or make other provisions to protect the health, safety, and rights of individuals served by the program.~~

(b) During the receivership, the receiver or the managing agent shall correct or eliminate deficiencies in the program that the commissioner determines endanger the health, safety, or welfare of the persons being served by the program unless the correction or elimination of deficiencies at a residential program involves major alteration in the structure of the physical plant. If the correction or elimination of the deficiencies at a residential program requires major alterations in the structure of the physical plant, the receiver shall take actions designed to result in the immediate transfer of persons served by the residential program. During the period of the receivership, the receiver and the managing agent shall operate the residential or nonresidential program in a manner designed to preserve the health, safety, rights, adequate care, and supervision of the persons served by the program.

(c) The receiver or the managing agent may make contracts and incur lawful expenses.

(d) The receiver or the managing agent shall use the building, fixtures, furnishings, and any accompanying consumable goods in the provision of care and services to the clients during the receivership period. The receiver shall take action as is reasonably necessary to protect or conserve the tangible assets or property during receivership.

(e) The receiver or the managing agent shall collect incoming payments from all sources and apply them to the cost incurred in the performance of the functions of the receivership, including the fee set under subdivision 4. No security interest in any real or personal property comprising the program or contained within it, or in any fixture of the physical plant, shall be impaired or diminished in priority by the receiver or the managing agent.

(f) The receiver has authority to hire, direct, manage, and discharge any employees of the program, including management level staff for the program.

(g) The commissioner, as the receiver appointed by the court, may hire a managing agent to work on the commissioner's behalf to operate the program during the receivership. The managing agent is entitled to a reasonable fee. The receiver and managing agent shall be liable only in an official capacity for injury to persons and property by reason of the conditions of the program. The receiver and managing agent shall not be personally liable, except for gross negligence or intentional acts. The commissioner shall assist the managing agent in carrying out the managing agent's duties.

Sec. 9. Minnesota Statutes 2022, section 245A.13, subdivision 6, is amended to read:

Subd. 6. **Emergency procedure.** (a) If it appears from the petition filed under subdivision 1, from an affidavit or affidavits filed with the petition, or from testimony of witnesses under oath if the court determines it necessary, that there is probable cause to believe that an emergency exists in a residential or nonresidential program, the court shall issue a temporary order for appointment of a receiver within ~~five~~ two days after receipt of the petition. Notice of the petition must be served on the program administrator and on the persons designated as agents by the controlling individuals to accept service on their behalf. A hearing on the petition must be held within five days after notice is served unless the administrator or authorized agent consents to a later date. After the hearing, the court may continue, modify, or terminate the temporary order.

(b) Notice of the petition must be served on the authorized agent of the program that is subject to the receivership petition or, if the authorized agent is not immediately available for service, on at least one of the controlling individuals for the program. A hearing on the petition must be held within five days after notice is served unless the authorized agent or other controlling individual consents to a later date. After the hearing, the court may continue, modify, or terminate the temporary order.

Sec. 10. Minnesota Statutes 2022, section 245A.13, subdivision 7, is amended to read:

Subd. 7. **Rate recommendation.** For any program receiving Medicaid funds and ordered into receivership, the commissioner of human services may review rates of a residential or nonresidential program participating in the medical assistance program which is in receivership and that has needs or deficiencies documented by the Department of Health or the Department of Human Services. If the commissioner of human services determines that a review of the rate established under sections 256B.5012 and 256B.5013 is needed, the commissioner shall:

(1) review the order or determination that cites the deficiencies or needs; and

(2) determine the need for additional staff, additional annual hours by type of employee, and additional consultants, services, supplies, equipment, repairs, or capital assets necessary to satisfy the needs or deficiencies.

Sec. 11. Minnesota Statutes 2022, section 245A.13, subdivision 9, is amended to read:

Subd. 9. **Receivership accounting.** The commissioner may use adjust Medicaid rates and use Medicaid funds, including but not limited to waiver funds, and the medical assistance account and funds for receivership cash flow, receivership administrative fees, and accounting purposes, to the extent permitted by the state's approved Medicaid plan.

ARTICLE 8
APPROPRIATIONS

Section 1. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2024</u>		<u>2025</u>

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$6,836,753,000** **\$7,248,630,000**

Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	6,827,134,000	7,242,928,000
<u>State Government</u>		
<u>Special Revenue</u>	740,000	740,000
<u>Lottery Prize</u>	1,733,000	1,733,000
<u>Opiate Epidemic</u>		
<u>Response</u>	500,000	-0-

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Central Office; Operations

Appropriations by Fund

<u>General</u>	<u>90,708,000</u>	<u>16,057,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>740,000</u>	<u>740,000</u>

(a) **Staffing Costs.** Appropriations for staffing costs in this subdivision are available until June 30, 2027.

(b) **Base Level Adjustment.** The general fund base is \$4,975,000 in fiscal year 2026 and \$4,868,000 in fiscal year 2027.

Subd. 3. Central Office; Children and Families

Appropriations by Fund

<u>General</u>	<u>1,073,000</u>	<u>3,693,000</u>
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Staffing Costs. Appropriations for staffing costs in this subdivision are available until June 30, 2027.

<u>Subd. 4. Central Office; Health Care</u>	<u>2,039,000</u>	<u>2,122,000</u>
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(a) **Staffing Costs.** Appropriations for staffing costs in this subdivision are available until June 30, 2027.

(b) **Base Level Adjustment.** The general fund base is \$900,000 in fiscal year 2026 and \$900,000 in fiscal year 2027.

(c) **Initial PACE Implementation Funding.** \$150,000 in fiscal year 2024 is to complete the initial actuarial and administrative work necessary to recommend a financing mechanism for the operation of PACE under Minnesota Statutes, section 256B.69, subdivision 23, paragraph (e). This is a onetime appropriation.

<u>Subd. 5. Central Office; Continuing Care for Older Adults</u>	<u>14,120,000</u>	<u>21,666,000</u>
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(a) **Staffing Costs.** Appropriations for staffing costs in this subdivision are available until June 30, 2027.

(b) **Research on Access to Long-Term Care Services.** \$700,000 in fiscal year 2024 is to support an actuarial research study of public and private financing options for long-term services and supports reform to increase access across the state. This is a onetime appropriation.

(c) **Employment Supports Alignment Study.** \$50,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are to conduct an interagency employment supports alignment study. The base for this appropriation is \$150,000 in fiscal year 2026 and \$100,000 in fiscal year 2027.

(d) **Case Management Training Curriculum.** \$377,000 in fiscal year 2024 and \$377,000 fiscal year 2025 are to develop and implement a curriculum and training plan to ensure all lead agency assessors and case managers have the knowledge and skills necessary to fulfill support planning and coordination responsibilities for individuals who use home and community-based disability services and live in own-home settings. These are onetime appropriations.

(e) **Parent-to-Parent Programs.** (1) \$625,000 in fiscal year 2024 and \$625,000 in fiscal year 2025 are for grants to organizations supporting the organizations' parent-to-parent programs for families of children with special health care needs. This is a onetime appropriation and is available until June 30, 2025.

(2) Of this amount, \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for grants to organizations that provide services to underserved communities with a high prevalence of autism spectrum disorder. The commissioner shall give priority to organizations that provide culturally specific and culturally responsive services.

(3) Eligible organizations must:

(i) conduct outreach and provide support to newly identified parents or guardians of a child with special health care needs;

(ii) provide training to educate parents and guardians in ways to support their child and navigate the health, education, and human services systems;

(iii) facilitate ongoing peer support for parents and guardians from trained volunteer support parents; and

(iv) communicate regularly with other parent-to-parent programs and national organizations to ensure that best practices are implemented.

(4) Grant recipients must use grant money for the activities identified in clause (3).

(5) For purposes of this section, "special health care needs" means disabilities, chronic illnesses or conditions, health-related educational or behavioral problems, or the risk of developing disabilities, illnesses, conditions, or problems.

(6) Each grant recipient must report to the commissioner of human services annually by January 15 with measurable outcomes from programs and services funded by this appropriation the previous year including the number of families served and the number of volunteer support parents trained by the organization's parent-to-parent program.

(f) **Direct Care Service Corps Pilot Project.** \$500,000 in fiscal year 2024 is for a grant to HealthForce Minnesota at Winona State University for purposes of the direct care service corps pilot project. Up to \$25,000 may be used by HealthForce Minnesota for administrative costs. This is a onetime appropriation.

(g) **Native American Elder Coordinator.** \$441,000 in fiscal year 2024 and \$441,000 in fiscal year 2025 are for the Native American elder coordinator position under Minnesota Statutes, section 256.975, subdivision 6. The base for this appropriation is \$441,000 in fiscal year 2026 and \$441,000 in fiscal year 2027.

(h) **Office of Ombudsman for Long-Term Care.** \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for additional staff and associated costs in the Office of Ombudsman for Long-Term Care.

(i) **Base Level Adjustment.** The general fund base is \$6,476,000 in fiscal year 2026 and \$6,378,000 in fiscal year 2027.

Subd. 6. Central Office; Behavioral Health, Housing, and Deaf and Hard of Hearing Services

6,390,000

7,838,000

(a) **Staffing Costs.** Appropriations for staffing costs in this subdivision are available until June 30, 2027.

(b) **Competency-based Training Funding for Substance Use Disorder Provider Community.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for provider participation in clinical training for the transition to American Society of Addiction Medicine standards. This is a onetime appropriation.

(c) **Public Awareness Campaign.** \$1,200,000 in fiscal year 2024 is to develop and establish a public awareness campaign targeting the stigma of opioid use disorders with the goal of prevention and education of youth on the dangers of opioids and other substance use. This is a onetime appropriation.

(d) **Bad Batch Overdose Surge Text Alert System.** \$1,000,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are for development and ongoing funding for a text alert system notifying the public in real time of bad batch overdoses. This is a onetime appropriation.

(e) **Evaluation of Recovery Site Grants.** \$300,000 in fiscal year 2025 is to provide funding for evaluating the effectiveness of recovery site grant efforts. This is a onetime appropriation.

(f) Office of Addiction and Recovery. \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for the Office of Addiction and Recovery.

(g) Base Level Adjustment. The general fund base is \$3,467,000 in fiscal year 2026 and \$3,367,000 in fiscal year 2027.

Subd. 7. <u>Forecasted Programs; Medical Assistance</u>	<u>5,654,567,000</u>	<u>6,359,586,000</u>
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Subd. 8. <u>Forecasted Programs; Alternative Care</u>	<u>47,793,000</u>	<u>51,035,000</u>
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Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

Subd. 9. <u>Forecasted Programs; Behavioral Health Fund</u>	<u>96,387,000</u>	<u>98,417,000</u>
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Subd. 10. <u>Grant Programs; Children and Economic Support Grants</u>	<u>1,000,000</u>	<u>-0-</u>
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Minnesota Alliance for Volunteer Advancement. (1) \$1,000,000 in fiscal year 2024 is for a grant to the Minnesota Alliance for Volunteer Advancement to administer needs-based volunteerism subgrants that:

(i) target underresourced nonprofit organizations in greater Minnesota to support selected organizations' ongoing efforts to address and minimize disparities in access to human services through increased volunteerism; and

(ii) demonstrate that the populations to be served by the subgrantee are considered underserved or suffer from or are at risk of homelessness, hunger, poverty, lack of access to health care, or deficits in education.

(2) The Minnesota Alliance for Volunteer Advancement shall give priority to organizations that are serving the needs of vulnerable populations. By December 15, 2025, the Minnesota Alliance for Volunteer Advancement shall report data on outcomes from the subgrants and recommendations for improving and sustaining volunteer efforts statewide to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over human services. This is a onetime appropriation and is available until June 30, 2025.

Subd. 11. <u>Grant Programs; Refugee Services Grants</u>	<u>3,000,000</u>	<u>5,000,000</u>
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New American Legal and Social Services Workforce Grant Program. \$3,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for legal and social services grants. This is a onetime appropriation.

Subd. 12. Grant Programs; Other Long-Term Care Grants44,772,00038,925,000

(a) **Provider Capacity Grants for rural and Underserved Communities.** \$24,000,000 in fiscal year 2025 is for grants under Minnesota Statutes, section 256.4761. This is a onetime appropriation.

(b) **Supporting New Americans in the Long-Term Care Workforce Grants.** \$..... in fiscal year 2024 is for supporting new Americans in the long-term care workforce grants. This is a onetime appropriation.

(c) **Base Level Adjustment.** The general fund base is \$1,925,000 in fiscal year 2026 and \$1,925,000 in fiscal year 2027.

Subd. 13. Grant Programs; Aging and Adult Services Grants87,599,00039,520,000

(a) **Age-Friendly Community Grants.** \$1,000,000 in fiscal year 2025 is for the continuation of age-friendly community grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 1. The base for this appropriation is \$1,000,000 in fiscal year 2026, \$1,000,000 in fiscal year 2027, and \$0 in fiscal year 2028. This appropriation is available until June 30, 2027.

(b) **Age-Friendly Technical Assistance Grants.** \$575,000 in fiscal year 2025 is for the continuation of age-friendly technical assistance grants under Laws 2021, First Special Session chapter 7, article 17, section 8, subdivision 2. The base for this appropriation is \$575,000 in fiscal year 2026, \$575,000 in fiscal year 2027, and \$0 in fiscal year 2028. This appropriation is available until June 30, 2027.

(c) **Senior Nutrition Program.** \$4,500,000 in fiscal year 2024 is for the senior nutrition program under Minnesota Statutes, section 256.9752. This is a onetime appropriation and is available until June 30, 2025.

(d) **Live Well at Home Grants.** \$4,500,000 in fiscal year 2024 is for live well at home grants under Minnesota Statutes, section 256.9754. This is a onetime appropriation and is available until June 30, 2025.

(e) **Caregiver Respite Services Grants.** \$1,800,000 in fiscal year 2025 is for caregiver respite services grants under Minnesota Statutes, section 256.9756. This is a onetime appropriation.

(f) **Base Level Adjustment.** The general fund base is \$32,995,000 in fiscal year 2026 and \$32,995,000 in fiscal year 2027.

<u>Subd. 14. Grant Programs; Deaf and Hard of Hearing Grants</u>	<u>2,886,000</u>	<u>2,886,000</u>
<u>Subd. 15. Grant Programs; Disabilities Grants</u>	<u>160,792,000</u>	<u>29,533,000</u>

(a) Transition Grants for Small Customized Living Providers. \$8,450,000 in fiscal year 2024 is for grants to assist transitions of small customized living providers as defined under Minnesota Statutes, section 245D.24. This is a onetime appropriation and is available through June 30, 2025.

(b) Lead Agency Capacity Building Grants. \$500,000 in fiscal year 2024 and \$2,500,000 in fiscal year 2025 are for grants to assist organizations, counties, and Tribes to build capacity for employment opportunities for people with disabilities.

(c) Employment and Technical Assistance Center Grants. \$450,000 in fiscal year 2024 and \$1,800,000 in fiscal year 2025 are for employment and technical assistance grants to assist organizations and employers in promoting a more inclusive workplace for people with disabilities.

(d) Case Management Training Grants. \$37,000 in fiscal year 2024 and \$123,000 in fiscal year 2025 are for grants to provide case management training to organizations and employers to support the state's disability employment supports system. The base for this appropriation is \$45,000 in fiscal year 2026 and \$45,000 in fiscal year 2027.

(e) Electronic Visit Verification Stipends. \$6,095,000 in fiscal year 2024 is for onetime stipends of \$200 to bargaining members to offset the potential costs related to people using individual devices to access the electronic visit verification system. \$5,600,000 of the appropriation is for stipends and the remaining amount is for administration of the stipends. This is a onetime appropriation and is available until June 30, 2025.

(f) Self-Directed Collective Bargaining Agreement; Temporary Rate Increase Memorandum of Understanding. \$1,600,000 in fiscal year 2024 is for onetime stipends for individual providers covered by the SEIU collective bargaining agreement based on the memorandum of understanding related to the temporary rate increase in effect between December 1, 2020, and February 7, 2021. \$1,400,000 of the appropriation is for stipends and the remaining amount is for administration of the stipends. This is a onetime appropriation.

(g) Self-Directed Collective Bargaining Agreement; Retention Bonuses. \$50,750,000 in fiscal year 2024 is for onetime retention bonuses covered by the SEIU collective bargaining agreement. \$50,000,000 of the appropriation is for retention bonuses and the remaining amount is for administration of the bonuses. This is a onetime appropriation and is available until June 30, 2025.

(h) **Training Stipends.** \$2,100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are for onetime stipends of \$500 for collective bargaining unit members who complete designated, voluntary trainings made available through or recommended by the State Provider Cooperation Committee. \$2,000,000 of the appropriation is for stipends and the remaining amount in both fiscal year 2024 and fiscal 2025 is for the administration of stipends. This is a onetime appropriation.

(i) **Orientation Program.** \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for onetime \$100 payments for collective bargaining unit members who complete voluntary orientation requirements. \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are for the onetime payments, while \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for orientation-related costs. This is a onetime appropriation.

(j) **HIV/AIDS Support Services.** \$24,200,000 in fiscal year 2024 is for grants to community-based HIV/AIDS support services providers and for payment of allowed health care costs as defined in Minnesota Statutes, section 256.9365. This is a onetime appropriation and is available through June 30, 2027.

(k) **Home Care Orientation Trust.** \$1,000,000 in fiscal year 2024 is for the Home Care Orientation Trust in Article 10 of the 2023-2025 collective bargaining agreement between the state of Minnesota and Service Employees International Union Healthcare Minnesota and Iowa. The commissioner shall disburse the appropriation to the board of trustees of the Home Care Orientation Trust for deposit into an account designed by the board of trustees outside of the state treasury and state's accounting system. This is a onetime appropriation.

(l) **Home and Community-Based Workforce Incentive Fund Grants.** \$33,300,000 in fiscal year 2024 is for home and community-based workforce incentive fund grants. This is a onetime appropriation and is available until June 30, 2026.

(m) **Community Residential Setting Transition.** \$500,000 in fiscal year 2024 is for a grant to Hennepin County to expedite approval of community residential setting licenses subject to the corporate foster care moratorium exception under Minnesota Statutes, section 245A.03, subdivision 7, paragraph (a), clause (5).

(n) **Base Level Adjustment.** The base is \$27,355,000 in fiscal year 2026 and \$27,030,000 in fiscal year 2027.

Subd. 16. Grant Programs; Adult Mental Health Grants

1,500,000

1,500,000

African American Child Wellness Institute. \$3,000,000 in fiscal year 2024 is for a grant to the African American Child Wellness Institute, a culturally specific African American mental health service provider that is a licensed community mental health center specializing in services for African American children and families

of all ages. The grant must be used to support the center in offering culturally specific, comprehensive, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder services; supervision and training; and care coordination regardless of ability to pay or place of residence. This is a onetime appropriation.

Subd. 17. Grant Programs; Chemical Dependency Treatment Support Grants

Appropriations by Fund

General	89,788,000	6,497,000
Lottery Prize	1,733,000	1,733,000
Opiate Epidemic Response	500,000	-0-

(a) **Safe Recovery Sites.** \$55,491,000 in fiscal year 2024 is from the general fund for start-up and capacity-building grants for organizations to establish safe recovery sites. This appropriation is onetime and is available until June 30, 2025.

(b) **Culturally Specific Services Grants.** \$4,000,000 in fiscal year 2024 is from the general fund for grants to culturally specific providers for technical assistance navigating culturally specific and responsive substance use and recovery programs. This is a onetime appropriation.

(c) **Culturally Specific Grant Development Trainings.** \$200,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are from the general fund for up to four trainings for community members and culturally specific providers for grant writing training for substance use and recovery programs. This is onetime appropriation.

(d) **Harm Reduction Supplies for Tribal and Culturally Specific Programs.** \$8,000,000 in fiscal year 2024 is from the general fund to provide sole source grants to culturally specific communities to purchase syringes, testing supplies, and opiate antagonists. This is a onetime appropriation.

(e) **Families and family Treatment Capacity-building and Start-up Grants.** \$10,000,000 in fiscal year 2024 is from the general fund for start-up and capacity-building grants for family substance use disorder treatment programs. Any unexpended funds are available until June 30, 2029. This is a onetime appropriation.

(f) **Minnesota State University, Mankato Community Behavioral Health Center.** \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are from the general fund for a grant to the Center for Rural Behavioral Health at Minnesota State University, Mankato to establish a community behavioral health

center and training clinic. The community behavioral health center must provide comprehensive, culturally specific, trauma-informed, practice- and evidence-based, person- and family-centered mental health and substance use disorder treatment services in Blue Earth County and the surrounding region. The center must provide the services to individuals of all ages, regardless of ability to pay or place of residence. The community behavioral health center and training clinic must also provide training and workforce development opportunities to students enrolled in the university's training programs in the fields of social work, counseling and student personnel, alcohol and drug studies, psychology, and nursing. The commissioner shall make information regarding the use of this grant funding available to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services. Any unspent money from the fiscal year 2024 appropriation is available in fiscal year 2025. These are onetime appropriations.

(g) **Wellness in the Woods.** \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are from the general fund for a grant to Wellness in the Woods for daily peer support and special sessions for individuals who are in substance use disorder recovery, are transitioning out of incarceration, or who have experienced trauma. These are onetime appropriations.

(h) **Recovery Community Organization Grants.** \$4,300,000 in fiscal year 2024 is from the general fund for grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8, that are current grantees as of June 30, 2023. This is a onetime appropriation and is available until June 30, 2025.

(i) **Opioid Overdose Prevention Grants.** \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are from the general fund for a grant to Ka Joog, a nonprofit organization in Minneapolis, Minnesota, to be used for collaborative outreach, education, and training on opioid use and overdose, and distribution of opiate antagonist kits in East African and Somali communities in Minnesota. This is a onetime appropriation.

(j) **Problem Gambling.** \$225,000 in fiscal year 2024 and \$225,000 in fiscal year 2025 are from the lottery prize fund for a grant to a state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, training for individuals and organizations that provide effective treatment services to problem gamblers and their families, and research related to problem gambling.

(k) **Project ECHO.** \$1,500,000 in fiscal year 2024 and \$1,500,000 in fiscal year 2025 are from the general fund for a grant to Hennepin Healthcare to expand the Project ECHO program. The grant must be used to establish at least four substance use disorder-focused Project ECHO programs at Hennepin Healthcare.

expanding the grantee's capacity to improve health and substance use disorder outcomes for diverse populations of individuals enrolled in medical assistance, including but not limited to immigrants, individuals who are homeless, individuals seeking maternal and perinatal care, and other underserved populations. The Project ECHO programs funded under this section must be culturally responsive, and the grantee must contract with culturally and linguistically appropriate substance use disorder service providers who have expertise in focus areas, based on the populations served. Grant funds may be used for program administration, equipment, provider reimbursement, and staffing hours. This is a onetime appropriation.

(l) **Base Level Adjustment.** The general fund base is \$3,247,000 in fiscal year 2026 and \$3,247,000 in fiscal year 2027.

Subd. 18. Direct Care and Treatment - Transfer Authority

(a) Money appropriated for budget activities under subdivisions 19 to 23 may be transferred between budget activities and between years of the biennium with the approval of the commissioner of management and budget.

(b) Ending balances in obsolete accounts in the special revenue fund and other dedicated accounts within direct care and treatment may be transferred to other dedicated and gift fund accounts within direct care and treatment for client use and other client activities, with approval of the commissioner of management and budget. These transactions must be completed by August 1, 2023.

Subd. 19. Direct Care and Treatment - Mental Health and Substance Abuse

169,962,000

177,152,000

The commissioner responsible for operations of direct care and treatment services, with the approval of the commissioner of management and budget, may transfer any balance in the enterprise fund established for the community addiction recovery enterprise program to the general fund appropriation within this subdivision. Any balance remaining after June 30, 2025, cancels to the general fund.

Subd. 20. Direct Care and Treatment - Community-Based Services

20,386,000

21,164,000

Base Level Adjustment. The general fund base is \$20,452,000 in fiscal year 2026 and \$20,452,000 in fiscal year 2027.

Subd. 21. Direct Care and Treatment - Forensic Services

141,020,000

148,513,000

Subd. 22. Direct Care and Treatment - Sex Offender Program

115,920,000

121,726,000

Subd. 23. Direct Care and Treatment - Operations

78,432,000

95,098,000

The general fund base is \$65,263,000 in fiscal year 2026 and \$65,263,000 in fiscal year 2027.

Sec. 3. **COUNCIL ON DISABILITY**\$1,902,000\$2,282,000

Council on Disability; Accessibility Standards Training. (1) \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are for the Minnesota Council on Disability to select, appoint, and compensate employees to perform the following tasks:

(i) in consultation with the League of Minnesota Cities and the Association of Minnesota Counties, provide a statewide training module for cities and counties on how to conform local government websites to accessibility standards;

(ii) provide outreach, training, and technical assistance for local government officials and staff on website accessibility; and

(iii) track and compile information about the outcomes of the activities described in clauses (1) and (2) and the costs of implementation for cities and counties to make website accessibility improvements.

(2) The training module described under paragraph (a), clause (1), must be developed and made available to counties and cities on or before July 1, 2024.

(3) This is a onetime appropriation.

Sec. 4. **OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES**\$3,441,000\$3,644,000Sec. 5. **MINNESOTA MANAGEMENT AND BUDGET**2,000,0002,000,000

(a) **Office of Addiction and Recovery.** \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for the Office of Addiction and Recovery.

(b) **Youth Substance Use and Addiction Recovery Office.** \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are for the Youth Substance Use and Addiction Recovery Office.

Sec. 6. Laws 2021, First Special Session chapter 7, article 16, section 28, as amended by Laws 2022, chapter 40, section 1, is amended to read:

Sec. 28. **CONTINGENT APPROPRIATIONS.**

Any appropriation in this act for a purpose included in Minnesota's initial state spending plan as described in guidance issued by the Centers for Medicare and Medicaid Services for implementation of section 9817 of the federal American Rescue Plan Act of 2021 is contingent upon the initial approval of that purpose by the Centers for Medicare and Medicaid Services, except for the rate increases specified in article 11, sections 12 and 19. This section expires June 30, 2024.

Sec. 7. **DIRECT CARE AND TREATMENT FISCAL YEAR 2023 APPROPRIATION.**

\$4,829,000 is appropriated in fiscal year 2023 to the commissioner of human services for operation of direct care and treatment programs. This is a onetime appropriation.

Sec. 8. TRANSFERS.

Subdivision 1. **Grants.** The commissioner of human services, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2025, within fiscal years among the MFIP; general assistance; medical assistance; MinnesotaCare; MFIP child care assistance under Minnesota Statutes, section 119B.05; Minnesota supplemental aid program; housing support program; the entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N; and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioner considers necessary, with the advance approval of the commissioner of management and budget. The commissioner shall inform the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Sec. 9. APPROPRIATIONS GIVEN EFFECT ONCE.

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 10. EXPIRATION OF UNCODIFIED LANGUAGE.

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions governing disability services, aging services, behavioral health, opioid overdose prevention and opiate epidemic response, the opioid prescribing improvement program, the Department of Direct Care and Treatment, and human services licensing; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 4.046, subdivisions 6, 7; 15.01; 15.06, subdivision 1; 16A.151, subdivision 2; 43A.08, subdivision 1a; 151.065, subdivision 7; 177.24, by adding a subdivision; 179A.54, by adding a subdivision; 241.021, subdivision 1; 241.31, subdivision 5; 241.415; 245.91, subdivision 4; 245A.03, subdivision 7; 245A.04, subdivision 7; 245A.07, by adding subdivisions; 245A.10, subdivisions 3, 6, by adding a subdivision; 245A.11, subdivisions 7, 7a; 245A.13, subdivisions 1, 2, 3, 6, 7, 9; 245D.03, subdivision 1; 245G.01, by adding subdivisions; 245G.02, subdivision 2; 245G.05, subdivision 1, by adding a subdivision; 245G.06, subdivisions 1, 3, 4, by adding subdivisions; 245G.08, subdivision 3; 245G.09, subdivision 3; 245G.22, subdivision 15; 245I.10, subdivision 6; 252.44; 253B.10, subdivision 1; 254B.01, by adding subdivisions; 254B.04, by adding a subdivision; 254B.05, subdivision 5; 256.042, subdivisions 2, 4; 256.043, subdivisions 3, 3a; 256.482, by adding a subdivision; 256.975, subdivision 6; 256.9754; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0638, subdivisions 1, 2, 4, 5, by adding a subdivision; 256B.064, subdivision 1a; 256B.0659, subdivisions 1, 12, 19, 24; 256B.0759, subdivision 2; 256B.0911, subdivision 13; 256B.0917, subdivision 1b; 256B.092, subdivision 1a; 256B.0949, subdivision 15; 256B.49, subdivision 13; 256B.4905, subdivision 4a; 256B.4914, subdivisions 3, 5, 5a, 5b, 6, 10a, 14, by adding subdivisions; 256B.5012, by adding a subdivision; 256B.851, subdivisions 3, 5, 6; 256D.425, subdivision 1; 256M.42; 256R.17, subdivision 2; 256R.25; 256R.47; 256S.211; 256S.214; 256S.215, subdivision 15; 268.19, subdivision 1; Laws 2019, chapter 63, article 3, section 1, as amended; Laws 2021, chapter 30, article 12, section 5, as amended; Laws 2021, First Special Session chapter 7, article 16, section 28, as amended; article 17, sections 8; 16; proposing coding for new law in Minnesota

Statutes, chapters 121A; 245D; 252; 254B; 256; 256B; 256I; proposing coding for new law as Minnesota Statutes, chapter 246C; repealing Minnesota Statutes 2022, sections 245G.06, subdivision 2; 246.18, subdivisions 2, 2a; 256B.0759, subdivision 6; 256B.4914, subdivision 6b; 256S.2101, subdivisions 1, 2."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 2887, A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation purposes, including Department of Transportation, Department of Public Safety, and Metropolitan Council activities; modifying prior appropriations; authorizing the sale and issuance of state bonds; modifying various policy and finance provisions; establishing metropolitan region sales and use tax; requiring Metropolitan Council to implement and enforce transit safety measures; authorizing administrative citations; establishing criminal penalties; establishing an advisory committee, a task force, and a working group; establishing pilot programs; requiring a study; requiring reports; transferring money; amending Minnesota Statutes 2022, sections 13.69, subdivision 1; 43A.17, by adding a subdivision; 151.37, subdivision 12; 161.088, subdivisions 1, 2, 4, 5, as amended, by adding subdivisions; 161.45, subdivisions 1, 2; 161.46, subdivision 2; 168.002, by adding a subdivision; 168.013, subdivision 1a; 168.326; 168.327, subdivisions 1, 2, 3, by adding a subdivision; 168.33, subdivision 7; 168.345, subdivision 2; 168.54, subdivision 5; 169.09, subdivision 13, by adding a subdivision; 169.14, by adding a subdivision; 169.345, subdivision 2; 169.475, subdivisions 2, 3; 171.01, by adding a subdivision; 171.06, subdivisions 2, 3, as amended, 7, by adding a subdivision; 171.061, subdivision 4; 171.0705, by adding a subdivision; 171.13, subdivisions 1, 1a; 171.26; 174.01, by adding a subdivision; 174.03, subdivision 1c; 174.634; 219.015, subdivision 2; 219.1651; 221.0269, by adding a subdivision; 222.37, subdivision 1; 256.9752, by adding a subdivision; 270C.15; 297A.61, subdivision 7; 297A.94; 297A.99, subdivision 1; 297A.993, by adding a subdivision; 297B.02, subdivision 1; 297B.09; 299A.01, by adding a subdivision; 299A.705, subdivision 1; 299D.03, subdivision 5; 357.021, subdivisions 6, 7; 473.146, subdivision 1, by adding a subdivision; 473.39, by adding a subdivision; 473.859, by adding a subdivision; 609.855, subdivisions 1, 3, 7, by adding a subdivision; Laws 2021, First Special Session chapter 5, article 1, sections 2, subdivision 2; 4, subdivision 4; article 4, section 143; Laws 2022, chapter 39, section 2; proposing coding for new law in Minnesota Statutes, chapters 4; 160; 161; 168; 169; 171; 174; 297A; 473; proposing coding for new law as Minnesota Statutes, chapter 168E; repealing Minnesota Statutes 2022, sections 168.121, subdivision 5; 168.1282, subdivision 5; 168.1294, subdivision 5; 168.1299, subdivision 4; 168.345, subdivision 1; 299A.705, subdivision 2; 360.915, subdivision 5.

Reported the same back with the following amendments:

Page 20, line 4, delete "60" and insert "62"

Page 26, line 31, delete "59" and insert "61"

Page 47, after line 22, insert:

"Subd. 4. **Marketplace provider.** "Marketplace provider" has the meaning given in section 297A.66, subdivision 1, paragraph (d)."

Page 47, delete lines 24 to 27 and insert:

"Subd. 6. **Retail delivery.** "Retail delivery" means a delivery to a person located in Minnesota of the following items as part of a retail sale:

(1) tangible personal property that is subject to taxation under chapter 297A; and

(2) clothing as defined under section 297A.67, subdivision 8.

Retail delivery does not include curbside delivery or pickup at the retailer's place of business."

Renumber the subdivisions in sequence

Page 48, delete section 5 and insert:

"Sec. 5. **[168E.03] FEE IMPOSED.**

Subdivision 1. **Retail delivery fee imposed.** (a) A fee is imposed on each retailer equal to 75 cents on each transaction involving retail delivery in Minnesota. The retailer may, but is not required to, collect the fee from the purchaser. If separately stated on the invoice, bill of sale, or similar document given to the purchaser, the fee is excluded from the sales price for purposes of the tax imposed under chapter 297A.

(b) If the retailer collects the fee from the purchaser:

(1) the retail delivery fee must be charged in addition to any other delivery fee; and

(2) the retailer must show the total of the retail delivery fee and other delivery fees as separate items and distinct from the sales price and any other taxes or fees imposed on the retail delivery on the purchaser's receipt, invoice, or other bill of sale.

Subd. 2. **Multiple items or shipments.** The fee imposed under subdivision 1 is imposed once per transaction regardless of the number of shipments necessary to deliver the items of tangible personal property purchased or of the number of items of tangible personal property purchased.

Subd. 3. **Returns and cancellations.** The fee imposed under subdivision 1 is nonrefundable if any or all items purchased are returned to a retailer or if the retailer provides a refund or credit in the amount equal to or less than the purchase price. The fee must be refunded to the purchaser if the retail delivery is canceled by the purchaser, retailer, or delivery provider.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 49, delete section 6 and insert:

"Sec. 6. **[168E.05] EXEMPTIONS.**

Subdivision 1. **Transactions.** The following retail deliveries are exempt from the fee imposed by this chapter:

(1) a retail delivery to a purchaser who is exempt from tax under chapter 297A; and

(2) a retail delivery on a motor vehicle for which a permit issued by the commissioner of transportation or a road authority is required under chapter 169 or 221 and the retailer has maintained books and records through reasonable and verifiable standards that the retail delivery was on a qualifying vehicle.

Subd. 2. **Small businesses.** The fee imposed by this chapter and the requirements of this chapter do not apply to:

(1) a retailer that made retail sales totaling less than \$1,000,000 in the previous calendar year; and

(2) a marketplace provider when facilitating the sale of a retailer that made retail sales totaling less than \$100,000 in the previous calendar year through the marketplace provider.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 52, delete section 12

Page 57, delete line 19 and insert:

"(b) "Metropolitan area" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 57, line 24, before "The" insert "Notwithstanding section 473.123, subdivision 1,"

Page 60, line 30, delete "59" and insert "61"

Page 73, delete section 12 and insert:

"Sec. 12. **[161.178] TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT ASSESSMENT.**

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

(b) "Assessment" means the capacity expansion impact assessment under this section.

(c) "Capacity expansion project" means a project for trunk highway construction or reconstruction that:

(1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph (b); and

(2) adds highway traffic capacity or provides for grade separation at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

(d) "Greenhouse gas emissions" includes those emissions described in section 216H.01, subdivision 2.

Subd. 2. **Project assessment.** (a) Prior to advertising a capacity expansion project for bids, the commissioner must perform a capacity expansion impact assessment of the project. Following the assessment, the commissioner must determine if the project conforms with:

(1) the greenhouse gas emissions reduction benchmarks under section 174.01, subdivision 3; and

(2) the vehicle miles traveled reduction targets established in the statewide multimodal transportation plan under section 174.03, subdivision 1a.

(b) If the commissioner determines that the capacity expansion project is not in conformance with paragraph (a), the commissioner must:

(1) alter the scope or design of the project and perform a revised assessment that meets the requirements under this section;

(2) interlink sufficient impact mitigation as provided in subdivision 4; or

(3) halt project development and disallow advertising the project for bids.

Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to perform capacity expansion impact assessments. An assessment must provide for the determination under subdivision 2.

(b) Analysis under an assessment must include but is not limited to estimates resulting from the project for the following:

(1) greenhouse gas emissions over a period of 20 years; and

(2) a change in vehicle miles traveled for the trunk highway segment and in other impacted areas within the state.

Subd. 4. Impact mitigation. (a) To provide for impact mitigation, the commissioner must interlink the capacity expansion project as provided in this subdivision.

(b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the capacity expansion project is interlinked to mitigation actions such that the total greenhouse gas emissions reduction from the mitigation actions, after accounting for the greenhouse gas emissions otherwise resulting from the capacity expansion project, is consistent with meeting the benchmarks and targets specified under subdivision 2, paragraph (a). Each comparison under this paragraph must be performed over equal comparison periods.

(c) A mitigation action consists of a project, program, or operations modification in one or more of the following areas:

(1) transit expansion, including but not limited to regular route bus, arterial bus rapid transit, highway bus rapid transit, rail transit, and intercity passenger rail;

(2) transit service improvements, including but not limited to increased service level, transit fare reduction, and transit priority treatments;

(3) active transportation infrastructure;

(4) micromobility infrastructure and service, including but not limited to shared vehicle services;

(5) transportation demand management, including but not limited to vanpool and shared vehicle programs, remote work, and broadband access expansion;

(6) parking management, including but not limited to parking requirements reduction or elimination and parking cost adjustments; and

(7) land use, including but not limited to residential and other density increases, mixed-use development, and transit-oriented development.

(d) A mitigation action may be identified as interlinked to the capacity expansion project if:

(1) there is a specified project, program, or modification;

(2) the necessary funding sources are identified and sufficient amounts are committed;

(3) the mitigation is localized as provided in subdivision 5; and

(4) procedures are established to ensure that the mitigation action remains in substantially the same form or a revised form that continues to meet the calculation under paragraph (b).

Subd. 5. Impact mitigation; localization. (a) The area or corridor of a mitigation action under subdivision 4 must be localized in the following priority order:

(1) within or associated with at least one of the communities impacted by the capacity expansion project;

(2) if there is not a reasonably feasible location under clause (1), in areas of persistent poverty or historically disadvantaged communities, as measured and defined in federal law, guidance, and notices of funding opportunity;

(3) if there is not a reasonably feasible location under clauses (1) and (2), in the region of the capacity expansion project; or

(4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide basis.

(b) The commissioner must include an explanation regarding the feasibility and rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

Subd. 6. **Public information.** The commissioner must publish information regarding capacity expansion impact assessments on the department's website. The information must include:

(1) identification of capacity expansion projects; and

(2) for each project, a summary that includes an overview of the expansion impact assessment, the impact determination by the commissioner, and project disposition, including a review of any mitigation actions.

EFFECTIVE DATE. This section is effective February 1, 2025."

Page 93, line 17, delete "the day following" and insert "February 1, 2025."

Page 93, line 18, delete "final enactment"

Page 116, after line 4, insert:

"Sec. 56. **MICROTRANSIT SERVICE.**

From sales tax revenue, as defined in Minnesota Statutes, section 473.4465, subdivision 1, the Metropolitan Council must provide financial assistance to replacement service providers under Minnesota Statutes, section 473.388, for improvements related to demand response transit service. The council must make grants in fiscal year 2024 as follows:

(1) \$2,300,000 to Minnesota Valley Transit Authority for vehicle costs;

(2) \$5,700,000 to Minnesota Valley Transit Authority for infrastructure and other capital costs; and

(3) \$1,000,000 to SouthWest Transit for vehicle costs.

APPLICATION. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 57. **FINANCIAL REVIEW OF NONPROFIT GRANT RECIPIENTS REQUIRED.**

Subdivision 1. **Financial review required.** (a) Before awarding a competitive, legislatively named, single source, or sole source grant to a nonprofit organization under this act, the grantor must require the applicant to submit financial information sufficient for the grantor to document and assess the applicant's current financial standing and management. Items of significant concern must be addressed with the applicant and resolved to the satisfaction of the grantor before a grant is awarded. The grantor must document the material requested and reviewed; whether the applicant had a significant operating deficit, a deficit in unrestricted net assets, or insufficient internal controls; whether and how the applicant resolved the grantor's concerns; and the grantor's final decision. This documentation must be maintained in the grantor's files.

(b) At a minimum, the grantor must require each applicant to provide the following information:

(1) the applicant's most recent Form 990, Form 990-EZ, or Form 990-N filed with the Internal Revenue Service. If the applicant has not been in existence long enough or is not required to file Form 990, Form 990-EZ, or Form 990-N, the applicant must demonstrate to the grantor that the applicant is exempt and must instead submit documentation of internal controls and the applicant's most recent financial statement prepared in accordance with generally accepted accounting principles and approved by the applicant's board of directors or trustees or, if there is no such board, by the applicant's managing group;

(2) evidence of registration and good standing with the secretary of state under Minnesota Statutes, chapter 317A, or other applicable law;

(3) unless exempt under Minnesota Statutes, section 309.515, evidence of registration and good standing with the attorney general under Minnesota Statutes, chapter 309; and

(4) if required under Minnesota Statutes, section 309.53, subdivision 3, the applicant's most recent audited financial statement prepared in accordance with generally accepted accounting principles.

Subd. 2. **Authority to postpone or forgo.** Notwithstanding any contrary provision in this act, a grantor that identifies an area of significant concern regarding the financial standing or management of a legislatively named applicant may postpone or forgo awarding the grant.

Subd. 3. **Authority to award subject to additional assistance and oversight.** A grantor that identifies an area of significant concern regarding an applicant's financial standing or management may award a grant to the applicant if the grantor provides or the grantee otherwise obtains additional technical assistance, as needed, and the grantor imposes additional requirements in the grant agreement. Additional requirements may include but are not limited to enhanced monitoring, additional reporting, or other reasonable requirements imposed by the grantor to protect the interests of the state.

Subd. 4. **Relation to other law and policy.** The requirements in this section are in addition to any other requirements imposed by law; the commissioner of administration under Minnesota Statutes, sections 16B.97 to 16B.98; or agency policy."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Liebling from the Committee on Health Finance and Policy to which was referred:

H. F. No. 2930, A bill for an act relating to health; appropriating money for the Department of Health, health-related boards, Council on Disability, ombudsman for mental health and disabilities, ombudsperson for families, ombudsperson for American Indian families, Office of the Foster Youth Ombudsperson, MNsure, Rare Disease Advisory Council, and the Department of Revenue; establishing the Health Care Spending Growth Target Commission and Health Care Spending Technical Advisory Council; identifying ways to reduce spending by health care organizations and group purchasers and low-value care; assessing alternative payment methods in rural health care; assessing feasibility for a health provider directory; requiring compliance with the No Surprises Act in billing; modifying prescription drug price provisions and continuity of care provisions; compiling health encounter data;

establishing certain advisory councils, committees, and grant programs; modifying lead testing in schools and remediation requirements; modifying lead service line requirements; requiring lead testing in drinking water in child care settings; establishing Minnesota One Health Microbial Stewardship Collaborative, a comprehensive drug overdose and morbidity program, a Sentinel Event Review Committee, law enforcement-involved deadly force encounters advisory committee, and cultural communications program; setting certain fees; providing for clinical health care training; establishing a climate resiliency program; changing assisted living provisions; establishing a program to monitor long COVID, a 988 suicide crisis lifeline, school-based health centers, Healthy Beginnings, Healthy Families Act, and Comprehensive and Collaborative Resource and Referral System for Children; funding for community health boards; developing COVID-19 pandemic delayed preventive care; changing certain health board fees; establishing easy enrollment health insurance outreach program; setting certain fees; requiring reports; amending Minnesota Statutes 2022, sections 12A.08, subdivision 3; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding subdivisions; 62K.15; 62Q.01, by adding a subdivision; 62Q.021, by adding a subdivision; 62Q.55, subdivision 5; 62Q.556; 62Q.56, subdivision 2; 62Q.73, subdivisions 1, 7; 62U.04, subdivisions 4, 5, 6; 121A.335, subdivisions 3, 5, by adding a subdivision; 144.122; 144.1505; 144.226, subdivisions 3, 4; 144.383; 144G.16, subdivision 7; 144G.18; 144G.57, subdivision 8; 145.925; 145A.131, subdivisions 1, 5; 145A.14, by adding a subdivision; 148B.392, subdivision 2; 151.065, subdivisions 1, 2, 3, 4, 6; 270B.14, by adding a subdivision; 403.161; 403.162; Laws 2022, chapter 99, article 1, section 46; article 3, section 9; proposing coding for new law in Minnesota Statutes, chapters 62J; 62V; 115; 144; 145; 148; 290; repealing Minnesota Statutes 2022, sections 62J.84, subdivision 5; 62U.10, subdivisions 6, 7, 8; 145.4235; 145.4241; 145.4242; 145.4243; 145.4244; 145.4245; 145.4246; 145.4247; 145.4248; 145.4249; 145.925, subdivisions 1a, 3, 4, 7, 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
DEPARTMENT OF HUMAN SERVICES HEALTH CARE

Section 1. Minnesota Statutes 2022, section 62A.045, is amended to read:

62A.045 PAYMENTS ON BEHALF OF ENROLLEES IN GOVERNMENT HEALTH PROGRAMS.

(a) As a condition of doing business in Minnesota or providing coverage to residents of Minnesota covered by this section, each health insurer shall comply with the requirements ~~of for health insurers under~~ the federal Deficit Reduction Act of 2005, Public Law 109-171 ~~and the federal Consolidated Appropriations Act of 2022, Public Law 117-103~~, including any federal regulations adopted under ~~that act those acts~~, to the extent that ~~it imposes they impose~~ a requirement that applies in this state and that is not also required by the laws of this state. This section does not require compliance with any provision of the federal ~~act acts~~ prior to the effective ~~date dates~~ provided for ~~that provision those provisions~~ in the federal ~~act acts~~. The commissioner shall enforce this section.

For the purpose of this section, "health insurer" includes self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, managed care organizations, pharmacy benefit managers, or other parties that are by contract legally responsible to pay a claim for a health-care item or service for an individual receiving benefits under paragraph (b).

(b) No plan offered by a health insurer issued or renewed to provide coverage to a Minnesota resident shall contain any provision denying or reducing benefits because services are rendered to a person who is eligible for or receiving medical benefits pursuant to title XIX of the Social Security Act (Medicaid) in this or any other state; chapter 256 or 256B; or services pursuant to section 252.27; 256L.01 to 256L.10; 260B.331, subdivision 2; 260C.331, subdivision 2; or 393.07, subdivision 1 or 2. No health insurer providing benefits under plans covered by this section shall use eligibility for medical programs named in this section as an underwriting guideline or reason for nonacceptance of the risk.

(c) If payment for covered expenses has been made under state medical programs for health care items or services provided to an individual, and a third party has a legal liability to make payments, the rights of payment and appeal of an adverse coverage decision for the individual, or in the case of a child their responsible relative or caretaker, will be subrogated to the state agency. The state agency may assert its rights under this section within three years of the date the service was rendered. For purposes of this section, "state agency" includes prepaid health plans under contract with the commissioner according to sections 256B.69 and 256L.12; children's mental health collaboratives under section 245.493; demonstration projects for persons with disabilities under section 256B.77; nursing homes under the alternative payment demonstration project under section 256B.434; and county-based purchasing entities under section 256B.692.

(d) Notwithstanding any law to the contrary, when a person covered by a plan offered by a health insurer receives medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. If a person was receiving medical benefits through the Department of Human Services at the time a service was provided, the provider must indicate this benefit coverage on any claim forms submitted by the provider to the health insurer for those services. If the commissioner of human services notifies the health insurer that the commissioner has made payments to the provider, payment for benefits or notices of denials issued by the health insurer must be issued directly to the commissioner. Submission by the department to the health insurer of the claim on a Department of Human Services claim form is proper notice and shall be considered proof of payment of the claim to the provider and supersedes any contract requirements of the health insurer relating to the form of submission. Liability to the insured for coverage is satisfied to the extent that payments for those benefits are made by the health insurer to the provider or the commissioner as required by this section.

(e) When a state agency has acquired the rights of an individual eligible for medical programs named in this section and has health benefits coverage through a health insurer, the health insurer shall not impose requirements that are different from requirements applicable to an agent or assignee of any other individual covered.

(f) A health insurer must process a clean claim made by a state agency for covered expenses paid under state medical programs within 90 business days of the claim's submission. A health insurer must process all other claims made by a state agency for covered expenses paid under a state medical program within the timeline set forth in Code of Federal Regulations, title 42, section 447.45(d)(4).

(g) A health insurer may request a refund of a claim paid in error to the Department of Human Services within two years of the date the payment was made to the department. A request for a refund shall not be honored by the department if the health insurer makes the request after the time period has lapsed.

Sec. 2. Minnesota Statutes 2022, section 62A.673, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Distant site" means a site at which a health care provider is located while providing health care services or consultations by means of telehealth.

(c) "Health care provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law. A health care provider includes a mental health professional under section 245I.04, subdivision 2; a mental health practitioner under section 245I.04, subdivision 4; a clinical trainee under section 245I.04, subdivision 6; a treatment coordinator under section 245G.11, subdivision 7; an alcohol and drug counselor under section 245G.11, subdivision 5; and a recovery peer under section 245G.11, subdivision 8.

(d) "Health carrier" has the meaning given in section 62A.011, subdivision 2.

(e) "Health plan" has the meaning given in section 62A.011, subdivision 3. Health plan includes dental plans as defined in section 62Q.76, subdivision 3, but does not include dental plans that provide indemnity-based benefits, regardless of expenses incurred, and are designed to pay benefits directly to the policy holder.

(f) "Originating site" means a site at which a patient is located at the time health care services are provided to the patient by means of telehealth. For purposes of store-and-forward technology, the originating site also means the location at which a health care provider transfers or transmits information to the distant site.

(g) "Store-and-forward technology" means the asynchronous electronic transfer or transmission of a patient's medical information or data from an originating site to a distant site for the purposes of diagnostic and therapeutic assistance in the care of a patient.

(h) "Telehealth" means the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communications to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Until July 1, ~~2023~~ 2025, telehealth also includes audio-only communication between a health care provider and a patient in accordance with subdivision 6, paragraph (b). Telehealth does not include communication between health care providers that consists solely of a telephone conversation, email, or facsimile transmission. Telehealth does not include communication between a health care provider and a patient that consists solely of an email or facsimile transmission. Telehealth does not include telemonitoring services as defined in paragraph (i).

(i) "Telemonitoring services" means the remote monitoring of clinical data related to the enrollee's vital signs or biometric data by a monitoring device or equipment that transmits the data electronically to a health care provider for analysis. Telemonitoring is intended to collect an enrollee's health-related data for the purpose of assisting a health care provider in assessing and monitoring the enrollee's medical condition or status.

Sec. 3. Minnesota Statutes 2022, section 256.01, is amended by adding a subdivision to read:

Subd. 43. Education on contraceptive options. The commissioner shall require hospitals and primary care providers serving medical assistance and MinnesotaCare enrollees to develop and implement protocols to provide enrollees, when appropriate, with comprehensive and scientifically accurate information on the full range of contraceptive options, in a medically ethical, culturally competent, and noncoercive manner. The information provided must be designed to assist enrollees in identifying the contraceptive method that best meets the enrollees' needs and the needs of the enrollees' families. The protocol must specify the enrollee categories to which this requirement will be applied, the process to be used, and the information and resources to be provided. Hospitals and providers must make this protocol available to the commissioner upon request.

Sec. 4. Minnesota Statutes 2022, section 256.0471, subdivision 1, is amended to read:

Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under ~~chapter 119B~~, the MFIP program formerly codified under sections 256.031 to 256.0361; ~~and~~ the AFDC program formerly codified under sections 256.72 to 256.871; ~~for assistance granted under chapters 256B for state-funded medical assistance, 119B, 256D, 256I, 256J, and 256K, and 256L; for assistance granted pursuant to section 256.045, subdivision 10, for state-funded medical assistance and state-funded MinnesotaCare under chapters 256B and 256L; and for assistance granted under~~ the Supplemental Nutrition Assistance Program (SNAP), except agency error claims, become a judgment by operation of law 90 days after the notice of overpayment is personally served upon the recipient in a manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return receipt requested. This judgment shall be entitled to full faith and credit in this and any other state.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

- (1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;
- (2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;
- (3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and
- (4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

- (1) pediatric services;
- (2) behavioral health services;
- (3) trauma services as defined by the National Uniform Billing Committee;
- (4) transplant services;
- (5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;
- (6) outlier admissions;

(7) low-volume providers; and

(8) services provided by small rural hospitals that are not critical access hospitals.

(f) Hospital payment rates established under paragraph (c) must incorporate the following:

(1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;

(2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;

(3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and

(4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.

(g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.

(h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available, except that the base years for the rebasing effective July 1, 2023, are calendar years 2018 and 2019. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 6. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) Certified public expenditures made by Hennepin County Medical Center shall be considered Medicaid disproportionate share hospital payments. Hennepin County and Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning July 1, 2005, or another date specified by the commissioner, that may qualify for reimbursement under federal law. Based on these reports, the commissioner shall apply for federal matching funds.

(c) Upon federal approval of the related state plan amendment, paragraph (b) is effective retroactively from July 1, 2005, or the earliest effective date approved by the Centers for Medicare and Medicaid Services.

(d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid in accordance with a new methodology using 2012 as the base year. Annual payments made under this paragraph shall equal the total amount of payments made for 2012. A licensed children's hospital shall receive only a single DSH factor for children's hospitals. Other DSH factors may be combined to arrive at a single factor for each hospital that is eligible for DSH payments. The new methodology shall make payments only to hospitals located in Minnesota and include the following factors:

(1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000 fee-for-service discharges in the base year shall receive a factor of 0.7880;

(2) a hospital that has in effect for the initial rate year a contract with the commissioner to provide extended psychiatric inpatient services under section 256.9693 shall receive a factor of 0.0160;

(3) a hospital that has received medical assistance payment for at least 20 transplant services in the base year shall receive a factor of 0.0435;

(4) a hospital that has a medical assistance utilization rate in the base year between 20 percent up to one standard deviation above the statewide mean utilization rate shall receive a factor of 0.0468;

(5) a hospital that has a medical assistance utilization rate in the base year that is at least one standard deviation above the statewide mean utilization rate but is less than two and one-half standard deviations above the mean shall receive a factor of 0.2300; and

(6) a hospital that is a level one trauma center and that has a medical assistance utilization rate in the base year that is at least two and ~~one-half~~ one-quarter standard deviations above the statewide mean utilization rate shall receive a factor of 0.3711.

(e) For the purposes of determining eligibility for the disproportionate share hospital factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and discharge thresholds shall be measured using only one year when a two-year base period is used.

(f) Any payments or portion of payments made to a hospital under this subdivision that are subsequently returned to the commissioner because the payments are found to exceed the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that have a medical assistance utilization rate that is at least one standard deviation above the mean.

(g) An additional payment adjustment shall be established by the commissioner under this subdivision for a hospital that provides high levels of administering high-cost drugs to enrollees in fee-for-service medical assistance. The commissioner shall consider factors including fee-for-service medical assistance utilization rates and payments made for drugs purchased through the 340B drug purchasing program and administered to fee-for-service enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate share hospital limit, the commissioner shall make a payment to the hospital that equals the nonfederal share of the amount that exceeds the limit. The total nonfederal share of the amount of the payment adjustment under this paragraph shall not exceed \$1,500,000.

Sec. 7. Minnesota Statutes 2022, section 256.969, subdivision 25, is amended to read:

Subd. 25. **Long-term hospital rates.** (a) Long-term hospitals shall be paid on a per diem basis.

(b) For admissions occurring on or after April 1, 1995, a long-term hospital as designated by Medicare that does not have admissions in the base year shall have inpatient rates established at the average of other hospitals with the same designation. For subsequent rate-setting periods in which base years are updated, the hospital's base year shall be the first Medicare cost report filed with the long-term hospital designation and shall remain in effect until it falls within the same period as other hospitals.

(c) For admissions occurring on or after July 1, 2023, long-term hospitals must be paid the higher of a per diem amount computed using the methodology described in subdivision 2b, paragraph (i), or the per diem rate as of July 1, 2021.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 8. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision to read:

Subd. 31. **Long-acting reversible contraceptives.** (a) The commissioner must provide separate reimbursement to hospitals for long-acting reversible contraceptives provided immediately postpartum in the inpatient hospital setting. This payment must be in addition to the diagnostic-related group reimbursement for labor and delivery and shall be made consistent with section 256B.0625, subdivision 13e, paragraph (e).

(b) The commissioner must require managed care and county-based purchasing plans to comply with this subdivision when providing services to medical assistance enrollees.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 9. Minnesota Statutes 2022, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies;

(4) durable medical equipment, including but not limited to:

(i) hospital beds;

(ii) commodes;

(iii) glide-about chairs;

(iv) patient lift apparatus;

(v) wheelchairs and accessories;

- (vi) oxygen administration equipment;
- (vii) respiratory therapy equipment;
- (viii) electronic diagnostic, therapeutic and life-support systems; and
- (ix) allergen-reducing products as described in section 256B.0625, subdivision 67, paragraph (c) or (d);

(5) nonemergency medical transportation level of need determinations, disbursement of public transportation passes and tokens, and volunteer and recipient mileage and parking reimbursements; ~~and~~

(6) ~~drugs;~~ and

(7) quitline services as described in section 256B.0625, subdivision 68, paragraph (c).

(b) Rate changes and recipient cost-sharing under this chapter and chapter 256L do not affect contract payments under this subdivision unless specifically identified.

(c) The commissioner may not utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C for special transportation services or incontinence products and related supplies.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 10. Minnesota Statutes 2022, section 256B.055, subdivision 17, is amended to read:

Subd. 17. **Adults who were in foster care at the age of 18.** (a) Medical assistance may be paid for a person under 26 years of age who was in foster care under the commissioner's responsibility on the date of attaining 18 years of age, and who was enrolled in medical assistance under the state plan or a waiver of the plan while in foster care, in accordance with section 2004 of the Affordable Care Act.

(b) Beginning July 1, 2023, medical assistance may be paid for a person under 26 years of age who was in foster care on the date of attaining 18 years of age and enrolled in another state's Medicaid program while in foster care in accordance with the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act of 2018. Public Law 115-271, section 1002.

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

Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 3a, is amended to read:

Subd. 3a. ~~Sex reassignment surgery~~ **Gender-affirming services.** ~~Sex reassignment surgery is not covered. Medical assistance covers gender-affirming services.~~

Sec. 12. Minnesota Statutes 2022, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. **Dental services.** (a) Medical assistance covers medically necessary dental services.

~~(b) Medical assistance dental coverage for nonpregnant adults is limited to the following services:~~

~~(1) comprehensive exams, limited to once every five years;~~

~~(2) periodic exams, limited to one per year;~~

~~(3) limited exams;~~

~~(4) bitewing x-rays, limited to one per year;~~

~~(5) periapical x-rays;~~

~~(6) panoramic x-rays, limited to one every five years except (1) when medically necessary for the diagnosis and follow up of oral and maxillofacial pathology and trauma or (2) once every two years for patients who cannot cooperate for intraoral film due to a developmental disability or medical condition that does not allow for intraoral film placement;~~

~~(7) prophylaxis, limited to one per year;~~

~~(8) application of fluoride varnish, limited to one per year;~~

~~(9) posterior fillings, all at the amalgam rate;~~

~~(10) anterior fillings;~~

~~(11) endodontics, limited to root canals on the anterior and premolars only;~~

~~(12) removable prostheses, each dental arch limited to one every six years;~~

~~(13) oral surgery, limited to extractions, biopsies, and incision and drainage of abscesses;~~

~~(14) palliative treatment and sedative fillings for relief of pain;~~

~~(15) full mouth debridement, limited to one every five years; and~~

~~(16) nonsurgical treatment for periodontal disease, including scaling and root planing once every two years for each quadrant, and routine periodontal maintenance procedures.~~

~~(c) In addition to the services specified in paragraph (b), medical assistance covers the following services for adults, if provided in an outpatient hospital setting or freestanding ambulatory surgical center as part of outpatient dental surgery:~~

~~(1) periodontics, limited to periodontal scaling and root planing once every two years;~~

~~(2) general anesthesia; and~~

~~(3) full mouth survey once every five years.~~

~~(d) Medical assistance covers medically necessary dental services for children and pregnant women. The following guidelines apply:~~

~~(1) posterior fillings are paid at the amalgam rate;~~

~~(2) application of sealants are covered once every five years per permanent molar for children only;~~

~~(3) application of fluoride varnish is covered once every six months; and~~

~~(4) orthodontia is eligible for coverage for children only.~~

~~(e)~~ (b) In addition to the services specified in ~~paragraphs (b) and (e)~~ paragraph (a), medical assistance covers the following services ~~for adults~~:

- (1) house calls or extended care facility calls for on-site delivery of covered services;
- (2) behavioral management when additional staff time is required to accommodate behavioral challenges and sedation is not used;
- (3) oral or IV sedation, if the covered dental service cannot be performed safely without it or would otherwise require the service to be performed under general anesthesia in a hospital or surgical center; and
- (4) prophylaxis, in accordance with an appropriate individualized treatment plan, but no more than four times per year.

~~(f)~~ (c) The commissioner shall not require prior authorization for the services included in paragraph ~~(e)~~ (b), clauses (1) to (3), and shall prohibit managed care and county-based purchasing plans from requiring prior authorization for the services included in paragraph ~~(e)~~ (b), clauses (1) to (3), when provided under sections 256B.69, 256B.692, and 256L.12.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later.

Sec. 13. Minnesota Statutes 2022, section 256B.0625, subdivision 13c, is amended to read:

Subd. 13c. **Formulary Committee.** The commissioner, after receiving recommendations from professional medical associations and professional pharmacy associations, and consumer groups shall designate a Formulary Committee to carry out duties as described in subdivisions 13 to 13g. The Formulary Committee shall be comprised of ~~four~~ at least five licensed physicians actively engaged in the practice of medicine in Minnesota, one of whom ~~must be actively engaged in the treatment of persons with mental illness~~ is an actively practicing psychiatrist, one of whom specializes in the diagnosis and treatment of rare diseases, one of whom specializes in pediatrics, and one of whom actively treats persons with disabilities; at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota, ~~one of whom practices outside the metropolitan counties listed in section 473.121, subdivision 4, one of whom practices in the metropolitan counties listed in section 473.121, subdivision 4, and one of whom is a practicing hospital pharmacist; and one~~ at least four consumer ~~representative~~ representatives, ~~all of whom must have a personal or professional connection to medical assistance; and one representative designated by the Minnesota Rare Disease Advisory Council established under section 256.4835; the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs. Members of the Formulary Committee shall not be employed by the Department of Human Services, but the committee shall be staffed by an employee of the department who shall serve as an ex officio, nonvoting member of the committee. The department's medical director shall also serve as an ex officio, nonvoting member for the committee. Committee members shall serve three-year terms and may be reappointed by the commissioner. The Formulary Committee shall meet at least ~~twice~~ once per year. The commissioner may require more frequent Formulary Committee meetings as needed. An honorarium of \$100 per meeting and reimbursement for mileage shall be paid to each committee member in attendance. Notwithstanding section 15.059, subdivision 6, the Formulary Committee expires June 30, 2023 does not expire.~~

Sec. 14. Minnesota Statutes 2022, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the ingredient costs of the drugs plus the professional dispensing fee; or the usual and customary price charged to the public. The usual and customary price means the lowest price charged by the provider to a patient who pays for the prescription by cash, check, or charge account and includes prices the pharmacy charges to a patient enrolled in a prescription savings club or prescription discount club administered by the pharmacy or pharmacy chain. The

amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any third-party provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The professional dispensing fee shall be \$10.77 for prescriptions filled with legend drugs meeting the definition of "covered outpatient drugs" according to United States Code, title 42, section 1396r-8(k)(2). The dispensing fee for intravenous solutions that must be compounded by the pharmacist shall be \$10.77 per claim. The professional dispensing fee for prescriptions filled with over-the-counter drugs meeting the definition of covered outpatient drugs shall be \$10.77 for dispensed quantities equal to or greater than the number of units contained in the manufacturer's original package. The professional dispensing fee shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The pharmacy dispensing fee for prescribed over-the-counter drugs not meeting the definition of covered outpatient drugs shall be \$3.65 for quantities equal to or greater than the number of units contained in the manufacturer's original package and shall be prorated based on the percentage of the package dispensed when the pharmacy dispenses a quantity less than the number of units contained in the manufacturer's original package. The National Average Drug Acquisition Cost (NADAC) shall be used to determine the ingredient cost of a drug. For drugs for which a NADAC is not reported, the commissioner shall estimate the ingredient cost at the wholesale acquisition cost minus two percent. The ingredient cost of a drug for a provider participating in the federal 340B Drug Pricing Program shall be either the 340B Drug Pricing Program ceiling price established by the Health Resources and Services Administration or NADAC, whichever is lower. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to the actual acquisition cost of the drug product and no higher than the NADAC of the generic product. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) Pharmacies dispensing prescriptions to residents of long-term care facilities using an automated drug distribution system meeting the requirements of section 151.58, or a packaging system meeting the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse, may employ retrospective billing for prescription drugs dispensed to long-term care facility residents. A retrospectively billing pharmacy must submit a claim only for the quantity of medication used by the enrolled recipient during the defined billing period. A retrospectively billing pharmacy must use a billing period not less than one calendar month or 30 days.

(c) A pharmacy provider using packaging that meets the standards set forth in Minnesota Rules, part 6800.2700, is required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse, unless the pharmacy is using retrospective billing. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(d) If a pharmacy dispenses a multisource drug, the ingredient cost shall be the NADAC of the generic product or the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

(e) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider, 106 percent of the average sales price as determined by the United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. If average sales price is unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider, the wholesale acquisition cost, the specialty pharmacy rate, or the maximum allowable cost set by the commissioner. The commissioner shall discount the payment rate for drugs obtained through the federal 340B Drug Pricing Program by 28.6 percent. The payment for drugs administered in an outpatient setting shall be made to the administering facility or practitioner. A retail or specialty pharmacy dispensing a drug for administration in an outpatient setting is not eligible for direct reimbursement.

(f) The commissioner may establish maximum allowable cost rates for specialty pharmacy products that are lower than the ingredient cost formulas specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products, high-cost therapies, and therapies that require complex care. The commissioner shall consult with the Formulary Committee to develop a list of specialty pharmacy products subject to maximum allowable cost reimbursement. In consulting with the Formulary Committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the maximum allowable cost to prevent access to care issues.

(g) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

(h) The commissioner shall contract with a vendor to conduct a cost of dispensing survey for all pharmacies that are physically located in the state of Minnesota that dispense outpatient drugs under medical assistance. The commissioner shall ensure that the vendor has prior experience in conducting cost of dispensing surveys. Each pharmacy enrolled with the department to dispense outpatient prescription drugs to fee-for-service members must respond to the cost of dispensing survey. The commissioner may sanction a pharmacy under section 256B.064 for failure to respond. The commissioner shall require the vendor to measure a single statewide cost of dispensing for specialty prescription drugs and a single statewide cost of dispensing for nonspecialty prescription drugs for all responding pharmacies to measure the mean, mean weighted by total prescription volume, mean weighted by medical assistance prescription volume, median, median weighted by total prescription volume, and median weighted by total medical assistance prescription volume. The commissioner shall post a copy of the final cost of dispensing survey report on the department's website. The initial survey must be completed no later than January 1, 2021, and repeated every three years. The commissioner shall provide a summary of the results of each cost of dispensing survey and provide recommendations for any changes to the dispensing fee to the chairs and ranking members of the legislative committees with jurisdiction over medical assistance pharmacy reimbursement. Notwithstanding section 256.01, subdivision 42, this paragraph does not expire.

(i) The commissioner shall increase the ingredient cost reimbursement calculated in paragraphs (a) and (f) by 1.8 percent for prescription and nonprescription drugs subject to the wholesale drug distributor tax under section 295.52.

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

Sec. 15. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13k. **Value-based purchasing arrangements.** (a) The commissioner may enter into a value-based purchasing arrangement for the medical assistance or MinnesotaCare program by written arrangement with a drug manufacturer based on agreed-upon metrics. The commissioner may enter into a contract with a vendor for the purpose of participating in a value-based purchasing arrangement. A value-based purchasing arrangement may include a rebate, a discount, a price reduction, risk sharing, a reimbursement, a guarantee, shared savings payments, withholds, a bonus, or any other thing of value. A value-based purchasing arrangement must provide the same amount or more of a value or discount in the aggregate as would claiming the mandatory federal drug rebate under the Federal Social Security Act, section 1927.

(b) Nothing in this section shall be interpreted as requiring a drug manufacturer or the commissioner to enter into an arrangement as described in paragraph (a).

(c) Nothing in this section shall be interpreted as altering or modifying medical assistance coverage requirements under the federal Social Security Act, section 1927.

(d) If the commissioner determines that a state plan amendment is necessary for implementation before implementing a value-based purchasing arrangement, the commissioner shall request the amendment and may delay implementing this provision until the amendment is approved.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 16. Minnesota Statutes 2022, section 256B.0625, subdivision 16, is amended to read:

Subd. 16. **Abortion services.** ~~Medical assistance covers abortion services, but only if one of the following conditions is met:~~ determined to be medically necessary by the treating provider and delivered in accordance with all applicable Minnesota laws.

~~(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;~~

~~(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, subdivision 1, clauses (a), (b), (c)(i) and (ii), and (e), and subdivision 1a, clauses (a), (b), (c)(i) and (ii), and (d), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or~~

~~(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.~~

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

Sec. 17. Minnesota Statutes 2022, section 256B.0625, subdivision 22, is amended to read:

Subd. 22. **Hospice care.** Medical assistance covers hospice care services under Public Law 99-272, section 9505, to the extent authorized by rule, except that a recipient age 21 or under who elects to receive hospice services does not waive coverage for services that are related to the treatment of the condition for which a diagnosis of terminal illness has been made. Hospice respite and end-of-life care under subdivision 22a are not hospice care services under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 18. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 22a. **Residential hospice facility; hospice respite and end-of-life care for children.** (a) Medical assistance covers hospice respite and end-of-life care if the care is for recipients age 21 or under who elect to receive hospice care delivered in a facility that is licensed under sections 144A.75 to 144A.755 and that is a residential hospice facility under section 144A.75, subdivision 13, paragraph (a). Hospice care services under subdivision 22 are not hospice respite or end-of-life care under this subdivision.

(b) The payment rates for coverage under this subdivision must be 100 percent of the Medicare rate for continuous home care hospice services as published in the Centers for Medicare and Medicaid Services annual final rule updating payments and policies for hospice care. The commissioner must seek to obtain federal financial participation for payment for hospice respite and end-of-life care under this subdivision. Payment must be made

using state-only money, if federal financial participation is not obtained. Payment for hospice respite and end-of-life care must be paid to the residential hospice facility and are not included in any limit or cap amount applicable to hospice services payments to the elected hospice services provider.

(c) Certification of the residential hospice facility by the federal Medicare program must not be a requirement of medical assistance payment for hospice respite and end-of-life care under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 19. Minnesota Statutes 2022, section 256B.0625, subdivision 28b, is amended to read:

Subd. 28b. **Doula services.** Medical assistance covers doula services provided by a certified doula as defined in section 148.995, subdivision 2, of the mother's choice. For purposes of this section, "doula services" means childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and postpartum. The commissioner shall enroll doula agencies and individual treating doulas to provide direct reimbursement.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 256B.0625, subdivision 30, is amended to read:

Subd. 30. **Other clinic services.** (a) Medical assistance covers rural health clinic services, federally qualified health center services, nonprofit community health clinic services, and public health clinic services. Rural health clinic services and federally qualified health center services mean services defined in United States Code, title 42, section 1396d(a)(2)(B) and (C). Payment for rural health clinic and federally qualified health center services shall be made according to applicable federal law and regulation.

(b) A federally qualified health center (FQHC) that is beginning initial operation shall submit an estimate of budgeted costs and visits for the initial reporting period in the form and detail required by the commissioner. An FQHC that is already in operation shall submit an initial report using actual costs and visits for the initial reporting period. Within 90 days of the end of its reporting period, an FQHC shall submit, in the form and detail required by the commissioner, a report of its operations, including allowable costs actually incurred for the period and the actual number of visits for services furnished during the period, and other information required by the commissioner. FQHCs that file Medicare cost reports shall provide the commissioner with a copy of the most recent Medicare cost report filed with the Medicare program intermediary for the reporting year which support the costs claimed on their cost report to the state.

(c) In order to continue cost-based payment under the medical assistance program according to paragraphs (a) and (b), an FQHC or rural health clinic must apply for designation as an essential community provider within six months of final adoption of rules by the Department of Health according to section 62Q.19, subdivision 7. For those FQHCs and rural health clinics that have applied for essential community provider status within the six-month time prescribed, medical assistance payments will continue to be made according to paragraphs (a) and (b) for the first three years after application. For FQHCs and rural health clinics that either do not apply within the time specified above or who have had essential community provider status for three years, medical assistance payments for health services provided by these entities shall be according to the same rates and conditions applicable to the same service provided by health care providers that are not FQHCs or rural health clinics.

(d) Effective July 1, 1999, the provisions of paragraph (c) requiring an FQHC or a rural health clinic to make application for an essential community provider designation in order to have cost-based payments made according to paragraphs (a) and (b) no longer apply.

(e) Effective January 1, 2000, payments made according to paragraphs (a) and (b) shall be limited to the cost phase-out schedule of the Balanced Budget Act of 1997.

(f) Effective January 1, 2001, through December 31, 2020, each FQHC and rural health clinic may elect to be paid either under the prospective payment system established in United States Code, title 42, section 1396a(aa), or under an alternative payment methodology consistent with the requirements of United States Code, title 42, section 1396a(aa), and approved by the Centers for Medicare and Medicaid Services. The alternative payment methodology shall be 100 percent of cost as determined according to Medicare cost principles.

(g) Effective for services provided on or after January 1, 2021, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner, according to an annual election by the FQHC or rural health clinic, under the current prospective payment system described in paragraph (f) or the alternative payment methodology described in paragraph (l).

(h) For purposes of this section, "nonprofit community clinic" is a clinic that:

(1) has nonprofit status as specified in chapter 317A;

(2) has tax exempt status as provided in Internal Revenue Code, section 501(c)(3);

(3) is established to provide health services to low-income population groups, uninsured, high-risk and special needs populations, underserved and other special needs populations;

(4) employs professional staff at least one-half of which are familiar with the cultural background of their clients;

(5) charges for services on a sliding fee scale designed to provide assistance to low-income clients based on current poverty income guidelines and family size; and

(6) does not restrict access or services because of a client's financial limitations or public assistance status and provides no-cost care as needed.

(i) Effective for services provided on or after January 1, 2015, all claims for payment of clinic services provided by FQHCs and rural health clinics shall be paid by the commissioner. the commissioner shall determine the most feasible method for paying claims from the following options:

(1) FQHCs and rural health clinics submit claims directly to the commissioner for payment, and the commissioner provides claims information for recipients enrolled in a managed care or county-based purchasing plan to the plan, on a regular basis; or

(2) FQHCs and rural health clinics submit claims for recipients enrolled in a managed care or county-based purchasing plan to the plan, and those claims are submitted by the plan to the commissioner for payment to the clinic.

(j) For clinic services provided prior to January 1, 2015, the commissioner shall calculate and pay monthly the proposed managed care supplemental payments to clinics, and clinics shall conduct a timely review of the payment calculation data in order to finalize all supplemental payments in accordance with federal law. Any issues arising from a clinic's review must be reported to the commissioner by January 1, 2017. Upon final agreement between the commissioner and a clinic on issues identified under this subdivision, and in accordance with United States Code, title 42, section 1396a(bb), no supplemental payments for managed care plan or county-based purchasing plan claims for services provided prior to January 1, 2015, shall be made after June 30, 2017. If the commissioner and clinics are unable to resolve issues under this subdivision, the parties shall submit the dispute to the arbitration process under section 14.57.

(k) The commissioner shall seek a federal waiver, authorized under section 1115 of the Social Security Act, to obtain federal financial participation at the 100 percent federal matching percentage available to facilities of the Indian Health Service or tribal organization in accordance with section 1905(b) of the Social Security Act for expenditures made to organizations dually certified under Title V of the Indian Health Care Improvement Act, Public Law 94-437, and as a federally qualified health center under paragraph (a) that provides services to American Indian and Alaskan Native individuals eligible for services under this subdivision.

(l) All claims for payment of clinic services provided by FQHCs and rural health clinics, that have elected to be paid under this paragraph, shall be paid by the commissioner according to the following requirements:

(1) the commissioner shall establish a single medical and single dental organization encounter rate for each FQHC and rural health clinic when applicable;

(2) each FQHC and rural health clinic is eligible for same day reimbursement of one medical and one dental organization encounter rate if eligible medical and dental visits are provided on the same day;

(3) the commissioner shall reimburse FQHCs and rural health clinics, in accordance with current applicable Medicare cost principles, their allowable costs, including direct patient care costs and patient-related support services. Nonallowable costs include, but are not limited to:

- (i) general social services and administrative costs;
- (ii) retail pharmacy;
- (iii) patient incentives, food, housing assistance, and utility assistance;
- (iv) external lab and x-ray;
- (v) navigation services;
- (vi) health care taxes;
- (vii) advertising, public relations, and marketing;
- (viii) office entertainment costs, food, alcohol, and gifts;
- (ix) contributions and donations;
- (x) bad debts or losses on awards or contracts;
- (xi) fines, penalties, damages, or other settlements;
- (xii) fundraising, investment management, and associated administrative costs;
- (xiii) research and associated administrative costs;
- (xiv) nonpaid workers;
- (xv) lobbying;
- (xvi) scholarships and student aid; and
- (xvii) nonmedical assistance covered services;

(4) the commissioner shall review the list of nonallowable costs in the years between the rebasing process established in clause (5), in consultation with the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics. The commissioner shall publish the list and any updates in the Minnesota health care programs provider manual;

(5) the initial applicable base year organization encounter rates for FQHCs and rural health clinics shall be computed for services delivered on or after January 1, 2021, and:

(i) must be determined using each FQHC's and rural health clinic's Medicare cost reports from 2017 and 2018;

(ii) must be according to current applicable Medicare cost principles as applicable to FQHCs and rural health clinics without the application of productivity screens and upper payment limits or the Medicare prospective payment system FQHC aggregate mean upper payment limit;

(iii) must be subsequently rebased every two years thereafter using the Medicare cost reports that are three and four years prior to the rebasing year. Years in which organizational cost or claims volume is reduced or altered due to a pandemic, disease, or other public health emergency shall not be used as part of a base year when the base year includes more than one year. The commissioner may use the Medicare cost reports of a year unaffected by a pandemic, disease, or other public health emergency, or previous two consecutive years, inflated to the base year as established under item (iv);

(iv) must be inflated to the base year using the inflation factor described in clause (6); and

(v) the commissioner must provide for a 60-day appeals process under section 14.57;

(6) the commissioner shall annually inflate the applicable organization encounter rates for FQHCs and rural health clinics from the base year payment rate to the effective date by using the CMS FQHC Market Basket inflator established under United States Code, title 42, section 1395m(o), less productivity;

(7) FQHCs and rural health clinics that have elected the alternative payment methodology under this paragraph shall submit all necessary documentation required by the commissioner to compute the rebased organization encounter rates no later than six months following the date the applicable Medicare cost reports are due to the Centers for Medicare and Medicaid Services;

(8) the commissioner shall reimburse FQHCs and rural health clinics an additional amount relative to their medical and dental organization encounter rates that is attributable to the tax required to be paid according to section 295.52, if applicable;

(9) FQHCs and rural health clinics may submit change of scope requests to the commissioner if the change of scope would result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate currently received by the FQHC or rural health clinic;

(10) for FQHCs and rural health clinics seeking a change in scope with the commissioner under clause (9) that requires the approval of the scope change by the federal Health Resources Services Administration:

(i) FQHCs and rural health clinics shall submit the change of scope request, including the start date of services, to the commissioner within seven business days of submission of the scope change to the federal Health Resources Services Administration;

(ii) the commissioner shall establish the effective date of the payment change as the federal Health Resources Services Administration date of approval of the FQHC's or rural health clinic's scope change request, or the effective start date of services, whichever is later; and

(iii) within 45 days of one year after the effective date established in item (ii), the commissioner shall conduct a retroactive review to determine if the actual costs established under clause (3) or encounters result in an increase or decrease of 2.5 percent or higher in the medical or dental organization encounter rate, and if this is the case, the commissioner shall revise the rate accordingly and shall adjust payments retrospectively to the effective date established in item (ii);

(11) for change of scope requests that do not require federal Health Resources Services Administration approval, the FQHC and rural health clinic shall submit the request to the commissioner before implementing the change, and the effective date of the change is the date the commissioner received the FQHC's or rural health clinic's request, or the effective start date of the service, whichever is later. The commissioner shall provide a response to the FQHC's or rural health clinic's request within 45 days of submission and provide a final approval within 120 days of submission. This timeline may be waived at the mutual agreement of the commissioner and the FQHC or rural health clinic if more information is needed to evaluate the request;

(12) the commissioner, when establishing organization encounter rates for new FQHCs and rural health clinics, shall consider the patient caseload of existing FQHCs and rural health clinics in a 60-mile radius for organizations established outside of the seven-county metropolitan area, and in a 30-mile radius for organizations in the seven-county metropolitan area. If this information is not available, the commissioner may use Medicare cost reports or audited financial statements to establish base rates;

(13) the commissioner shall establish a quality measures workgroup that includes representatives from the Minnesota Association of Community Health Centers, FQHCs, and rural health clinics, to evaluate clinical and nonclinical measures; and

(14) the commissioner shall not disallow or reduce costs that are related to an FQHC's or rural health clinic's participation in health care educational programs to the extent that the costs are not accounted for in the alternative payment methodology encounter rate established in this paragraph.

(m) Effective July 1, 2023, an enrolled Indian health service facility or a Tribal health center operating under a 638 contract or compact may elect to also enroll as a Tribal FQHC. Requirements that otherwise apply to an FQHC covered in this subdivision do not apply to a Tribal FQHC enrolled under this paragraph, except that any requirements necessary to comply with federal regulations do apply to a Tribal FQHC. The commissioner shall establish an alternative payment method for a Tribal FQHC enrolled under this paragraph that uses the same method and rates applicable to a Tribal facility or health center that does not enroll as a Tribal FQHC.

Sec. 21. Minnesota Statutes 2022, section 256B.0625, subdivision 31, is amended to read:

Subd. 31. **Medical supplies and equipment.** (a) Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the developmentally disabled. Reimbursement for wheelchairs and wheelchair accessories for ICF/DD recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient.

(b) Vendors of durable medical equipment, prosthetics, orthotics, or medical supplies must enroll as a Medicare provider.

(c) When necessary to ensure access to durable medical equipment, prosthetics, orthotics, or medical supplies, the commissioner may exempt a vendor from the Medicare enrollment requirement if:

(1) the vendor supplies only one type of durable medical equipment, prosthetic, orthotic, or medical supply;

(2) the vendor serves ten or fewer medical assistance recipients per year;

(3) the commissioner finds that other vendors are not available to provide same or similar durable medical equipment, prosthetics, orthotics, or medical supplies; and

(4) the vendor complies with all screening requirements in this chapter and Code of Federal Regulations, title 42, part 455. The commissioner may also exempt a vendor from the Medicare enrollment requirement if the vendor is accredited by a Centers for Medicare and Medicaid Services approved national accreditation organization as complying with the Medicare program's supplier and quality standards and the vendor serves primarily pediatric patients.

(d) Durable medical equipment means a device or equipment that:

(1) can withstand repeated use;

(2) is generally not useful in the absence of an illness, injury, or disability; and

(3) is provided to correct or accommodate a physiological disorder or physical condition or is generally used primarily for a medical purpose.

(e) Electronic tablets may be considered durable medical equipment if the electronic tablet will be used as an augmentative and alternative communication system as defined under subdivision 31a, paragraph (a). To be covered by medical assistance, the device must be locked in order to prevent use not related to communication.

(f) Notwithstanding the requirement in paragraph (e) that an electronic tablet must be locked to prevent use not as an augmentative communication device, a recipient of waiver services may use an electronic tablet for a use not related to communication when the recipient has been authorized under the waiver to receive one or more additional applications that can be loaded onto the electronic tablet, such that allowing the additional use prevents the purchase of a separate electronic tablet with waiver funds.

(g) An order or prescription for medical supplies, equipment, or appliances must meet the requirements in Code of Federal Regulations, title 42, part 440.70.

(h) Allergen-reducing products provided according to subdivision 67, paragraph (c) or (d), shall be considered durable medical equipment.

(i) Seizure detection devices are covered as durable medical equipment under this subdivision if:

(1) the seizure detection device is medically appropriate based on the recipient's medical condition or status; and

(2) the recipient's health care provider has identified that a seizure detection device would:

(i) likely assist in reducing bodily harm to or death of the recipient as a result of the recipient experiencing a seizure; or

(ii) provide data to the health care provider necessary to appropriately diagnose or treat a health condition of the recipient that causes the seizure activity.

(j) For the purposes of paragraph (i), "seizure detection device" means a United States Food and Drug Administration-approved monitoring device and related service or subscription supporting the prescribed use of the device, including technology that provides ongoing patient monitoring and alert services that detect seizure activity and transmit notification of the seizure activity to a caregiver for appropriate medical response or collects data of the seizure activity of the recipient that can be used by a health care provider to diagnose or appropriately treat a health care condition that causes the seizure activity. The medical assistance reimbursement rate for a subscription supporting the prescribed use of a seizure detection device is 60 percent of the rate for monthly remote monitoring under the medical assistance telemonitoring benefit.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 68. Tobacco and nicotine cessation. (a) Medical assistance covers tobacco and nicotine cessation services, drugs to treat tobacco and nicotine addiction or dependence, and drugs to help individuals discontinue use of tobacco and nicotine products. Medical assistance must cover services and drugs as provided in this subdivision consistent with evidence-based or evidence-informed best practices.

(b) Medical assistance must cover in-person individual and group tobacco and nicotine cessation education and counseling services if provided by a health care practitioner whose scope of practice encompasses tobacco and nicotine cessation education and counseling. Service providers include but are not limited to the following:

(1) mental health practitioners under section 245.462, subdivision 17;

(2) mental health professionals under section 245.462, subdivision 18;

(3) mental health certified peer specialists under section 256B.0615;

(4) alcohol and drug counselors licensed under chapter 148F;

(5) recovery peers as defined in section 245F.02, subdivision 21;

(6) certified tobacco treatment specialists;

(7) community health workers;

(8) physicians;

(9) physician assistants;

(10) advanced practice registered nurses; or

(11) other licensed or nonlicensed professionals or paraprofessionals with training in providing tobacco and nicotine cessation education and counseling services.

(c) Medical assistance covers telephone cessation counseling services provided through a quitline. Notwithstanding section 256B.0625, subdivision 3b, quitline services may be provided through audio-only communications. The commissioner of human services may utilize volume purchasing for quitline services consistent with section 256B.04, subdivision 14.

(d) Medical assistance must cover all prescription and over-the-counter pharmacotherapy drugs approved by the United States Food and Drug Administration for cessation of tobacco and nicotine use or treatment of tobacco and nicotine dependence, and that are subject to a Medicaid drug rebate agreement.

(e) Services covered under this subdivision may be provided by telemedicine.

(f) The commissioner must not:

(1) restrict or limit the type, duration, or frequency of tobacco and nicotine cessation services;

(2) prohibit the simultaneous use of multiple cessation services, including but not limited to simultaneous use of counseling and drugs;

(3) require counseling before receiving drugs or as a condition of receiving drugs;

(4) limit pharmacotherapy drug dosage amounts for a dosing regimen for treatment of a medically accepted indication as defined in United States Code, title 14, section 1396r-8(K)(6); limit dosing frequency; or impose duration limits;

(5) prohibit simultaneous use of multiple drugs, including prescription and over-the-counter drugs;

(6) require or authorize step therapy; or

(7) require or utilize prior authorization for any tobacco and nicotine cessation services and drugs covered under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 23. Minnesota Statutes 2022, section 256B.0625, is amended by adding a subdivision to read:

Subd. 69. Recuperative care services. (a) Medical assistance covers recuperative care services provided in a setting that meets the requirements in paragraph (b) for recipients who meet the eligibility requirements in paragraph (c). For purposes of this subdivision, "recuperative care" means a model of care that prevents hospitalization or that provides postacute medical care and support services for recipients experiencing homelessness who are too ill or frail to recover from a physical illness or injury while living in a shelter or are otherwise unhoused but who are not sick enough to be hospitalized, or remain hospitalized, or to need other levels of care.

(b) Recuperative care may be provided in any setting, including but not limited to homeless shelters, congregate care settings, single-room occupancy settings, or supportive housing, so long as the provider of recuperative care or provider of housing is able to provide to the recipient within the designated setting, at a minimum:

(1) 24-hour access to a bed and bathroom;

(2) access to three meals a day;

(3) availability to environmental services;

(4) access to a telephone;

(5) a secure place to store belongings; and

(6) staff available within the setting to provide a wellness check as needed, but at a minimum at least once every 24 hours.

(c) To be eligible for this covered service, a recipient must:

(1) be 21 years of age or older;

(2) be experiencing homelessness;

(3) be in need of short-term acute medical care for a period of no more than 60 days;

(4) meet clinical criteria, as established by the commissioner, that indicates that the recipient is in need of recuperative care; and

(5) not have behavioral health needs that are greater than what can be managed by the provider within the setting.

(d) Payment for recuperative care shall consist of two components. The first component must be for the services provided to the member and is a bundled daily per diem payment of at least \$300 per day. The second component must be for the facility costs and must be paid using state funds equivalent to the amount paid as the medical assistance room and board rate and annual adjustments. The eligibility standards in chapter 256I shall not apply. The second component is only paid when the first component is paid to a provider. Providers may opt to only be reimbursed for the first component. A provider under this subdivision means a recuperative care provider and is defined by the standards established by the National Institute for Medical Respite Care. Services provided within the bundled payment may include but are not limited to:

(1) basic nursing care, including:

(i) monitoring a patient's physical health and pain level;

(ii) providing wound care;

(iii) medication support;

(iv) patient education;

(v) immunization review and update; and

(vi) establishing clinical goals for the recuperative care period and discharge plan;

(2) care coordination, including:

(i) initial assessment of medical, behavioral, and social needs;

(ii) development of a care plan;

(iii) support and referral assistance for legal services, housing, community social services, case management, health care benefits, health and other eligible benefits, and transportation needs and services; and

(iv) monitoring and follow-up to ensure that the care plan is effectively implemented to address the medical, behavioral, and social needs;

(3) basic behavioral needs, including counseling and peer support, that can be provided in this recuperative care setting; and

(4) services provided by a community health worker as defined under subdivision 49.

(e) Before a recipient is discharged from a recuperative care setting, the provider must ensure that the recipient's acute medical condition is stabilized or that the recipient is being discharged to a setting that is able to meet that recipient's needs.

(f) If a recipient is temporarily absent due to an admission at a residential behavioral health facility, inpatient hospital, or nursing facility for a period of time exceeding the limits described in paragraph (d), the agency may request in a format prescribed by the commissioner an absence day limit exception to continue payments until the recipient is discharged.

(g) The commissioner shall submit an initial report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy by February 1, 2025, and a final report by February 1, 2027, on coverage of recuperative care services. The reports must include but are not limited to:

(1) a list of the recuperative care services in Minnesota and the number of recipients;

(2) the estimated return on investment, including health care savings due to reduced hospitalizations;

(3) follow-up information, if available, on whether recipients' hospital visits decreased since recuperative care services were provided compared to before the services were provided; and

(4) any other information that can be used to determine the effectiveness of the program and its funding, including recommendations for improvements to the program.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 24. Minnesota Statutes 2022, section 256B.196, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** (a) For the purposes of this subdivision and subdivision 3, the commissioner shall determine the fee-for-service outpatient hospital services upper payment limit for nonstate government hospitals. The commissioner shall then determine the amount of a supplemental payment to Hennepin County Medical Center and Regions Hospital for these services that would increase medical assistance spending in this category to the aggregate upper payment limit for all nonstate government hospitals in Minnesota. In making this determination, the commissioner shall allot the available increases between Hennepin County Medical Center and Regions Hospital based on the ratio of medical assistance fee-for-service outpatient hospital payments to the two facilities. The commissioner shall adjust this allotment as necessary based on federal approvals, the amount of intergovernmental transfers received from Hennepin and Ramsey Counties, and other factors, in order to maximize the additional total payments. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match federal Medicaid payments available under this subdivision in order to make supplementary medical assistance payments to Hennepin County Medical Center and Regions Hospital equal to an amount that when combined with existing medical assistance payments to nonstate governmental hospitals would increase total payments to hospitals in this category for outpatient services to the aggregate upper payment limit for all hospitals in this category in Minnesota. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center and Regions Hospital.

(b) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians and other billing professionals affiliated with Hennepin County Medical Center and with Regions Hospital. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County and Ramsey County of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and to make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group equal to the difference between the established medical assistance payment for physician and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians and other billing professionals affiliated with Hennepin County Medical Center and shall make supplementary payments to physicians and other billing professionals affiliated with Regions Hospital through HealthPartners Medical Group.

(c) Beginning January 1, 2010, Ramsey County may make monthly voluntary intergovernmental transfers to the commissioner in amounts not to exceed \$6,000,000 per year. The commissioner shall increase the medical assistance capitation payments to any licensed health plan under contract with the medical assistance program that agrees to make enhanced payments to Regions Hospital. The increase shall be in an amount equal to the annual

value of the monthly transfers plus federal financial participation, with each health plan receiving its pro rata share of the increase based on the pro rata share of medical assistance admissions to Regions Hospital by those plans. For the purposes of this paragraph, "the base amount" means the total annual value of increased medical assistance capitation payments, including the voluntary intergovernmental transfers, under this paragraph in calendar year 2017. For managed care contracts beginning on or after January 1, 2018, the commissioner shall reduce the total annual value of increased medical assistance capitation payments under this paragraph by an amount equal to ten percent of the base amount, and by an additional ten percent of the base amount for each subsequent contract year until December 31, 2025. Upon the request of the commissioner, health plans shall submit individual-level cost data for verification purposes. The commissioner may ratably reduce these payments on a pro rata basis in order to satisfy federal requirements for actuarial soundness. If payments are reduced, transfers shall be reduced accordingly. Any licensed health plan that receives increased medical assistance capitation payments under the intergovernmental transfer described in this paragraph shall increase its medical assistance payments to Regions Hospital by the same amount as the increased payments received in the capitation payment described in this paragraph. This paragraph expires January 1, 2026.

(d) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for ambulance services affiliated with Hennepin County Medical Center and the city of St. Paul, and ambulance services owned and operated by another governmental entity that chooses to participate by requesting the commissioner to determine an upper payment limit. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform Hennepin County, the city of St. Paul, and other participating governmental entities of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities equal to the difference between the established medical assistance payment for ambulance services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to Hennepin County Medical Center, the city of St. Paul, and other participating governmental entities. A tribal government that owns and operates an ambulance service is not eligible to participate under this subdivision.

(e) For the purposes of this subdivision and subdivision 3, the commissioner shall determine an upper payment limit for physicians, dentists, and other billing professionals affiliated with the University of Minnesota and University of Minnesota Physicians. The upper payment limit shall be based on the average commercial rate or be determined using another method acceptable to the Centers for Medicare and Medicaid Services. The commissioner shall inform the University of Minnesota Medical School and University of Minnesota School of Dentistry of the periodic intergovernmental transfers necessary to match the federal Medicaid payments available under this subdivision in order to make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians equal to the difference between the established medical assistance payment for physician, dentist, and other billing professional services and the upper payment limit. Upon receipt of these periodic transfers, the commissioner shall make supplementary payments to physicians, dentists, and other billing professionals affiliated with the University of Minnesota and the University of Minnesota Physicians.

(f) The commissioner shall inform the transferring governmental entities on an ongoing basis of the need for any changes needed in the intergovernmental transfers in order to continue the payments under paragraphs (a) to (e), at their maximum level, including increases in upper payment limits, changes in the federal Medicaid match, and other factors.

(g) The payments in paragraphs (a) to (e) shall be implemented independently of each other, subject to federal approval and to the receipt of transfers under subdivision 3.

(h) All of the data and funding transactions related to the payments in paragraphs (a) to (e) shall be between the commissioner and the governmental entities. The commissioner shall not make payments to governmental entities eligible to receive payments described in paragraphs (a) to (e) that fail to submit the data needed to compute the payments within 24 months of the initial request from the commissioner.

(i) For purposes of this subdivision, billing professionals are limited to physicians, nurse practitioners, nurse midwives, clinical nurse specialists, physician assistants, anesthesiologists, certified registered nurse anesthetists, dentists, dental hygienists, and dental therapists.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 25. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) The commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based purchasing plans, and providers. The managed care or county-based purchasing plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) The commissioner shall require that managed care plans:

(1) use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659 and community first services and supports under section 256B.85; and

(2) by January 30 of each year that follows a rate increase for any aspect of services under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over rates determined under section 256B.851 of the amount of the rate increase that is paid to each personal care assistance provider agency with which the plan has a contract.

~~(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the~~

~~managed care plan or county based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous measurement year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county based purchasing plan to account for differences that they agree are significant.~~

~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.~~

~~The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.~~

~~(f) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county based purchasing plan to account for differences that they agree are significant.~~

~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.~~

~~The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.~~

~~(g) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.~~

~~The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.~~

~~The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.~~

~~(h)~~ (e) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(i)~~ (f) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(j)~~ (g) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

~~(k)~~ (h) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

~~(l)~~ (i) The return of the withhold under paragraphs (h) and (i) is not subject to the requirements of paragraph (c).

~~(m)~~ (j) Managed care plans and county-based purchasing plans shall maintain current and fully executed agreements for all subcontractors, including bargaining groups, for administrative services that are expensed to the state's public health care programs. Subcontractor agreements determined to be material, as defined by the commissioner after taking into account state contracting and relevant statutory requirements, must be in the form of a written instrument or electronic document containing the elements of offer, acceptance, consideration, payment terms, scope, duration of the contract, and how the subcontractor services relate to state public health care programs. Upon request, the commissioner shall have access to all subcontractor documentation under this paragraph. Nothing in this paragraph shall allow release of information that is nonpublic data pursuant to section 13.02.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 26. Minnesota Statutes 2022, section 256B.76, subdivision 1, is amended to read:

Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Centers for Medicare and Medicaid Services' common procedural coding system codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," cesarean delivery and pharmacologic management provided to psychiatric patients, and level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases except that payment rates for home health agency services shall be the rates in effect on September 30, 1992.

(b) Effective for services rendered on or after January 1, 2000, payment rates for physician and professional services shall be increased by three percent over the rates in effect on December 31, 1999, except for home health agency and family planning agency services. The increases in this paragraph shall be implemented January 1, 2000, for managed care.

(c) Effective for services rendered on or after July 1, 2009, payment rates for physician and professional services shall be reduced by five percent, except that for the period July 1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical assistance and general assistance medical care programs, over the rates in effect on June 30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other outpatient visits, preventive medicine visits and family planning visits billed by physicians, advanced practice nurses, or physician assistants in a family planning agency or in one of the following primary care practices: general practice, general internal medicine, general pediatrics, general geriatrics, and family medicine. This reduction and the reductions in paragraph (d) do not apply to federally qualified health centers, rural health centers, and Indian health services. Effective October 1, 2009, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(d) Effective for services rendered on or after July 1, 2010, payment rates for physician and professional services shall be reduced an additional seven percent over the five percent reduction in rates described in paragraph (c). This additional reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services provided on or after July 1, 2010. This additional reduction does not apply to physician services billed by a psychiatrist or an advanced practice nurse with a specialty in mental health. Effective October 1, 2010, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013, payment rates for physician and professional services shall be reduced three percent from the rates in effect on August 31, 2011. This reduction does not apply to physical therapy services, occupational therapy services, and speech pathology and related services.

(f) Effective for services rendered on or after September 1, 2014, payment rates for physician and professional services, including physical therapy, occupational therapy, speech pathology, and mental health services shall be increased by five percent from the rates in effect on August 31, 2014. In calculating this rate increase, the commissioner shall not include in the base rate for August 31, 2014, the rate increase provided under section 256B.76, subdivision 7. This increase does not apply to federally qualified health centers, rural health centers, and Indian health services. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(g) Effective for services rendered on or after July 1, 2015, payment rates for physical therapy, occupational therapy, and speech pathology and related services provided by a hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments made to managed care plans and county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.

(h) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(i) The commissioner may reimburse the cost incurred to pay the Department of Health for metabolic disorder testing of newborns who are medical assistance recipients when the sample is collected outside of an inpatient hospital setting or freestanding birth center setting because the newborn was born outside of a hospital setting or freestanding birth center setting or because it is not medically appropriate to collect the sample during the inpatient stay for the birth.

Sec. 27. Minnesota Statutes 2022, section 256B.76, subdivision 2, is amended to read:

Subd. 2. **Dental reimbursement.** (a) Effective for services rendered ~~on or after~~ from October 1, 1992, to December 31, 2023, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) ~~Beginning~~ From October 1, 1999, to December 31, 2023, the payment for tooth sealants and fluoride treatments shall be the lower of (1) submitted charge, or (2) 80 percent of median 1997 charges.

(c) Effective for services rendered ~~on or after~~ from January 1, 2000, to December 31, 2023, payment rates for dental services shall be increased by three percent over the rates in effect on December 31, 1999.

(d) Effective for services provided ~~on or after~~ from January 1, 2002, to December 31, 2023, payment for diagnostic examinations and dental x-rays provided to children under age 21 shall be the lower of (1) the submitted charge, or (2) 85 percent of median 1999 charges.

(e) The increases listed in paragraphs (b) and (c) shall be implemented January 1, 2000, for managed care.

(f) Effective for dental services rendered on or after October 1, 2010, by a state-operated dental clinic, payment shall be paid on a reasonable cost basis that is based on the Medicare principles of reimbursement. This payment shall be effective for services rendered on or after January 1, 2011, to recipients enrolled in managed care plans or county-based purchasing plans.

(g) Beginning in fiscal year 2011, if the payments to state-operated dental clinics in paragraph (f), including state and federal shares, are less than \$1,850,000 per fiscal year, a supplemental state payment equal to the difference between the total payments in paragraph (f) and \$1,850,000 shall be paid from the general fund to state-operated services for the operation of the dental clinics.

~~(h) Effective for services rendered on or after January 1, 2014, through December 31, 2021, payment rates for dental services shall be increased by five percent from the rates in effect on December 31, 2013. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, and Indian health services. Effective January 1, 2014, payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the payment increase described in this paragraph.~~

~~(i) Effective for services provided on or after January 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 9.65 percent for dental services provided outside of the seven-county metropolitan area. This increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health services. Effective January 1, 2017, payments to managed care plans and county-based purchasing plans under sections 256B.69 and 256B.692 shall reflect the payment increase described in this paragraph.~~

~~(j)~~ Effective for services provided on or after July 1, 2017, through December 31, 2021, the commissioner shall increase payment rates by 23.8 percent for dental services provided to enrollees under the age of 21. This rate increase does not apply to state-operated dental clinics in paragraph (f), federally qualified health centers, rural health centers, or Indian health centers. This rate increase does not apply to managed care plans and county-based purchasing plans.

~~(k)~~ (h) Effective for services provided on or after January 1, 2022, the commissioner shall exclude from medical assistance and MinnesotaCare payments for dental services to public health and community health clinics the 20 percent increase authorized under Laws 1989, chapter 327, section 5, subdivision 2, paragraph (b).

~~(l)~~ (i) Effective for services provided ~~on or after~~ from January 1, 2022, to December 31, 2023, the commissioner shall increase payment rates by 98 percent for all dental services. This rate increase does not apply to state-operated dental clinics, federally qualified health centers, rural health centers, or Indian health services.

~~(m)~~ (j) Managed care plans and county-based purchasing plans shall reimburse providers at a level that is at least equal to the rate paid under fee-for-service for dental services. If, for any coverage year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed an amount equal to any increase in rates that results from this provision. If, for any coverage year, federal approval is not received for this paragraph, the commissioner shall not implement this paragraph for subsequent coverage years.

(k) Effective for services provided on or after January 1, 2024, payment for dental services must be the lower of submitted charges or the percentile of 2018-submitted charges from claims paid by the commissioner so that the total aggregate expenditures does not exceed the total spend as outlined in the applicable paragraphs (a) to (k). This paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

(l) Beginning January 1, 2028, and every three years thereafter, the commissioner shall rebase payment rates for dental services to a percentile of submitted charges for the applicable base year using charge data from claims paid by the commissioner so that the total aggregate expenditures does not exceed the total spend as outlined in paragraph (k) plus the change in the Medicare Economic Index (MEI). In 2028, the change in the MEI must be measured from midyear of 2025 and 2027. For each subsequent rebasing, the change in the MEI must be measured between the years that are one year after the rebasing years. The base year used for each rebasing must be the calendar year that is two years prior to the effective date of the rebasing. This paragraph does not apply to federally qualified health centers, rural health centers, state-operated dental clinics, or Indian health centers.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 28. Minnesota Statutes 2022, section 256B.764, is amended to read:

256B.764 REIMBURSEMENT FOR FAMILY PLANNING SERVICES.

(a) Effective for services rendered on or after July 1, 2007, payment rates for family planning services shall be increased by 25 percent over the rates in effect June 30, 2007, when these services are provided by a community clinic as defined in section 145.9268, subdivision 1.

(b) Effective for services rendered on or after July 1, 2013, payment rates for family planning services shall be increased by 20 percent over the rates in effect June 30, 2013, when these services are provided by a community clinic as defined in section 145.9268, subdivision 1. The commissioner shall adjust capitation rates to managed care and county-based purchasing plans to reflect this increase, and shall require plans to pass on the full amount of the rate increase to eligible community clinics, in the form of higher payment rates for family planning services.

(c) Effective for services provided on or after January 1, 2024, payment rates for family planning and abortion services shall be increased by ten percent. This increase does not apply to federally qualified health centers, rural health centers, or Indian health services.

Sec. 29. Minnesota Statutes 2022, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, with the exception of special education services, home care nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation services, personal care assistance and case management services, community first services and supports under section 256B.85, behavioral health home services under section 256B.0757, housing stabilization services under section 256B.051, and nursing home or intermediate care facilities services.

~~(b) No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.~~

~~(b)~~ (b) Covered health services shall be expanded as provided in this section.

~~(c)~~ (c) For the purposes of covered health services under this section, "child" means an individual younger than 19 years of age.

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

Sec. 30. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner ~~shall~~ **must** adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing must not apply to drugs used for tobacco and nicotine cessation or to tobacco and nicotine cessation services covered under section 256B.0625, subdivision 68.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 31. Laws 2021, First Special Session chapter 7, article 6, section 26, is amended to read:

Sec. 26. **COMMISSIONER OF HUMAN SERVICES; EXTENSION OF COVID-19 HUMAN SERVICES PROGRAM MODIFICATIONS.**

Notwithstanding Laws 2020, First Special Session chapter 7, section 1, subdivision 2, as amended by Laws 2020, Third Special Session chapter 1, section 3, when the peacetime emergency declared by the governor in response to the COVID-19 outbreak expires, is terminated, or is rescinded by the proper authority, the following modifications issued by the commissioner of human services pursuant to Executive Orders 20-11 and 20-12, and including any amendments to the modification issued before the peacetime emergency expires, shall remain in effect until July 1, ~~2023~~ 2025:

(1) CV16: expanding access to telemedicine services for Children's Health Insurance Program, Medical Assistance, and MinnesotaCare enrollees; and

(2) CV21: allowing telemedicine alternative for school-linked mental health services and intermediate school district mental health services.

Sec. 32. **REPEALER.**

Minnesota Rules, part 9505.0235, is repealed the day following final enactment.

ARTICLE 2
HEALTH CARE AFFORDABILITY AND DELIVERY

Section 1. **[62J.0411] HEALTH CARE AFFORDABILITY COMMISSION.**

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

(b) "Commission" means the Health Care Affordability Commission.

(c) "Commissioner" means the commissioner of health.

(d) "Health care entity" includes but is not limited to clinics, hospitals, ambulatory surgical centers, physician organizations, accountable care organizations, integrated provider and plan systems, county-based purchasing plans, and health plan companies.

(e) "Health care provider" or "provider" means a health care professional who is licensed or registered by the state to perform health care services within the provider's scope of practice and in accordance with state law.

(f) "Health plan" means a health plan as defined in section 62A.011, subdivision 3.

(g) "Health plan company" means a health carrier as defined under section 62A.011, subdivision 2.

(h) "Hospital" means an entity licensed under sections 144.50 to 144.58.

Subd. 2. **Commission membership.** (a) The commissioner of health shall establish a health care affordability commission that shall consist of the following 15 members:

(1) two members with expertise and experience in advocating on behalf of patients;

(2) two Minnesota residents who are health care consumers, one residing in greater Minnesota and one residing in a metropolitan area, one of whom represents an underserved community;

(3) one member representing Indian Tribes;

(4) two members of the business community who purchase health insurance for their employees, one of whom purchases coverage in the small group market;

(5) two members representing public purchasers of health insurance for their employees;

(6) one licensed and certified health care provider employed at a federally qualified health center;

(7) one member representing a health care entity or urban hospitals;

(8) one member representing rural hospitals;

(9) one member representing health plans;

(10) one member who is an expert in health care financing and administration; and

(11) one member who is an expert in health economics.

(b) All members appointed must have the knowledge and demonstrated expertise in one of the following areas of expertise, and each area of expertise must be met by at least one member of the commission:

(1) health care finance, health economics, and health care management or administration at a senior level;

(2) health care consumer advocacy;

(3) representing the health care workforce as a leader in a labor organization;

(4) purchasing health insurance representing business management or health benefits administration;

(5) delivering primary care, health plan administration, or public or population health; or

(6) addressing health disparities and structural inequities.

(c) No member may participate in commission proceedings involving an individual provider, purchaser, or patient or a specific activity or transaction if the member has direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.

Subd. 3. **Terms.** (a) The commissioners of health, human services, and commerce shall make recommendations for commission membership. Commission members shall be appointed by the governor. The initial appointments to the commission shall be made by September 1, 2023. The initial appointed commission members shall serve staggered terms of three or four years determined by lot by the secretary of state. Following the initial appointments, the commission members shall serve four-year terms. Members may not serve more than two consecutive terms.

(b) The commission is governed by section 15.0575, except as otherwise provided in this section.

(c) A commission member may resign at any time by giving written notice to the commission.

Subd. 4. **Chair; other officers.** (a) The governor shall annually designate a member to serve as chair of the commission. The chair shall serve for one year. If there is a vacancy for any cause, the governor shall make an appointment for that category of membership and expertise, to become immediately effective.

(b) The commission shall elect a vice-chair and other officers from its membership as it deems necessary.

Subd. 5. **Compensation.** Commission members may be compensated according to section 15.0575.

Subd. 6. **Meetings.** (a) Meetings of the commission, including any public hearings, are subject to chapter 13D.

(b) The commission must meet publicly on at least a monthly basis until the initial growth targets are established.

(c) After the initial growth targets are established, the commission shall meet at least quarterly to consider summary data presented by the commissioner, draft report findings, consider updates to the health care spending growth target program and growth target levels, discuss findings with health care providers and payers, and identify additional analyses and strategies to limit health care spending growth.

Subd. 7. **Hearings.** At least annually, the commission shall hold public hearings to present findings from spending growth target monitoring. The commission shall also regularly hold public hearings to take testimony from stakeholders on health care spending growth, setting and revising health care spending growth targets, and the impact of spending growth and growth targets on health care access and quality and as needed to perform assigned duties.

Subd. 8. **Staff; technical assistance; contracting.** (a) The commission shall hire a full-time executive director and administrative staff who shall serve in the unclassified service. The executive director must have significant knowledge and expertise in health economics and demonstrated experience in health policy.

(b) The attorney general shall provide legal services to the commission.

(c) The commissioner of health shall provide technical assistance to the commission related to collecting data, analyzing health care trends and costs, and setting health care spending growth targets.

Subd. 9. **Administration.** The commissioner of health shall provide office space, equipment and supplies, and analytic staff support to the commission and the Health Care Affordability Advisory Council.

Subd. 10. **Duties of the commissioner.** (a) The commissioner, in consultation with the commissioners of commerce and human services, shall provide staff support to the commission, including performing and procuring consulting and analytic services. The commissioner shall:

(1) establish the form and manner of data reporting, including reporting methods and dates, consistent with program design and timelines formalized by the commission;

(2) under the authority in chapter 62J, collect data identified by the commission for use in the program in a form and manner that ensures the collection of high-quality, transparent data;

(3) provide analytical support, including by conducting background research or environmental scans, evaluating the suitability of available data, performing needed analysis and data modeling, calculating performance under the spending trends, and researching drivers of spending growth trends;

(4) assist health care entities subject to the targets with reporting of data, internal analysis of spending growth trends, and, as necessary, methodological issues;

(5) synthesize information and report to the commission; and

(6) make appointments and staff the Health Care Affordability Advisory Council under section 62J.0414.

(b) In carrying out the duties required by this section, the commissioner may contract with entities with expertise in health economic, health finance, and actuarial science.

Subd. 11. **Access to information.** (a) The commission or commissioner may request that a state agency provide the commission with data as defined in sections 62J.04 and 295.52 in a usable format as requested by the commission, at no cost to the commission.

(b) The commission may request from a state agency unique or custom data sets, and the agency may charge the commission for providing the data at the same rate the agency would charge any other public or private entity. The commission may grant the commissioner access to this data.

(c) Any information provided to the commission or commissioner by a state agency must be de-identified. For purposes of this subdivision, "de-identified" means the process used to prevent the identity of a person from being connected with information and ensuring all identifiable information has been removed.

(d) Any data submitted to the commission or the commissioner shall retain their original classification under the Minnesota Data Practices Act in chapter 13.

(e) The commissioner, under the authority of chapter 62J, may collect data necessary for the performance of its duties, and shall collect this data in a form and manner that ensures the collection of high-quality, transparent data.

Sec. 2. **[62J.0412] DUTIES OF THE COMMISSION; GENERAL.**

Subdivision 1. **Health care delivery and payment.** (a) The commission shall monitor the administration and reform of the health care delivery and payment systems in the state. The commission shall:

(1) set health care spending growth targets for the state;

(2) enhance the transparency of provider organizations;

(3) monitor the adoption and effectiveness of alternative payment methodologies;

(4) foster innovative health care delivery and payment models that lower health care cost growth while improving the quality of patient care;

(5) monitor and review the impact of changes within the health care marketplace; and

(6) monitor patient access to necessary health care services.

(b) The commission shall establish goals to reduce health care disparities in racial and ethnic communities and to ensure access to quality care for persons with disabilities or with chronic or complex health conditions.

Subd. 2. **Duties of the commission; market trends.** The commission shall monitor efforts to reform the health care delivery and payment system in Minnesota to understand emerging trends in the commercial health insurance market, including large self-insured employers and the state's public health care programs, in order to identify opportunities for state action to achieve:

(1) improved patient experience of care, including quality, access to care, and satisfaction;

(2) improved health of all populations, including a reduction in health disparities; and

(3) a reduction in the growth of health care costs.

Subd. 3. **Duties of the commission; recommendations for reform.** The commission shall make periodic recommendations for legislative policy, market, or any other reforms to:

(1) lower the rate of growth in commercial health care costs and public health care program spending in the state;

(2) positively impact the state's rankings in the areas listed in this subdivision and subdivision 2; and

(3) improve the quality and value of care for all Minnesotans, and for specific populations adversely affected by health disparities.

Sec. 3. **[62J.0413] DUTIES OF THE COMMISSION; GROWTH TARGETS.**

Subdivision 1. **Growth target program.** The commission is responsible for the development, establishment, and operation of the health care spending growth target program, determining the health care entities subject to health care spending growth targets, and reporting on progress toward targets to the legislature and the public.

Subd. 2. **Methodologies for growth targets.** (a) The commission shall develop and maintain the health care spending growth target program, and report to the legislature and the public on progress toward achieving growth targets. The commission shall conduct all activities necessary for the successful implementation of the program, in order to limit health care spending growth. The commission shall:

(1) establish a statement of purpose;

(2) develop a methodology to establish health care spending growth targets and the economic indicators to be used in establishing the initial and subsequent target levels;

(3) establish health care spending growth targets that:

(i) use a clear and operational definition of total state health care spending;

(ii) promote a predictable and sustainable rate of growth for total health care spending, as measured by an established economic indicator, such as the rate of increase in the state economy, the personal income of state residents, or a combination;

(iii) apply to all health care providers and all health plan companies in the state's health care system; and

(iv) are measurable on a per capita basis, statewide basis, health plan basis, and health care provider basis; and

(4) establish a methodology for calculating health care cost growth that:

(i) allows measurement statewide and for each health care provider and health plan company, and at the discretion of the commission allows accounting for variability by age and sex;

(ii) takes into consideration the need for variability in targets across public and private payers;

(iii) incorporates health equity considerations; and

(iv) considers the impact of targets on health care access and disparities.

(b) The commission, when developing this methodology, shall determine which health care entities are subject to targets, and at what level of aggregation.

Subd. 3. **Data on performance.** The commission shall identify the data to be used for tracking performance toward achieving health care spending growth targets, and adopt methods of data collection. In identifying data and methods, the commission shall:

(1) consider the availability, timeliness, quality, and usefulness of existing data;

(2) assess the need for additional investments in data collection, data validation, or analysis capacity to support efficient collection and aggregation of data to support the commission's activities;

(3) limit the reporting burden to the greatest extent possible; and

(4) identify and define the health care entities that are required to report to the commissioner.

Subd. 4. Reporting requirements. The commission shall establish requirements for health care providers and health plan companies to report data and other information necessary to calculate health care cost growth. Health care providers and health plans must report data in the form and manner established by the commission.

Subd. 5. Establishment of growth targets. (a) The commission, by June 15, 2024, shall establish annual health care spending growth targets consistent with the methodology in subdivision 2 for each of the next five calendar years, with the goal of limiting health care spending growth. The commission may continue to establish annual health care spending growth targets for subsequent years.

(b) The commission shall regularly review all components of the program methodology, including economic indicators and other factors, and, as appropriate, revise established health care spending growth target levels. Any changes to health care spending growth target levels require a two-thirds majority vote of the commission.

Subd. 6. Additional criteria for growth targets. (a) In developing the health care spending growth target program, the commission may:

(1) evaluate and ensure that the program does not place a disproportionate burden on communities most impacted by health disparities, the providers who primarily serve communities most impacted by health disparities, or individuals who reside in rural areas or have high health care needs;

(2) consider payment models that help ensure financial sustainability of rural health care delivery systems and the ability to provide population health;

(3) consider the addition of quality of care performance measures or minimum primary care spending goals;

(4) allow setting growth targets that encourage an individual health care entity to serve populations with greater health care risks by incorporating:

(i) a risk factor adjustment reflecting the health status of the entity's patient mix; and

(ii) an equity adjustment accounting for the social determinants of health and other factors related to health equity for the entity's patient mix;

(5) ensure that growth targets:

(i) encourage the growth of the Minnesota health care workforce, including the need to provide competitive wages and benefits;

(ii) do not limit the use of collective bargaining or place a floor or ceiling on health care workforce compensation; and

(iii) promote workforce stability and maintain high-quality health care jobs; and

(6) consult with stakeholders representing patients, health care providers, payers of health care services, and others.

(b) Based on an analysis of drivers of health care spending by the commissioner and evidence from public testimony, the commissioner shall explore strategies, new policies, and future legislative proposals that can contribute to achieving health care spending growth targets or limiting health care spending growth without increasing disparities in access to health care, including the establishment of accountability mechanisms for health care entities.

Subd. 7. **Reports.** (a) The commission shall submit the reports specified in this section to the chairs and ranking minority members of the legislative committees with primary jurisdiction over health care. These reports must be made available to the public.

(b) The commission shall submit written progress updates about the development and implementation of the health care growth target program by February 15, 2024, and February 15, 2025. The updates must include reporting on commission membership and activities, program design decisions, planned timelines for implementation of the program, progress of implementation, and comprehensive methodological details underlying program design decisions.

(c) The commission shall submit by March 31, 2026, and by March 31 annually thereafter, reports on health care spending trends related to the health care growth targets. The commission may delegate preparation of the reports to the commissioner and any contractors the commissioner determines are necessary. The reports must include:

(1) aggregate spending growth for entities subject to health care growth targets relative to established target levels;

(2) findings from the analyses of cost drivers of health care spending growth;

(3) estimates of the impact of health care spending growth on Minnesota residents, including for those communities most impacted by health disparities, including an analysis of Minnesota residents' access to insurance and care, the value of health care, and the state's ability to pursue other spending priorities;

(4) the potential and observed impact of the health care growth targets on the financial viability of the rural health care delivery system;

(5) changes in the health care spending growth methodology under consideration;

(6) recommended policy changes that may affect health care spending growth trends, including broader and more transparent adoption of value-based payment arrangements; and

(7) an overview of health care entities subject to health care growth targets that have implemented or completed a performance improvement plan.

Sec. 4. **[62J.0414] HEALTH CARE AFFORDABILITY ADVISORY COUNCIL.**

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

(b) "Council" means the Health Care Affordability Advisory Council.

(c) "Commission" means the Health Care Affordability Commission.

Subd. 2. **Establishment; administration.** (a) The commissioner of health shall appoint a 15-member advisory council to provide technical assistance to the commission. Members shall be appointed based on their knowledge and demonstrated expertise in one or more of the following areas:

(1) health care spending trends and drivers;

(2) equitable access to health care services;

(3) health insurance operation and finance;

(4) actuarial science;

(5) the practice of medicine;

(6) patient perspectives;

(7) clinical and health services research; and

(8) the health care marketplace.

(b) The commissioner shall provide administrative and staff support to the advisory council.

Subd. 3. **Membership.** The council's membership shall consist of:

(1) three members representing patients and health care consumers, at least one of whom must have experience working with communities most impacted by health disparities and one of whom must have experience working with persons in the disability community;

(2) the commissioner of health or a designee;

(3) the commissioner of human services or a designee;

(4) one member who is a health services researcher at the University of Minnesota;

(5) two members who represent nonprofit group purchasers;

(6) one member who represents for-profit group purchasers;

(7) two members who represent health care entities;

(8) one member who represents independent health care providers;

(9) two members who represent employee benefit plans, with one representing a public employer; and

(10) one member who represents the Rare Disease Advisory Council.

Subd. 4. **Terms.** (a) The initial appointments to the council shall be made by September 30, 2023. The council members shall serve staggered terms of three or four years determined by lot by the secretary of state. Following the initial appointments, the council members shall serve four-year terms. Members may not serve more than two consecutive terms.

(b) Removal and vacancies of council members are governed by section 15.059.

Subd. 5. **Meetings.** The council must meet publicly on at least a monthly basis until the initial growth targets are established. After the initial growth targets are established, the council shall meet at least quarterly.

Subd. 6. Duties. The council shall:

(1) provide technical advice to the commission on the development and implementation of the health care spending growth targets, drivers of health care spending, and other items related to the commission duties;

(2) provide technical input on data sources for measuring health care spending; and

(3) advise the commission on methods to measure the impact of health care spending growth targets on:

(i) communities most impacted by health disparities;

(ii) the providers who primarily serve communities most impacted by health disparities;

(iii) individuals with disabilities;

(iv) individuals with health coverage through medical assistance or MinnesotaCare;

(v) individuals who reside in rural areas; and

(vi) individuals with rare diseases.

Subd. 7. Expiration. Notwithstanding section 15.059, subdivision 6, the council does not expire.

Sec. 5. [62J.0415] NOTICE TO HEALTH CARE ENTITIES.

Subdivision 1. Notice. The commission shall provide notice to all health care entities that have been identified by the commission as exceeding the health care spending growth target for a specified period as determined by the commission.

Subd. 2. Performance improvement plans. (a) The commission shall establish and implement procedures to assist health care entities to improve efficiency and reduce cost growth by requiring some or all health care entities provided notice under subdivision 1 to file and implement a performance improvement plan. The commission shall provide written notice of this requirement to health care entities and describe the form and manner in which these plans must be prepared and submitted.

(b) Within 45 days of receiving a notice of the requirement to file a performance improvement plan, a health care entity shall:

(1) file a performance improvement plan as specified in paragraph (d); or

(2) file a request for a waiver or extension as specified in paragraph (c).

(c) The health care entity may file any documentation or supporting evidence with the commission to support the health care entity's application to waive or extend the timeline to file a performance improvement plan. The commission shall require the health care entity to submit any other relevant information it deems necessary in considering the waiver or extension application, provided that this information shall be made public at the discretion of the commission. The commission may waive or delay the requirement for a health care entity to file a performance improvement plan in response to a waiver or extension request in light of all information received from the health care entity, based on a consideration of the following factors:

(1) the costs, price, and utilization trends of the health care entity over time, and any demonstrated improvement in reducing per capita medical expenses adjusted by health status;

(2) any ongoing strategies or investments that the health care entity is implementing to improve future long-term efficiency and reduce cost growth;

(3) whether the factors that led to increased costs for the health care entity can reasonably be considered to be unanticipated and outside of the control of the entity. These factors may include but shall not be limited to age and other health status adjusted factors of the patients served by the health care entity and other cost inputs such as pharmaceutical expenses and medical device expenses;

(4) the overall financial condition of the health care entity; and

(5) any other factors the commission considers relevant.

If the commission declines to waive or extend the requirement for the health care entity to file a performance improvement plan, the commission shall provide written notice to the health care entity that its application for a waiver or extension was denied and the health care entity shall file a performance improvement plan.

(d) The performance improvement plan shall identify the causes of the entity's cost growth and shall include but not be limited to specific strategies, adjustments, and action steps the entity proposes to implement to improve cost performance. The proposed performance improvement plan shall include specific identifiable and measurable expected outcomes and a timetable for implementation. The commission may request additional information as needed, in order to approve a proposed performance improvement plan. The timetable for a performance improvement plan must not exceed 18 months.

(e) The commission shall approve any performance improvement plan that it determines is reasonably likely to address the underlying cause of the entity's cost growth and has a reasonable expectation for successful implementation. If the commission determines that the performance improvement plan is unacceptable or incomplete, the commission may provide consultation on the criteria that have not been met and may allow an additional time period of up to 30 calendar days for resubmission. Upon approval of the proposed performance improvement plan, the commission shall notify the health care entity to begin immediate implementation of the performance improvement plan. Public notice shall be provided by the commission on its website, identifying that the health care entity is implementing a performance improvement plan. All health care entities implementing an approved performance improvement plan shall be subject to additional reporting requirements and compliance monitoring, as determined by the commission. The commission may request the commissioner to assist in the review of performance improvement plans. The commission shall provide assistance to the health care entity in the successful implementation of the performance improvement plan.

(f) All health care entities shall in good faith work to implement the performance improvement plan. At any point during the implementation of the performance improvement plan, the health care entity may file amendments to the performance improvement plan, subject to approval of the commission. At the conclusion of the timetable established in the performance improvement plan, the health care entity shall report to the commission regarding the outcome of the performance improvement plan. If the commission determines the performance improvement plan was not implemented successfully, the commission shall:

(1) extend the implementation timetable of the existing performance improvement plan;

(2) approve amendments to the performance improvement plan as proposed by the health care entity;

(3) require the health care entity to submit a new performance improvement plan; or

(4) waive or delay the requirement to file any additional performance improvement plans.

Upon the successful completion of the performance improvement plan, the commission shall remove the identity of the health care entity from the commission's website.

(g) If the commission determines that a health care entity has:

(1) willfully neglected to file a performance improvement plan with the commission within 45 days or as required;

(2) failed to file an acceptable performance improvement plan in good faith with the commission;

(3) failed to implement the performance improvement plan in good faith; or

(4) knowingly failed to provide information required by this subdivision to the commission or knowingly provided false information, the commission may assess a civil penalty to the health care entity of not more than \$500,000. The commission shall only impose a civil penalty as a last resort.

Sec. 6. [62J.0416] IDENTIFY STRATEGIES FOR REDUCTION OF ADMINISTRATIVE SPENDING AND LOW-VALUE CARE.

(a) The commissioner of health shall develop recommendations for strategies to reduce the volume and growth of administrative spending by health care organizations and group purchasers, and the magnitude of low-value care delivered to Minnesota residents. The commissioner shall:

(1) review the availability of data and identify gaps in the data infrastructure to estimate aggregated and disaggregated administrative spending and low-value care;

(2) based on available data, estimate the volume and change over time of administrative spending and low-value care in Minnesota;

(3) conduct an environmental scan and key informant interviews with experts in health care finance, health economics, health care management or administration, and the administration of health insurance benefits to determine drivers of spending growth for spending on administrative services or the provision of low-value care; and

(4) convene a clinical learning community and an employer task force to review the evidence from clauses (1) to (3) and develop a set of actionable strategies to address administrative spending volume and growth and the magnitude of the volume of low-value care.

(b) By March 31, 2025, the commissioner shall deliver the recommendations to the chairs and ranking minority members of house and senate committees with jurisdiction over health and human services finance and policy.

Sec. 7. [62J.0417] PAYMENT MECHANISMS IN RURAL HEALTH CARE.

(a) The commissioner shall develop a plan to assess readiness of rural communities and rural health care providers to adopt value based, global budgeting or alternative payment systems and recommend steps needed to implement them. The commissioner may use the development of case studies and modeling of alternate payment systems to demonstrate value-based payment systems that ensure a baseline level of essential community or regional health services and address population health needs.

(b) The commissioner shall develop recommendations for pilot projects with the aim of ensuring financial viability of rural health care entities in the context of spending growth targets. The commissioner shall share findings with the health care affordability commission.

Sec. 8. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 and 5 for the following purposes:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; ~~and~~

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers;

(iii) be updated by the commissioner, at least annually, with the most current data available;

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015; and

(6) to provide technical assistance to the Health Care Affordability Commission to implement sections 62J.0411 to 62J.0415.

(b) The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned.

(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.

(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.

(e) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).

Sec. 9. Minnesota Statutes 2022, section 62V.05, is amended by adding a subdivision to read:

Subd. 13. **Transitional cost-sharing reductions.** (a) The board shall develop and implement, for the 2024, 2025, and 2026 plan years only, a system to support eligible individuals who choose to enroll in gold level health plans through MNsure.

(b) For purposes of this section, an "eligible individual" is an individual who:

(1) is a resident of Minnesota; and

(2) is enrolled in a gold level health plan offered in the enrollee's county of residence.

(c) Under the system established in this subdivision, the monthly transitional cost-sharing reduction subsidy for an eligible individual is \$75.

(d) The board shall establish procedures for determining an individual's eligibility for the subsidy and providing payments to a health carrier for any eligible individuals enrolled in the carrier's gold level health plans.

Sec. 10. **[256.9631] DIRECT PAYMENT SYSTEM FOR MEDICAL ASSISTANCE AND MINNESOTACARE.**

Subdivision 1. **Direct payment system established.** (a) The commissioner shall establish a direct payment system to deliver services to eligible individuals, in order to achieve better health outcomes and reduce the cost of health care for the state. Under this system, eligible individuals shall receive services through the medical assistance fee-for-service system, county-based purchasing plans, or county-owned health maintenance organizations. The commissioner shall implement the direct payment system beginning January 1, 2027.

(b) Persons who do not meet the definition of eligible individual shall continue to receive services from managed care and county-based purchasing plans under sections 256B.69 and 256B.692, subject to the opt-out provision under section 256B.69, subdivision 28, paragraph (c), for persons who are certified as blind or having a disability, and the exemptions from managed care enrollment listed in section 256B.69, subdivision 4, paragraph (b).

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Eligible individuals" means: (1) qualified medical assistance enrollees, defined as persons eligible for medical assistance as families and children and adults without children eligible under section 256B.055, subdivision 15; and (2) all MinnesotaCare enrollees.

(c) "Qualified hospital provider" means a nonstate government teaching hospital with high medical assistance utilization and a level 1 trauma center, and all of the hospital's owned or affiliated health care professionals, ambulance services, sites, and clinics.

Subd. 3. **Managed care service delivery.** (a) In counties that choose to operate a county-based purchasing plan under section 256B.692, the commissioner shall permit those counties, in a timely manner, to establish a new county-based purchasing plan or participate in an existing county-based purchasing plan.

(b) In counties that choose to operate a county-owned health maintenance organization under section 256B.69, the commissioner shall permit those counties to establish a new county-owned and operated health maintenance organization or continue serving enrollees through an existing county-owned and operated health maintenance organization.

(c) County-based purchasing plans and county-owned health maintenance organizations shall be reimbursed at the capitation rate determined under sections 256B.69 and 256B.692, unless the county board or boards elect to receive fee-for-service reimbursement under subdivision 4, paragraph (b).

(d) The commissioner shall allow eligible individuals the opportunity to opt out of enrollment in a county-based purchasing plan or county-owned health maintenance organization.

Subd. 4. **Fee-for-service reimbursement.** (a) The commissioner shall reimburse health care providers directly for all medical assistance and MinnesotaCare covered services provided to eligible individuals, using the fee-for-service payment methods specified in chapters 256, 256B, 256R, and 256S. Payments for services shall be made to individual providers, clinics, and hospitals for the services they provide, and not to hospital systems or networks of providers.

(b) The commissioner, at the election of the county board or boards, shall directly reimburse participating providers of county-based purchasing plans and county-owned health maintenance organizations at the fee-for-service payment rate for services provided to eligible individuals.

(c) The commissioner shall ensure that payments under this section to a qualified hospital provider are equivalent to the payments that would have been received based on managed care direct payment arrangements. If necessary, a qualified hospital provider may use a county-owned health maintenance organization to receive direct payments as described in section 256B.1973.

Subd. 5. **Termination of managed care contracts.** The commissioner shall terminate managed care contracts for eligible individuals under sections 256B.69, 256L.12, and 256L.121 by December 31, 2026, except that the commissioner may continue to contract with county-based purchasing plans and county-owned health maintenance organizations, as provided under this section.

Subd. 6. **System development and administration.** (a) The commissioner, under the direct payment system, shall:

(1) provide benefits management, claims processing, and enrollee support services;

(2) coordinate operation of the direct payment system with county agencies and MNsure, and with service delivery to medical assistance enrollees who are age 65 or older, blind, or have disabilities, or who are exempt from managed care enrollment under section 256B.69, subdivision 4, paragraph (b);

(3) establish and maintain provider payment rates at levels sufficient to ensure high-quality care and enrollee access to covered health care services;

(4) develop and monitor quality measures for health care service delivery; and

(5) develop and implement provider incentives and innovative methods of health care delivery, to ensure the efficient provision of high-quality care and reduce health care disparities.

(b) This section does not prohibit the commissioner from seeking legislative and federal approval for demonstration projects to ensure access to care or improve health care quality.

(c) The commissioner may contract with an administrator to administer the direct payment system.

Subd. 7. **Implementation plan.** (a) The commissioner shall present an implementation plan for the direct payment system to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by January 15, 2025. The commissioner may contract for technical assistance in developing the implementation plan and conducting related studies and analysis.

(b) The implementation plan must include:

- (1) a timeline for the development and implementation of the direct payment system;
 - (2) the procedures to be used to ensure continuity of care for enrollees who transition from managed care to fee-for-service;
 - (3) any changes to fee-for-service payment rates that the commissioner determines are necessary to ensure provider access and high-quality care, and reduce health disparities;
 - (4) recommendations on providing effective care coordination under the direct payment system for all enrollees, including those with complex medical conditions, who face socioeconomic barriers to receiving care, or who are from underserved populations that experience health disparities;
 - (5) recommendations on whether the direct payment system should include supplemental payments for care coordination, including:
 - (i) the provider types eligible for supplemental payments and funding for outreach;
 - (ii) procedures to coordinate supplemental payments with existing supplemental or cost-based payment methods; and
 - (iii) procedures to align care coordination initiatives funded through supplemental payments under this section with existing care coordination initiatives;
 - (6) recommendations on whether the direct payment system should include funding to providers for outreach initiatives to patients who, because of mental illness, homelessness, or other circumstances, are unlikely to obtain needed care and treatment;
 - (7) recommendations on whether and how the direct payment system should be expanded to deliver services and care coordination under medical assistance to persons who are blind or have a disability, and managed care contracts to deliver services to these individuals;
 - (8) procedures to compensate providers for any loss of savings from the federal 340B Drug Pricing Program; and
 - (9) recommendations for statutory changes necessary to implement the direct payment system.
- (c) In developing the implementation plan, the commissioner shall:
- (1) calculate the projected cost of a direct payment system relative to the cost of the current system;
 - (2) assess gaps in care coordination under the current medical assistance and MinnesotaCare programs;
 - (3) evaluate the effectiveness of approaches other states have taken to coordinate care under a fee-for-service system, including the coordination of care provided to persons who are blind or have disabilities;
 - (4) estimate the loss in provider financial savings under the federal 340B Drug Pricing Program that would result from the elimination of managed care plan contracts under medical assistance and MinnesotaCare, and develop a method to reimburse providers for these potential losses;
 - (5) consult with the commissioner of health and the contractor or contractors analyzing the Minnesota Health Plan and other reform models on plan design and assumptions; and
 - (6) conduct other analyses necessary to develop the implementation plan.

Sec. 11. Minnesota Statutes 2022, section 256.969, subdivision 9, is amended to read:

Subd. 9. **Disproportionate numbers of low-income patients served.** (a) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) Certified public expenditures made by Hennepin County Medical Center shall be considered Medicaid disproportionate share hospital payments. Hennepin County and Hennepin County Medical Center shall report by June 15, 2007, on payments made beginning July 1, 2005, or another date specified by the commissioner, that may qualify for reimbursement under federal law. Based on these reports, the commissioner shall apply for federal matching funds.

(c) Upon federal approval of the related state plan amendment, paragraph (b) is effective retroactively from July 1, 2005, or the earliest effective date approved by the Centers for Medicare and Medicaid Services.

(d) Effective July 1, 2015, disproportionate share hospital (DSH) payments shall be paid in accordance with a new methodology using 2012 as the base year. Annual payments made under this paragraph shall equal the total amount of payments made for 2012. A licensed children's hospital shall receive only a single DSH factor for children's hospitals. Other DSH factors may be combined to arrive at a single factor for each hospital that is eligible for DSH payments. The new methodology shall make payments only to hospitals located in Minnesota and include the following factors:

(1) a licensed children's hospital with at least 1,000 fee-for-service discharges in the base year shall receive a factor of 0.868. A licensed children's hospital with less than 1,000 fee-for-service discharges in the base year shall receive a factor of 0.7880;

(2) a hospital that has in effect for the initial rate year a contract with the commissioner to provide extended psychiatric inpatient services under section 256.9693 shall receive a factor of 0.0160;

(3) a hospital that has received medical assistance payment for at least 20 transplant services in the base year shall receive a factor of 0.0435;

(4) a hospital that has a medical assistance utilization rate in the base year between 20 percent up to one standard deviation above the statewide mean utilization rate shall receive a factor of 0.0468;

(5) a hospital that has a medical assistance utilization rate in the base year that is at least one standard deviation above the statewide mean utilization rate but is less than two and one-half standard deviations above the mean shall receive a factor of 0.2300; and

(6) a hospital that is a level one trauma center and that has a medical assistance utilization rate in the base year that is at least two and one-half standard deviations above the statewide mean utilization rate shall receive a factor of 0.3711.

(e) For the purposes of determining eligibility for the disproportionate share hospital factors in paragraph (d), clauses (1) to (6), the medical assistance utilization rate and discharge thresholds shall be measured using only one year when a two-year base period is used.

(f) Any payments or portion of payments made to a hospital under this subdivision that are subsequently returned to the commissioner because the payments are found to exceed the hospital-specific DSH limit for that hospital shall be redistributed, proportionate to the number of fee-for-service discharges, to other DSH-eligible non-children's hospitals that have a medical assistance utilization rate that is at least one standard deviation above the mean.

(g) An additional payment adjustment shall be established by the commissioner under this subdivision for a hospital that provides high levels of administering high-cost drugs to enrollees in fee-for-service medical assistance. The commissioner shall consider factors including fee-for-service medical assistance utilization rates and payments made for drugs purchased through the 340B drug purchasing program and administered to fee-for-service enrollees. If any part of this adjustment exceeds a hospital's hospital-specific disproportionate share hospital limit, or if the hospital qualifies for the alternative payment rate described in subdivision 2e, the commissioner shall make a payment to the hospital that equals the nonfederal share of the amount that exceeds the limit. The total nonfederal share of the amount of the payment adjustment under this paragraph shall not exceed ~~\$1,500,000~~ \$......

EFFECTIVE DATE. This section is effective January 1, 2026, or the January 1 following certification of the modernized pharmacy claims processing system, whichever is later. The commissioner of human services shall notify the revisor of statutes when certification of the modernized pharmacy claims processing system occurs.

Sec. 12. Minnesota Statutes 2022, section 256B.056, subdivision 7, is amended to read:

Subd. 7. **Period of eligibility.** (a) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(b) Notwithstanding any other law to the contrary:

(1) a child under 19 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months;

(2) a child 19 years of age and older but under 21 years of age who is determined eligible for medical assistance must remain eligible for a period of 12 months; and

(3) a child under six years of age who is determined eligible for medical assistance must remain eligible through the month in which the child reaches six years of age.

(c) A child's eligibility under paragraph (b) may be terminated earlier if:

(1) the child or the child's representative requests voluntary termination of eligibility;

(2) the child ceases to be a resident of this state;

(3) the child dies; or

(4) the agency determines eligibility was erroneously granted at the most recent eligibility determination due to agency error or fraud, abuse, or perjury attributed to the child or the child's representative.

~~(b)~~ (d) For a person eligible for an insurance affordability program as defined in section 256B.02, subdivision 19, who reports a change that makes the person eligible for medical assistance, eligibility is available for the month the change was reported and for three months prior to the month the change was reported, if the person was eligible in those prior months.

EFFECTIVE DATE. This section is effective January 1, 2025, or upon federal approval, whichever is later, except that paragraph (b), clause (1), is effective January 1, 2024. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2022, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following cost-sharing for all recipients, effective for services provided ~~on or after~~ from September 1, 2011, to December 31, 2023:

(1) \$3 per nonpreventive visit, except as provided in paragraph (b). For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician assistant, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval;

(3) \$3 per brand-name drug prescription, \$1 per generic drug prescription, and \$1 per prescription for a brand-name multisource drug listed in preferred status on the preferred drug list, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness;

(4) a family deductible equal to \$2.75 per month per family and adjusted annually by the percentage increase in the medical care component of the CPI-U for the period of September to September of the preceding calendar year, rounded to the next higher five-cent increment; and

(5) total monthly cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on cost-sharing. This paragraph does not apply to premiums charged to individuals described under section 256B.057, subdivision 9.

(b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.

(c) Notwithstanding paragraph (b), the commissioner, through the contracting process under sections 256B.69 and 256B.692, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause (4). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

(d) Notwithstanding paragraph (b), the commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waived service providers to assume responsibility for payment.

(e) Notwithstanding paragraph (b), the commissioner, through the contracting process under section 256B.0756 shall allow the pilot program in Hennepin County to waive co-payments. The value of the co-payments shall not be included in the capitation payment amount to the integrated health care delivery networks under the pilot program.

(f) For services provided on or after January 1, 2024, the medical assistance benefit plan must not include cost-sharing or deductibles for any medical assistance recipient or benefit.

Sec. 14. Minnesota Statutes 2022, section 256B.0631, subdivision 3, is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment or deductible, except that reimbursements shall not be reduced:

- (1) once a recipient has reached the \$12 per month maximum for prescription drug co-payments; or
- (2) for a recipient who has met their monthly five percent cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment or deductible.

~~(c) Medical assistance reimbursement to fee for service providers and payments to managed care plans shall not be increased as a result of the removal of co-payments or deductibles effective on or after January 1, 2009.~~

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice; opportunity to opt out.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties, but shall provide all eligible individuals the opportunity to opt out of enrollment in managed care under this section. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

- (1) persons eligible for medical assistance according to section 256B.055, subdivision 1;
- (2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:
 - (i) they are 65 years of age or older; or
 - (ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;
- (3) recipients who currently have private coverage through a health maintenance organization;
- (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;
- (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);

(6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;

(7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;

(8) persons eligible for medical assistance according to section 256B.057, subdivision 10;

(9) persons with access to cost-effective employer-sponsored private health insurance or persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15; and

(10) persons who are absent from the state for more than 30 consecutive days but still deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision 1, paragraph (b).

Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.

(c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(d) The commissioner may require, subject to the opt-out provision under paragraph (a), those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(e) Before limitation of choice is implemented, eligible individuals shall be notified and given the opportunity to opt out of managed care enrollment. After notification, those individuals who choose not to opt out shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

(f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 16. Minnesota Statutes 2022, section 256B.69, subdivision 6d, is amended to read:

Subd. 6d. **Prescription drugs.** (a) The commissioner ~~may~~ shall exclude or modify coverage for outpatient prescription drugs dispensed by a pharmacy to a medical assistance or MinnesotaCare enrollee from the prepaid managed care contracts entered into under this ~~section in order to increase savings to the state by collecting additional prescription drug rebates.~~ The contracts must maintain incentives for the managed care plan to manage

~~drug costs and utilization and may require that the managed care plans maintain an open drug formulary. In order to manage drug costs and utilization, the contracts may authorize the managed care plans to use preferred drug lists and prior authorization. This subdivision is contingent on federal approval of the managed care contract changes and the collection of additional prescription drug rebates chapter and chapter 256L. The commissioner may include, exclude, or modify coverage for prescription drugs administered to a medical assistance or MinnesotaCare enrollee from the prepaid managed care contracts entered into under this chapter and chapter 256L.~~

(b) Managed care plans and county-based purchasing plans must reimburse pharmacies for drug costs at a level not to exceed the reimbursement rate in section 256B.0625, subdivision 13e, paragraphs (a), (d), and (f), excluding the 340B drug program ceiling price limit, and must pay a dispensing fee equal to one-half of the fee-for-service dispensing fee in section 256B.0625, subdivision 13e, paragraph (a), for outpatient drugs dispensed to enrollees. Contracts between managed care plans and county-based purchasing plans and providers to which this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed an amount equal to any increase in rates that results from this provision. This paragraph must not be implemented if federal approval is not received for this paragraph or if federal approval is withdrawn at any time.

EFFECTIVE DATE. The amendment to paragraph (a) is effective January 1, 2026, or the January 1 following certification of the modernized pharmacy claims processing system, whichever is later. Paragraph (b) is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained and when certification of the modernized pharmacy claims processing system occurs.

Sec. 17. Minnesota Statutes 2022, section 256B.69, subdivision 28, is amended to read:

Subd. 28. **Medicare special needs plans; medical assistance basic health care.** (a) The commissioner may contract with demonstration providers and current or former sponsors of qualified Medicare-approved special needs plans, to provide medical assistance basic health care services to persons with disabilities, including those with developmental disabilities. Basic health care services include:

(1) those services covered by the medical assistance state plan except for ICF/DD services, home and community-based waiver services, case management for persons with developmental disabilities under section 256B.0625, subdivision 20a, and personal care and certain home care services defined by the commissioner in consultation with the stakeholder group established under paragraph (d); and

(2) basic health care services may also include risk for up to 100 days of nursing facility services for persons who reside in a noninstitutional setting and home health services related to rehabilitation as defined by the commissioner after consultation with the stakeholder group.

The commissioner may exclude other medical assistance services from the basic health care benefit set. Enrollees in these plans can access any excluded services on the same basis as other medical assistance recipients who have not enrolled.

(b) The commissioner may contract with demonstration providers and current and former sponsors of qualified Medicare special needs plans, to provide basic health care services under medical assistance to persons who are dually eligible for both Medicare and Medicaid and those Social Security beneficiaries eligible for Medicaid but in the waiting period for Medicare. The commissioner shall consult with the stakeholder group under paragraph (d) in developing program specifications for these services. Payment for Medicaid services provided under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

(c) ~~Notwithstanding subdivision 4, beginning January 1, 2012,~~ The commissioner shall enroll persons with disabilities in managed care under this section, unless the individual chooses to opt out of enrollment. The commissioner shall establish enrollment and opt out procedures consistent with applicable enrollment procedures under this section.

(d) The commissioner shall establish a state-level stakeholder group to provide advice on managed care programs for persons with disabilities, including both MnDHO and contracts with special needs plans that provide basic health care services as described in paragraphs (a) and (b). The stakeholder group shall provide advice on program expansions under this subdivision and subdivision 23, including:

(1) implementation efforts;

(2) consumer protections; and

(3) program specifications such as quality assurance measures, data collection and reporting, and evaluation of costs, quality, and results.

(e) Each plan under contract to provide medical assistance basic health care services shall establish a local or regional stakeholder group, including representatives of the counties covered by the plan, members, consumer advocates, and providers, for advice on issues that arise in the local or regional area.

(f) The commissioner is prohibited from providing the names of potential enrollees to health plans for marketing purposes. The commissioner shall mail no more than two sets of marketing materials per contract year to potential enrollees on behalf of health plans, at the health plan's request. The marketing materials shall be mailed by the commissioner within 30 days of receipt of these materials from the health plan. The health plans shall cover any costs incurred by the commissioner for mailing marketing materials.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 18. Minnesota Statutes 2022, section 256B.69, subdivision 36, is amended to read:

Subd. 36. **Enrollee support system.** (a) The commissioner shall establish an enrollee support system that provides support to an enrollee before and during enrollment in a managed care plan.

(b) The enrollee support system must:

(1) provide access to counseling for each potential enrollee on choosing a managed care plan or opting out of managed care;

(2) assist an enrollee in understanding enrollment in a managed care plan;

(3) provide an access point for complaints regarding enrollment, covered services, and other related matters;

(4) provide information on an enrollee's grievance and appeal rights within the managed care organization and the state's fair hearing process, including an enrollee's rights and responsibilities; and

(5) provide assistance to an enrollee, upon request, in navigating the grievance and appeals process within the managed care organization and in appealing adverse benefit determinations made by the managed care organization to the state's fair hearing process after the managed care organization's internal appeals process has been exhausted. Assistance does not include providing representation to an enrollee at the state's fair hearing, but may include a referral to appropriate legal representation sources.

(c) Outreach to enrollees through the support system must be accessible to an enrollee through multiple formats, including telephone, Internet, in-person, and, if requested, through auxiliary aids and services.

(d) The commissioner may designate enrollment brokers to assist enrollees on selecting a managed care organization and providing necessary enrollment information. For purposes of this subdivision, "enrollment broker" means an individual or entity that performs choice counseling or enrollment activities in accordance with Code of Federal Regulations, part 42, section 438.810, or both.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 19. Minnesota Statutes 2022, section 256B.692, subdivision 1, is amended to read:

Subdivision 1. **In general.** County boards or groups of county boards may elect to purchase or provide health care services on behalf of persons eligible for medical assistance who would otherwise be required to or may elect to participate in the prepaid medical assistance program according to section 256B.69, subject to the opt-out provision of section 256B.69, subdivision 4, paragraph (a). Counties that elect to purchase or provide health care under this section must provide all services included in prepaid managed care programs according to section 256B.69, subdivisions 1 to 22. County-based purchasing under this section is governed by section 256B.69, unless otherwise provided for under this section.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 20. Minnesota Statutes 2022, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b)(1) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal year ending in 2017, the rate for outpatient hospital services shall be computed using information from each hospital's Medicare cost report as filed with Medicare for the year that is two years before the year that the rate is being computed. Rates shall be computed using information from Worksheet C series until the department finalizes the medical assistance cost reporting process for critical access hospitals. After the cost reporting process is finalized, rates shall be computed using information from Title XIX Worksheet D series. The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs related to rural health clinics and federally qualified health clinics, divided by ancillary charges plus outpatient charges, excluding charges related to rural health clinics and federally qualified health clinics.

(2) The rate described in clause (1) shall be increased for hospitals providing high levels of 340B drugs. The rate adjustment shall be based on each hospital's share of the total reimbursement for 340B drugs to all critical access hospitals, but shall not exceed percentage points.

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision. When implementing prospective payment methodologies, the commissioner shall use general methods and rate calculation parameters similar to the applicable Medicare prospective payment systems for services delivered in outpatient hospital and ambulatory surgical center settings unless other payment methodologies for these services are specified in this chapter.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2026, or the January 1 following certification of the modernized pharmacy claims processing system, whichever is later. The commissioner of human services shall notify the revisor of statutes when certification of the modernized pharmacy claims processing system occurs.

Sec. 21. Minnesota Statutes 2022, section 256L.04, subdivision 1c, is amended to read:

Subd. 1c. **General requirements.** To be eligible for MinnesotaCare, a person must meet the eligibility requirements of this section. A person eligible for MinnesotaCare ~~shall with a family income of less than or equal to 200 percent of the federal poverty guidelines must~~ not be considered a qualified individual under section 1312 of the Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered through MNsure under chapter 62V.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 22. Minnesota Statutes 2022, section 256L.04, subdivision 7a, is amended to read:

Subd. 7a. **Ineligibility.** Adults whose income is greater than the limits established under this section may not enroll in the MinnesotaCare program, except as provided in subdivision 15.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 23. Minnesota Statutes 2022, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~limited available~~ to citizens or nationals of the United States ~~and~~ lawfully present noncitizens as defined in Code of Federal Regulations, title 8, section 103.12-; ~~and undocumented noncitizens are ineligible for MinnesotaCare.~~ For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are ~~lawfully present and~~ ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines, except that these persons may be eligible for emergency medical assistance under section 256B.06, subdivision 4.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 24. Minnesota Statutes 2022, section 256L.04, is amended by adding a subdivision to read:

Subd. 15. Persons eligible for public option. (a) Families and individuals with income above the maximum income eligibility limit specified in subdivision 1 or 7 but who meet all other MinnesotaCare eligibility requirements are eligible for MinnesotaCare. All other provisions of this chapter apply unless otherwise specified.

(b) Families and individuals may enroll in MinnesotaCare under this subdivision only during an annual open enrollment period or special enrollment period, as designated by MNsure in compliance with Code of Federal Regulations, title 45, parts 155.410 and 155.420.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 25. Minnesota Statutes 2022, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 1, and individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines, are no longer eligible for the program and ~~shall~~ **must** be disenrolled by the commissioner, unless the individuals continue MinnesotaCare enrollment through the public option under section 256L.04, subdivision 15. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month in which the commissioner sends advance notice according to Code of Federal Regulations, title 42, section 431.211, that indicates the income of a family or individual exceeds program income limits.

EFFECTIVE DATE. This section is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 26. Minnesota Statutes 2022, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly individual or family income.

~~(b) Beginning January 1, 2014, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (d).~~

~~(c)~~ (b) Paragraph ~~(b)~~ (a) does not apply to:

~~(1)~~ children 20 years of age or younger; ~~and~~

~~(2)~~ individuals with household incomes below 35 percent of the federal poverty guidelines.

~~(d) The following premium scale is established for each individual in the household who is 21 years of age or older and enrolled in MinnesotaCare:~~

Federal Poverty Guideline Greater than or Equal to	Less than	Individual Premium Amount
35%	55%	\$4
55%	80%	\$6
80%	90%	\$8
90%	100%	\$10
100%	110%	\$12
110%	120%	\$14
120%	130%	\$15
130%	140%	\$16
140%	150%	\$25
150%	160%	\$37
160%	170%	\$44
170%	180%	\$52
180%	190%	\$61
190%	200%	\$71
200%		\$80

~~(e) (c) Beginning January 1, 2021 2024, the commissioner shall continue to charge premiums in accordance with the simplified premium scale established to comply with the American Rescue Plan Act of 2021, in effect from January 1, 2021, through December 31, 2025, for families and individuals eligible under section 256L.04, subdivisions 1 and 7. The commissioner shall adjust the premium scale established under paragraph (d) as needed to ensure that premiums do not exceed the amount that an individual would have been required to pay if the individual was enrolled in an applicable benchmark plan in accordance with the Code of Federal Regulations, title 42, section 600.505 (a)(1).~~

~~(d) The commissioner shall establish a sliding premium scale for persons eligible through the public option under section 256L.04, subdivision 15. Beginning January 1, 2027, persons eligible through the public option shall pay premiums according to this premium scale. Persons eligible through the public option who are 20 years of age or younger are exempt from paying premiums.~~

~~**EFFECTIVE DATE.** This section is effective January 1, 2024, except that paragraph (d) is effective January 1, 2027, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.~~

Sec. 27. TRANSITION TO MINNESOTACARE PUBLIC OPTION.

~~(a) The commissioner of human services shall continue to administer MinnesotaCare as a basic health program in accordance with Minnesota Statutes, section 256L.02, subdivision 5.~~

~~(b) The commissioner shall present an implementation plan for the MinnesotaCare public option under Minnesota Statutes, section 256L.04, subdivision 15, to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by January 15, 2025. The plan must include:~~

~~(1) recommendations for any changes to the MinnesotaCare public option necessary to continue federal basic health program funding or to receive other federal funding;~~

~~(2) recommendations for ensuring sufficient provider participation in MinnesotaCare;~~

(3) estimates of state costs related to the MinnesotaCare public option;

(4) a description of the proposed premium scale for persons eligible through the public option, including an analysis of the extent to which the proposed premium scale:

(i) ensures affordable premiums for persons across the income spectrum enrolled under the public option; and

(ii) avoids premium cliffs for persons transitioning to and enrolled under the public option; and

(5) draft legislation that includes any additional policy and conforming changes necessary to implement the MinnesotaCare public option and the implementation plan recommendations.

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

Sec. 28. **REQUEST FOR FEDERAL APPROVAL.**

(a) The commissioner of human services shall seek any federal waivers, approvals, and law changes necessary to implement the MinnesotaCare public option, including but not limited to those waivers, approvals, and law changes necessary to allow the state to:

(1) continue receiving federal basic health program payments for basic health program-eligible MinnesotaCare enrollees and to receive other federal funding for the MinnesotaCare public option;

(2) receive federal payments equal to the value of premium tax credits and cost-sharing reductions that MinnesotaCare enrollees with household incomes greater than 200 percent of the federal poverty guidelines would otherwise have received; and

(3) receive federal payments equal to the value of emergency medical assistance that would otherwise have been paid to the state for covered services provided to eligible enrollees.

(b) In implementing this section, the commissioner of human services shall consult with the commissioner of commerce and the Board of Directors of MNsure and may contract for technical and actuarial assistance.

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

Sec. 29. **ANALYSIS OF BENEFITS AND COSTS OF UNIVERSAL HEALTH CARE SYSTEM REFORM MODELS.**

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

(b) "All necessary care" means the full range of services listed in the proposed Minnesota Health Plan legislation, including medical, dental, vision and hearing, mental health, chemical dependency treatment, reproductive and sexual health, prescription drugs, medical equipment and supplies, long-term care, home care, and coordination of care.

(c) "Direct payment system" means the health care delivery system authorized by Minnesota Statutes, section 256.9631.

(d) "MinnesotaCare public option" means the MinnesotaCare expansion to cover individuals eligible under Minnesota Statutes, section 256L.04, subdivision 15.

(e) "Other reform models" means alternative models of health care reform, which may include changes to health system administration, payments, or benefits, and may be comprehensive or specific to selected market segments or populations.

(f) "Total public and private health care spending" means:

(1) spending on all medical care including but not limited to dental, vision and hearing, mental health, chemical dependency treatment, prescription drugs, medical equipment and supplies, long-term care, and home care, whether paid through premiums, co-pays and deductibles, other out-of-pocket payments, or other funding from government, employers, or other sources; and

(2) the costs associated with administering, delivering, and paying for the care. The costs of administering, delivering, and paying for the care includes all expenses by insurers, providers, employers, individuals, and the government to select, negotiate, purchase, and administer insurance and care including but not limited to coverage for health care, dental, long-term care, prescription drugs, and the medical expense portions of workers compensation and automobile insurance, and the cost of administering and paying for all health care products and services that are not covered by insurance.

Subd. 2. **Initial assumptions.** (a) When calculating administrative savings under the universal health proposal, the analysts shall recognize that simple, direct payment of medical services avoids the need for provider networks, eliminates prior authorization requirements, and eliminates administrative complexity of other payment schemes along with the need for creating risk adjustment mechanisms, and measuring, tracking, and paying under those risk adjusted or nonrisk adjusted payment schemes by both providers and payors.

(b) The analysts shall assume that, under the universal health proposal, while gross provider payments may be reduced to reflect reduced administrative costs, net provider income would remain similar to the current system. However, they shall not assume that payment rate negotiations will track current Medicaid, Medicare, or market payment rates or a combination of those rates, because provider compensation, after adjusting for reduced administrative costs, would not be universally raised or lowered but would be negotiated based on market needs, so provider compensation might be raised in an underserved area such as mental health but lowered in other areas.

Subd. 3. **Contract for analysis of proposals; analytic tool.** (a) The commissioner of health shall contract with one or more independent entities to:

(1) conduct an analysis of the benefits and costs of a legislative proposal for a universal health care financing system, based on the legislative proposal known as the Minnesota Health Plan (Regular Session 2023, Senate File No. 2740/House File No. 2798) and a similar analysis of the current health care financing system to assist the state in comparing the proposal to the current system; and

(2) conduct an analysis of the MinnesotaCare public option, the direct payment system, and other reform models, and a similar analysis of the current health care financing system to assist the state in comparing the models to the current system.

(b) In conducting these analyses, the contractor or contractors shall develop and use an analytic tool that meets the requirements in subdivision 4, and shall also make this analytic tool available for use by the commissioner.

(c) The commissioner shall issue a request for information. Based on responses to the request for information, the commissioner shall issue a request for proposals that specifies requirements for the design, analysis, and deliverables, and shall select one or more contractors based on responses to the request for proposals. The commissioner shall consult with the chief authors of this act in implementing this paragraph.

Subd. 4. **Requirements for analytic tool.** (a) The analytic tool must be able to assess and model the impact of the Minnesota Health Plan, the direct payment system, the MinnesotaCare public option, and other reform models on the following:

(1) coverage: the number of people who are uninsured versus the number of people who are insured;

(2) benefit completeness: adequacy of coverage measured by the completeness of the coverage and the number of people lacking coverage for key necessary care elements such as dental, long-term care, medical equipment or supplies, vision and hearing, or other health services that are not covered, if any. The analysis must take into account the vast variety of benefit designs in the commercial market and report the extent of coverage in each area;

(3) underinsurance: whether people with coverage can afford the care they need or whether cost prevents them from accessing care. This includes affordability in terms of premiums, deductibles, and out-of-pocket expenses;

(4) system capacity: the timeliness and appropriateness of the care received and whether people turn to inappropriate care such as emergency rooms because of a lack of proper care in accordance with clinical guidelines; and

(5) health care spending: total public and private health care spending in Minnesota, including all spending by individuals, businesses, and government. Where relevant, the analysis shall be broken out by key necessary care areas, such as medical, dental, and mental health. The analysis of total health care spending shall examine whether there are savings or additional costs under the legislative proposal compared to the existing system due to:

(i) changes in cost of insurance, billing, underwriting, marketing, evaluation, and other administrative functions for all entities involved in the health care system, including savings from global budgeting for hospitals and institutional care instead of billing for individual services provided;

(ii) changed prices on medical services and products, including pharmaceuticals, due to price negotiations under the proposal;

(iii) impact on utilization, health outcomes, and workplace absenteeism due to prevention, early intervention, and health-promoting activities;

(iv) shortages or excess capacity of medical facilities, equipment, and personnel, including caregivers and staff, under either the current system or the proposal, including capacity of clinics, hospitals, and other appropriate care sites versus inappropriate emergency room usage. The analysis shall break down capacity by geographic differences such as rural versus metro, and disparate access by population group;

(v) the impact on state, local, and federal government non-health-care expenditures. This may include areas such as reduced crime and out-of-home placement costs due to mental health or chemical dependency coverage. Additional definition may further develop hypotheses for other impacts that warrant analysis;

(vi) job losses or gains within the health care system, specifically, in health care delivery, health billing, and insurance administration;

(vii) job losses or gains elsewhere in the economy under the proposal due to implementation of the resulting reduction of insurance and administrative burdens on businesses; and

(viii) impacts on disparities in health care access and outcomes.

(b) The analytic tool must:

(1) have the capacity to conduct interactive microsimulations;

(2) allow comparisons between the Minnesota Health Plan, the direct payment system, the MinnesotaCare public option, the current delivery system, and other reform models, on the relative impact of these delivery approaches on the variables described in paragraph (a); and

(3) allow comparisons based on differing assumptions about the characteristics and operation of the delivery approaches.

Subd. 5. **Analyses by the commissioner.** The commissioner, in cooperation with the commissioners of human services and commerce and the legislature, may use the analytic tool to assist in the development, design, and analysis of reform models under consideration by the legislature and state agencies, and to supplement the analyses of the Minnesota Health Plan, the MinnesotaCare public option, and the direct payment system conducted by the contractor or contractors under this section.

Subd. 6. **Report and delivery of analytic tool.** (a) The contractor or contractors, by January 15, 2026, shall report findings and recommendations to the commissioner, and to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and commerce, on the design and implementation of the Minnesota Health Plan, the MinnesotaCare public option, and the direct payment system. The findings and recommendations must address the feasibility and affordability of the proposals, and the projected impact of the proposals on the variables listed in subdivision 4.

(b) The contractor or contractors shall make the analytic tool available to the commissioner by January 15, 2026.

ARTICLE 3 DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2022, section 12A.08, subdivision 3, is amended to read:

Subd. 3. **Implementation.** To implement the requirements of this section, the commissioner may cooperate with private health care providers and facilities, Tribal nations, and community health boards as defined in section 145A.02; provide grants to assist community health boards; and Tribal nations; use volunteer services of individuals qualified to provide public health services; and enter into cooperative or mutual aid agreements to provide public health services.

Sec. 2. Minnesota Statutes 2022, section 13.3805, subdivision 1, is amended to read:

Subdivision 1. **Health data generally.** (a) **Definitions.** As used in this subdivision:

(1) "Commissioner" means the commissioner of health.

(2) "Health data" are data on individuals created, collected, received, or maintained by the Department of Health, political subdivisions, or statewide systems relating to the identification, description, prevention, and control of disease or as part of an epidemiologic investigation the commissioner designates as necessary to analyze, describe, or protect the public health.

(b) **Data on individuals.** (1) Health data are private data on individuals. Notwithstanding section 13.05, subdivision 9, health data may not be disclosed except as provided in this subdivision and section 13.04.

(2) The commissioner or a community health board as defined in section 145A.02, subdivision 5, may disclose health data to the data subject's physician as necessary to locate or identify a case, carrier, or suspect case, to establish a diagnosis, to provide treatment, to identify persons at risk of illness, or to conduct an epidemiologic investigation.

(3) With the approval of the commissioner, health data may be disclosed to the extent necessary to assist the commissioner to locate or identify a case, carrier, or suspect case, to alert persons who may be threatened by illness as evidenced by epidemiologic data, to control or prevent the spread of serious disease, or to diminish an imminent threat to the public health.

~~(c) **Health summary data.** Summary data derived from data collected under section 145.413 may be provided under section 13.05, subdivision 7.~~

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

Sec. 3. Minnesota Statutes 2022, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3), or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

(e) Tobacco settlement revenues as defined in section 16A.98, subdivision 1, paragraph (t), may be deposited as provided in section 16A.98, subdivision 12.

(f) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state, on behalf of the state or a state agency, related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of opioids in this state or other alleged illegal actions that contributed to the excessive use of opioids, must be deposited in the settlement account established in the opiate epidemic response fund under section 256.043, subdivision 1. This paragraph does not apply to attorney fees and costs awarded to the state or the Attorney General's Office, to contract attorneys hired by the state or Attorney General's Office, or to other state agency attorneys.

(g) Notwithstanding paragraph (f), if money is received from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency against a consulting firm working for an opioid manufacturer or opioid wholesale drug distributor, the commissioner shall deposit any money received into the settlement account established within the opiate epidemic response fund under section 256.042, subdivision 1. Notwithstanding section 256.043, subdivision 3a, paragraph (a), any amount deposited into the settlement account in accordance with this paragraph shall be appropriated to the commissioner of human services to award as grants as specified by the opiate epidemic response advisory council in accordance with section 256.043, subdivision 3a, paragraph (d).

(h) Any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine use, must be deposited in the settlement account established in the tobacco use prevention account under section 144.398. This paragraph does not apply to: (1) attorney fees and costs awarded or paid to the state or the Attorney General's Office; (2) contract attorneys hired by the state or Attorney General's Office; or (3) other state agency attorneys.

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

Sec. 4. Minnesota Statutes 2022, section 62J.17, subdivision 5a, is amended to read:

Subd. 5a. **Retrospective review.** (a) The commissioner shall retrospectively review each major spending commitment and ~~notify the provider of the results of the review. The commissioner shall~~ determine whether the major spending commitment was appropriate. In making the determination, the commissioner may consider the following criteria: the major spending commitment's impact on the cost, access, and quality of health care; the clinical effectiveness and cost-effectiveness of the major spending commitment; and the alternatives available to the provider. If the major expenditure is determined not to be appropriate, the commissioner shall notify the provider.

(b) The commissioner may not prevent or prohibit a major spending commitment subject to retrospective review. However, if the provider fails the retrospective review, any major spending commitments by that provider for the five-year period following the commissioner's decision are subject to prospective review under subdivision 6a.

Sec. 5. **[62J.571] STATEWIDE HEALTH CARE PROVIDER DIRECTORY.**

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

(b) "Health care provider directory" means an electronic catalog and index that supports management of health care provider information, both individual and organizational, in a directory structure for public use to find available providers and networks and support state agency responsibilities.

(c) "Health care provider" means a practicing provider that accepts reimbursement from a group purchaser.

(d) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

Subd. 2. **Compliance.** The commissioner shall, to the extent practicable, seek the cooperation of health care providers and facilities, and may provide any support and assistance as available, in obtaining compliance with this section.

Subd. 3. **Consultation.** The commissioner shall assess the feasibility of the directory in consultation with stakeholders, including but not limited to consumers, group purchasers, health care providers, community health boards, and state agencies.

Sec. 6. **[62J.811] PROVIDER BALANCE BILLING REQUIREMENTS.**

Subdivision 1. **Billing requirements.** (a) Each health care provider and health facility shall comply with Consolidated Appropriations Act, 2021, Division BB also known as the "No Surprises Act," including any federal regulations adopted under that act.

(b) For the purposes of this section, "provider" or "facility" means any health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to relevant provisions of the No Surprises Act.

Subd. 3. **Civil penalty.** (a) The commissioner, in monitoring and enforcing this section, may levy a civil monetary penalty against each health care provider or facility found to be in violation of up to \$100 for each violation, but the penalties levied under this subdivision may not exceed \$25,000 for identical violations during a calendar year.

(b) No civil monetary penalty shall be imposed under this section for violations that occur prior to January 1, 2024.

Sec. 7. **[62J.826] MEDICAL AND DENTAL PRACTICES; CURRENT STANDARD CHARGES; COMPARISON TOOL.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "CDT code" means a code value drawn from the Code on Dental Procedures and Nomenclature published by the American Dental Association.

(c) "Chargemaster" means the list of all individual items and services maintained by a medical or dental practice for which the medical or dental practice has established a charge.

(d) "Commissioner" means the commissioner of health.

(e) "CPT code" means a code value drawn from the Current Procedural Terminology published by the American Medical Association.

(f) "Dental service" means a service charged using a CDT code.

(g) "Diagnostic laboratory testing" means a service charged using a CPT code within the CPT code range of 80047 to 89398.

(h) "Diagnostic radiology service" means a service charged using a CPT code within the CPT code range of 70010 to 79999 and includes the provision of x-rays, computed tomography scans, positron emission tomography scans, magnetic resonance imaging scans, and mammographies.

(i) "Hospital" means an acute care institution licensed under sections 144.50 to 144.58, but does not include a health care institution conducted for those who rely primarily upon treatment by prayer or spiritual means in accordance with the creed or tenets of any church or denomination.

(j) "Medical or dental practice" means a business that:

(1) earns revenue by providing medical care or dental services to the public;

(2) issues payment claims to health plan companies and other payers; and

(3) may be identified by its federal tax identification number.

(k) "Outpatient surgical center" means a health care facility other than a hospital offering elective outpatient surgery under a license issued under sections 144.50 to 144.58.

(l) "Standard charge" has the meaning given in Code of Federal Regulations, title 45, section 180.20.

Subd. 2. **Requirement; current standard charges.** The following medical or dental practices must make available to the public a list of their current standard charges, as reflected in the medical or dental practice's chargemaster, for all items and services provided by the medical or dental practice:

(1) hospitals;

(2) outpatient surgical centers; and

(3) any other medical or dental practice that has revenue of greater than \$50,000,000 per year and that derives the majority of its revenue by providing one or more of the following services:

(i) diagnostic radiology services;

(ii) diagnostic laboratory testing;

(iii) orthopedic surgical procedures, including joint arthroplasty procedures within the CPT code range of 26990 to 27899;

(iv) ophthalmologic surgical procedures, including cataract surgery coded using CPT code 66982 or 66984, or refractive correction surgery to improve visual acuity;

(v) anesthesia services commonly provided as an ancillary to services provided at a hospital, outpatient surgical center, or medical practice that provides orthopedic surgical procedures or ophthalmologic surgical procedures;

(vi) oncology services, including radiation oncology treatments within the CPT code range of 77261 to 77799 and drug infusions; or

(vii) dental services.

Subd. 3. **Required file format and content.** (a) A medical or dental practice that is subject to this section must make available to the public, and must report to the commissioner, current standard charges using the format and data elements specified in the currently effective version of the Hospital Price Transparency Sample Format (Tall) (CSV) and related data dictionary recommended for hospitals by the Centers for Medicare and Medicaid Services (CMS). If CMS modifies or replaces the specifications for this format, the form of this file must be modified or replaced to conform with the new CMS specifications by the date specified by CMS for compliance with its new specifications. All prices included in the file must be expressed as dollar amounts. The data must be in the form of a comma-separated-values file that can be directly imported without further editing or remediation into a relational database table that has been designed to receive these files. The medical or dental practice must make the file available to the public in a manner specified by the commissioner and must report the file to the commissioner in a manner and frequency specified by the commissioner.

(b) A medical or dental practice must test its file for compliance with paragraph (a) before making the file available to the public and reporting the file to the commissioner.

(c) A hospital must comply with this section no later than January 1, 2024. A medical or dental practice that meets the requirements in subdivision 2, clause (3), or an outpatient surgical center must comply with this section no later than January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 62J.84, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Biosimilar" means a drug that is produced or distributed pursuant to a biologics license application approved under United States Code, title 42, section 262(K)(3).

(c) "Brand name drug" means a drug that is produced or distributed pursuant to:

(1) ~~an original~~, a new drug application approved under United States Code, title 21, section 355(c), except for a generic drug as defined under Code of Federal Regulations, title 42, section 447.502; or

(2) a biologics license application approved under United States Code, title ~~45~~ 42, section 262(a)(c).

(d) "Commissioner" means the commissioner of health.

(e) "Generic drug" means a drug that is marketed or distributed pursuant to:

(1) an abbreviated new drug application approved under United States Code, title 21, section 355(j);

(2) an authorized generic as defined under Code of Federal Regulations, title ~~45~~ 42, section 447.502; or

(3) a drug that entered the market the year before 1962 and was not originally marketed under a new drug application.

(f) "Manufacturer" means a drug manufacturer licensed under section 151.252.

(g) "New prescription drug" or "new drug" means a prescription drug approved for marketing by the United States Food and Drug Administration (FDA) for which no previous wholesale acquisition cost has been established for comparison.

(h) "Patient assistance program" means a program that a manufacturer offers to the public in which a consumer may reduce the consumer's out-of-pocket costs for prescription drugs by using coupons, discount cards, prepaid gift cards, manufacturer debit cards, or by other means.

(i) "Prescription drug" or "drug" has the meaning provided in section 151.441, subdivision 8.

(j) "Price" means the wholesale acquisition cost as defined in United States Code, title 42, section 1395w-3a(c)(6)(B).

(k) "30-day supply" means the total daily dosage units of a prescription drug recommended by the prescribing label approved by the FDA for 30 days. If the FDA-approved prescribing label includes more than one recommended daily dosage, the 30-day supply is based on the maximum recommended daily dosage on the FDA-approved prescribing label.

(l) "Course of treatment" means the total dosage of a single prescription for a prescription drug recommended by the FDA-approved prescribing label. If the FDA-approved prescribing label includes more than one recommended dosage for a single course of treatment, the course of treatment is the maximum recommended dosage on the FDA-approved prescribing label.

(m) "Drug product family" means a group of one or more prescription drugs that share a unique generic drug description or nontrade name and dosage form.

(n) "National drug code" means the three-segment code maintained by the federal Food and Drug Administration that includes a labeler code, a product code, and a package code for a drug product and that has been converted to an 11-digit format consisting of five digits in the first segment, four digits in the second segment, and two digits in the third segment. A three-segment code shall be considered converted to an 11-digit format when, as necessary, at least one "0" has been added to the front of each segment containing less than the specified number of digits such that each segment contains the specified number of digits.

(o) "Pharmacy" or "pharmacy provider" means a place of business licensed by the Board of Pharmacy under section 151.19 in which prescription drugs are prepared, compounded, or dispensed under the supervision of a pharmacist.

(p) "Pharmacy benefit manager" or "PBM" means an entity licensed to act as a pharmacy benefit manager under section 62W.03.

(q) "Pricing unit" means the smallest dispensable amount of a prescription drug product that could be dispensed.

(r) "Reporting entity" means any manufacturer, pharmacy, pharmacy benefit manager, wholesale drug distributor, or any other entity required to submit data under this section.

(s) "Wholesale drug distributor" or "wholesaler" means an entity that:

(1) is licensed to act as a wholesale drug distributor under section 151.47; and

(2) distributes prescription drugs, of which it is not the manufacturer, to persons or entities, or both, other than a consumer or patient in the state.

Sec. 9. Minnesota Statutes 2022, section 62J.84, subdivision 3, is amended to read:

Subd. 3. **Prescription drug price increases reporting.** (a) Beginning January 1, 2022, a drug manufacturer must submit to the commissioner the information described in paragraph (b) for each prescription drug for which the price was \$100 or greater for a 30-day supply or for a course of treatment lasting less than 30 days and:

(1) for brand name drugs where there is an increase of ten percent or greater in the price over the previous 12-month period or an increase of 16 percent or greater in the price over the previous 24-month period; and

(2) for generic or biosimilar drugs where there is an increase of 50 percent or greater in the price over the previous 12-month period.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the price increase goes into effect, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the ~~name~~ description and price of the drug and the net increase, expressed as a percentage; with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength;

(v) the package size;

(2) the factors that contributed to the price increase;

(3) the name of any generic version of the prescription drug available on the market;

(4) the introductory price of the prescription drug when it was approved for marketing by the Food and Drug Administration and the net yearly increase, by calendar year, in the price of the prescription drug during the previous five years introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the price increase;

(5) the direct costs incurred during the previous 12-month period by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(6) the total sales revenue for the prescription drug during the previous 12-month period;

(7) the manufacturer's net profit attributable to the prescription drug during the previous 12-month period;

(8) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the previous 12-month period, if applicable;

(9) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(10) the patent expiration date of the prescription drug if it is under patent;

(11) the name and location of the company that manufactured the drug; ~~and~~

(12) if a brand name prescription drug, the ~~ten highest prices~~ price paid for the prescription drug during the previous calendar year in ~~any country other than the ten countries, excluding the United States-, that charged the highest single price for the prescription drug;~~ and

(13) if the prescription drug was acquired by the manufacturer during the previous 12-month period, all of the following information:

(i) price at acquisition;

(ii) price in the calendar year prior to acquisition;

(iii) name of the company from which the drug was acquired;

(iv) date of acquisition; and

(v) acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 10. Minnesota Statutes 2022, section 62J.84, subdivision 4, is amended to read:

Subd. 4. **New prescription drug price reporting.** (a) Beginning January 1, 2022, no later than 60 days after a manufacturer introduces a new prescription drug for sale in the United States that is a new brand name drug with a price that is greater than the tier threshold established by the Centers for Medicare and Medicaid Services for specialty drugs in the Medicare Part D program for a 30-day supply or for a course of treatment lasting fewer than 30 days or a new generic or biosimilar drug with a price that is greater than the tier threshold established by the Centers for Medicare and Medicaid Services for specialty drugs in the Medicare Part D program for a 30-day supply or for a course of treatment lasting fewer than 30 days and is not at least 15 percent lower than the referenced brand name drug when the generic or biosimilar drug is launched, the manufacturer must submit to the commissioner, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) the description of the drug, with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength;

(v) the package size;

~~(4)~~ (2) the price of the prescription drug;

~~(2)~~ (3) whether the Food and Drug Administration granted the new prescription drug a breakthrough therapy designation or a priority review;

~~(3)~~ (4) the direct costs incurred by the manufacturer that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug; and

~~(4)~~ (5) the patent expiration date of the drug if it is under patent.

(b) The manufacturer may submit documentation necessary to support the information reported under this subdivision.

Sec. 11. Minnesota Statutes 2022, section 62J.84, subdivision 6, is amended to read:

Subd. 6. **Public posting of prescription drug price information.** (a) The commissioner shall post on the department's website, or may contract with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, to meet this requirement, the following information:

(1) a list of the prescription drugs reported under subdivisions 3, 4, and ~~5~~, 11 to 14 and the manufacturers of those prescription drugs; and

(2) information reported to the commissioner under subdivisions 3, 4, and ~~5~~ 11 to 14.

(b) The information must be published in an easy-to-read format and in a manner that identifies the information that is disclosed on a per-drug basis and must not be aggregated in a manner that prevents the identification of the prescription drug.

(c) The commissioner shall not post to the department's website or a private entity contracting with the commissioner shall not post any information described in this section if the information is not public data under section 13.02, subdivision 8a; or is trade secret information under section 13.37, subdivision 1, paragraph (b); or is trade secret information pursuant to the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as amended. If a manufacturer believes information should be withheld from public disclosure pursuant to

this paragraph, the manufacturer must clearly and specifically identify that information and describe the legal basis in writing when the manufacturer submits the information under this section. If the commissioner disagrees with the manufacturer's request to withhold information from public disclosure, the commissioner shall provide the manufacturer written notice that the information will be publicly posted 30 days after the date of the notice.

(d) If the commissioner withholds any information from public disclosure pursuant to this subdivision, the commissioner shall post to the department's website a report describing the nature of the information and the commissioner's basis for withholding the information from disclosure.

(e) To the extent the information required to be posted under this subdivision is collected and made available to the public by another state, by the University of Minnesota, or through an online drug pricing reference and analytical tool, the commissioner may reference the availability of this drug price data from another source including, within existing appropriations, creating the ability of the public to access the data from the source for purposes of meeting the reporting requirements of this subdivision.

Sec. 12. Minnesota Statutes 2022, section 62J.84, subdivision 7, is amended to read:

Subd. 7. **Consultation.** (a) The commissioner may consult with a private entity or consortium that satisfies the standards of section 62U.04, subdivision 6, the University of Minnesota, or the commissioner of commerce, as appropriate, in issuing the form and format of the information reported under this section; in posting information pursuant to subdivision 6; and in taking any other action for the purpose of implementing this section.

(b) The commissioner may consult with representatives of the ~~manufacturers reporting entities~~ to establish a standard format for reporting information under this section and may use existing reporting methodologies to establish a standard format to minimize administrative burdens to the state and ~~manufacturers reporting entities~~.

Sec. 13. Minnesota Statutes 2022, section 62J.84, subdivision 8, is amended to read:

Subd. 8. **Enforcement and penalties.** (a) A ~~manufacturer reporting entity~~ may be subject to a civil penalty, as provided in paragraph (b), for:

(1) failing to register under subdivision 15;

~~(2)~~ (2) failing to submit timely reports or notices as required by this section;

~~(3)~~ (3) failing to provide information required under this section; or

~~(4)~~ (4) providing inaccurate or incomplete information under this section.

(b) The commissioner shall adopt a schedule of civil penalties, not to exceed \$10,000 per day of violation, based on the severity of each violation.

(c) The commissioner shall impose civil penalties under this section as provided in section 144.99, subdivision 4.

(d) The commissioner may remit or mitigate civil penalties under this section upon terms and conditions the commissioner considers proper and consistent with public health and safety.

(e) Civil penalties collected under this section shall be deposited in the health care access fund.

Sec. 14. Minnesota Statutes 2022, section 62J.84, subdivision 9, is amended to read:

Subd. 9. **Legislative report.** (a) No later than May 15, 2022, and by January 15 of each year thereafter, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and human services policy and finance on the implementation of this section, including but not limited to the effectiveness in addressing the following goals:

- (1) promoting transparency in pharmaceutical pricing for the state and other payers;
- (2) enhancing the understanding on pharmaceutical spending trends; and
- (3) assisting the state and other payers in the management of pharmaceutical costs.

(b) The report must include a summary of the information submitted to the commissioner under subdivisions 3, 4, and § 11 to 14.

Sec. 15. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 10. Notice of prescription drugs of substantial public interest. (a) No later than January 31, 2024, and quarterly thereafter, the commissioner shall produce and post on the department's website a list of prescription drugs that the department determines to represent a substantial public interest and for which the department intends to request data under subdivisions 11 to 14, subject to paragraph (c). The department shall base its inclusion of prescription drugs on any information the department determines is relevant to providing greater consumer awareness of the factors contributing to the cost of prescription drugs in the state, and the department shall consider drug product families that include prescription drugs:

(1) that triggered reporting under subdivision 3 or 4 during the previous calendar quarter;

(2) for which average claims paid amounts exceeded 125 percent of the price as of the claim incurred date during the most recent calendar quarter for which claims paid amounts are available; or

(3) that are identified by members of the public during a public comment period process.

(b) Not sooner than 30 days after publicly posting the list of prescription drugs under paragraph (a), the department shall notify, via email, reporting entities registered with the department of the requirement to report under subdivisions 11 to 14.

(c) No more than 500 prescription drugs may be designated as having a substantial public interest in any one notice.

Sec. 16. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 11. Manufacturer prescription drug substantial public interest reporting. (a) Beginning January 1, 2024, a manufacturer must submit to the commissioner the information described in paragraph (b) for any prescription drug:

(1) included in a notification to report issued to the manufacturer by the department under subdivision 10;

(2) which the manufacturer manufactures or repackages;

(3) for which the manufacturer sets the wholesale acquisition cost; and

(4) for which the manufacturer has not submitted data under subdivision 3 during the 120-day period prior to the date of the notification to report.

(b) For each of the drugs described in paragraph (a), the manufacturer shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the price of the drug product on the later of:

(i) the day one year prior to the date of the notification to report;

(ii) the introduced to market date; or

(iii) the acquisition date;

(3) the price of the drug product on the date of the notification to report;

(4) the introductory price of the prescription drug when it was introduced for sale in the United States and the price of the drug on the last day of each of the five calendar years preceding the date of the notification to report;

(5) the direct costs incurred during the 12-month period prior to the date of the notification to report by the manufacturers that are associated with the prescription drug, listed separately:

(i) to manufacture the prescription drug;

(ii) to market the prescription drug, including advertising costs; and

(iii) to distribute the prescription drug;

(6) the number of units of the prescription drug sold during the 12-month period prior to the date of the notification to report;

(7) the total sales revenue for the prescription drug during the 12-month period prior to the date of the notification to report;

(8) the total rebate payable amount accrued for the prescription drug during the 12-month period prior to the date of the notification to report;

(9) the manufacturer's net profit attributable to the prescription drug during the 12-month period prior to the date of the notification to report;

(10) the total amount of financial assistance the manufacturer has provided through patient prescription assistance programs during the 12-month period prior to the date of the notification to report, if applicable;

(11) any agreement between a manufacturer and another entity contingent upon any delay in offering to market a generic version of the prescription drug;

(12) the patent expiration date of the prescription drug if the prescription drug is under patent;

(13) the name and location of the company that manufactured the drug;

(14) if the prescription drug is a brand name prescription drug, the ten countries other than the United States that paid the highest prices for the prescription drug during the previous calendar year and their prices; and

(15) if the prescription drug was acquired by the manufacturer within a 12-month period prior to the date of the notification to report, all of the following information:

(i) the price at acquisition;

(ii) the price in the calendar year prior to acquisition;

(iii) the name of the company from which the drug was acquired;

(iv) the date of acquisition; and

(v) the acquisition price.

(c) The manufacturer may submit any documentation necessary to support the information reported under this subdivision.

Sec. 17. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 12. Pharmacy prescription drug substantial public interest reporting. (a) Beginning January 1, 2024, a pharmacy must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the pharmacy by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the pharmacy shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug acquired during the 12-month period prior to the date of the notification to report;

(3) the total spent before rebates by the pharmacy to acquire the drug during the 12-month period prior to the date of the notification to report;

(4) the total rebate receivable amount accrued by the pharmacy for the drug during the 12-month period prior to the date of the notification to report;

(5) the number of pricing units of the drug dispensed by the pharmacy during the 12-month period prior to the date of the notification to report;

(6) the total payment receivable by the pharmacy for dispensing the drug including ingredient cost, dispensing fee, and administrative fees during the 12-month period prior to the date of the notification to report;

(7) the total rebate payable amount accrued by the pharmacy for the drug during the 12-month period prior to the date of the notification to report; and

(8) the average cash price paid by consumers per pricing unit for prescriptions dispensed where no claim was submitted to a health care service plan or health insurer during the 12-month period prior to the date of the notification to report.

(c) The pharmacy may submit any documentation necessary to support the information reported under this subdivision.

Sec. 18. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 13. PBM prescription drug substantial public interest reporting. (a) Beginning January 1, 2024, a PBM must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the PBM by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the PBM shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(3) the total reimbursement amount accrued and payable to pharmacies for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(4) the total reimbursement or administrative fee amount, or both, accrued and receivable from payers for pricing units of the drug product filled for which the PBM administered claims during the 12-month period prior to the date of the notification to report;

(5) the total rebate receivable amount accrued by the PBM for the drug product during the 12-month period prior to the date of the notification to report; and

(6) the total rebate payable amount accrued by the PBM for the drug product during the 12-month period prior to the date of the notification to report.

(c) The PBM may submit any documentation necessary to support the information reported under this subdivision.

Sec. 19. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 14. Wholesaler prescription drug substantial public interest reporting. (a) Beginning January 1, 2024, a wholesaler must submit to the commissioner the information described in paragraph (b) for any prescription drug included in a notification to report issued to the wholesaler by the department under subdivision 10.

(b) For each of the drugs described in paragraph (a), the wholesaler shall submit to the commissioner no later than 60 days after the date of the notification to report, in the form and manner prescribed by the commissioner, the following information, if applicable:

(1) a description of the drug with the following listed separately:

(i) the national drug code;

(ii) the product name;

(iii) the dosage form;

(iv) the strength; and

(v) the package size;

(2) the number of units of the drug product acquired by the wholesale drug distributor during the 12-month period prior to the date of the notification to report;

(3) the total spent before rebates by the wholesale drug distributor to acquire the drug product during the 12-month period prior to the date of the notification to report;

(4) the total rebate receivable amount accrued by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report;

(5) the number of units of the drug product sold by the wholesale drug distributor during the 12-month period prior to the date of the notification to report;

(6) gross revenue from sales in the United States generated by the wholesale drug distributor for this drug product during the 12-month period prior to the date of the notification to report; and

(7) total rebate payable amount accrued by the wholesale drug distributor for the drug product during the 12-month period prior to the date of the notification to report.

(c) The wholesaler may submit any documentation necessary to support the information reported under this subdivision.

Sec. 20. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 15. Registration requirements. Beginning January 1, 2024, a reporting entity subject to this chapter shall register with the department in a form and manner prescribed by the commissioner.

Sec. 21. Minnesota Statutes 2022, section 62J.84, is amended by adding a subdivision to read:

Subd. 16. Rulemaking. For the purposes of this section, the commissioner may use the expedited rulemaking process under section 14.389.

Sec. 22. Minnesota Statutes 2022, section 62Q.01, is amended by adding a subdivision to read:

Subd. 6b. **No Surprises Act.** "No Surprises Act" means Division BB of the Consolidated Appropriations Act, 2021, which amended Title XXVII of the Public Health Service Act, Public Law 116-260, and any amendments to and any federal guidance or regulations issued under this act.

Sec. 23. Minnesota Statutes 2022, section 62Q.021, is amended by adding a subdivision to read:

Subd. 3. **Compliance with 2021 federal law.** Each health plan company, health provider, and health facility shall comply with the No Surprises Act, including any federal regulations adopted under the act, to the extent that the act imposes requirements that apply in this state but are not required under the laws of this state. This subdivision does not require compliance with any provision of the No Surprises Act before the effective date provided for that provision in the No Surprises Act. The commissioner shall enforce this subdivision.

Sec. 24. Minnesota Statutes 2022, section 62Q.55, subdivision 5, is amended to read:

Subd. 5. **Coverage restrictions or limitations.** If emergency services are provided by a nonparticipating provider, with or without prior authorization, the health plan company shall not impose coverage restrictions or limitations that are more restrictive than apply to emergency services received from a participating provider. Cost-sharing requirements that apply to emergency services received out-of-network must be the same as the cost-sharing requirements that apply to services received in-network and shall count toward the in-network deductible. All coverage and charges for emergency services must comply with the No Surprises Act.

Sec. 25. Minnesota Statutes 2022, section 62Q.556, is amended to read:

62Q.556 UNAUTHORIZED PROVIDER SERVICES CONSUMER PROTECTIONS AGAINST BALANCE BILLING.

Subdivision 1. ~~Unauthorized provider services~~ Nonparticipating provider balance billing prohibition. (a) Except as provided in paragraph (e), ~~unauthorized provider services occur~~ (b), balance billing is prohibited when an enrollee receives services from:

(1) ~~from~~ from a nonparticipating provider at a participating hospital or ambulatory surgical center, ~~when the services are rendered;~~ as described by the No Surprises Act, including any federal regulations adopted under that act;

(i) ~~due to the unavailability of a participating provider;~~

(ii) ~~by a nonparticipating provider without the enrollee's knowledge; or~~

(iii) ~~due to the need for unforeseen services arising at the time the services are being rendered; or~~

(2) ~~from~~ a participating provider that sends a specimen taken from the enrollee in the participating provider's practice setting to a nonparticipating laboratory, pathologist, or other medical testing facility; or

(3) a nonparticipating provider or facility providing emergency services as defined in section 62Q.55, subdivision 3, and other services as described in the requirements of the No Surprises Act.

~~(b) Unauthorized provider services do not include emergency services as defined in section 62Q.55, subdivision 3.~~

~~(e) (b)~~ (b) The services described in paragraph (a), ~~clause (2)~~ clauses (1), (2), and (3), as defined in the No Surprises Act, and any federal regulations adopted under that act, are not unauthorized provider services subject to balance billing if the enrollee gives advance written provides informed consent to prior to receiving services from the

nonparticipating provider acknowledging that the use of a provider, or the services to be rendered, may result in costs not covered by the health plan. The informed consent must comply with all requirements of the No Surprises Act, including any federal regulations adopted under that act.

Subd. 2. **Prohibition Cost-sharing requirements and independent dispute resolution.** (a) An enrollee's financial responsibility for the ~~unauthorized nonparticipating~~ provider services described in subdivision 1, paragraph (a), shall be the same cost-sharing requirements, including co-payments, deductibles, coinsurance, coverage restrictions, and coverage limitations, as those applicable to services received by the enrollee from a participating provider. A health plan company must apply any enrollee cost sharing requirements, including co-payments, deductibles, and coinsurance, for unauthorized nonparticipating provider services to the enrollee's annual out-of-pocket limit to the same extent payments to a participating provider would be applied.

(b) A health plan company must attempt to negotiate the reimbursement, less any applicable enrollee cost sharing under paragraph (a), for the ~~unauthorized nonparticipating~~ provider services with the nonparticipating provider. ~~If a health plan company's and nonparticipating provider's attempts the attempt to negotiate reimbursement for the health care nonparticipating provider services do does not result in a resolution, the health plan company or provider may elect to refer the matter for binding arbitration, chosen in accordance with paragraph (c). A nondisclosure agreement must be executed by both parties prior to engaging an arbitrator in accordance with this section. The cost of arbitration must be shared equally between the parties. either party may initiate the federal independent dispute resolution process pursuant to the No Surprises Act, including any federal regulations adopted under that act.~~

~~(c) The commissioner of health, in consultation with the commissioner of the Bureau of Mediation Services, must develop a list of professionals qualified in arbitration, for the purpose of resolving disputes between a health plan company and nonparticipating provider arising from the payment for unauthorized provider services. The commissioner of health shall publish the list on the Department of Health website, and update the list as appropriate.~~

~~(d) The arbitrator must consider relevant information, including the health plan company's payments to other nonparticipating providers for the same services, the circumstances and complexity of the particular case, and the usual and customary rate for the service based on information available in a database in a national, independent, not for profit corporation, and similar fees received by the provider for the same services from other health plans in which the provider is nonparticipating, in reaching a decision.~~

Subd. 3. **Annual data reporting.** (a) Beginning April 1, 2024, a health plan company must report annually to the commissioner of health:

(1) the total number of claims and total billed and paid amounts for nonparticipating provider services, by service and provider type, submitted to the health plan in the prior calendar year; and

(2) the total number of enrollee complaints received regarding the rights and protections established by the No Surprises Act in the prior calendar year.

(b) The commissioners of commerce and health shall develop the form and manner for health plan companies to comply with paragraph (a).

Subd. 4. **Enforcement.** (a) Any provider or facility, including a health care provider or facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject to the relevant provisions of the No Surprises Act is subject to the requirements of this section and section 62J.811.

(b) The commissioner of commerce or health shall enforce this section.

(c) If a health-related licensing board has cause to believe that a provider has violated this section, it may further investigate and enforce the provisions of this section pursuant to chapter 214.

Sec. 26. Minnesota Statutes 2022, section 62Q.56, subdivision 2, is amended to read:

Subd. 2. **Change in health plans.** (a) If an enrollee is subject to a change in health plans, the enrollee's new health plan company must provide, upon request, authorization to receive services that are otherwise covered under the terms of the new health plan through the enrollee's current provider:

(1) for up to 120 days if the enrollee is engaged in a current course of treatment for one or more of the following conditions:

(i) an acute condition;

(ii) a life-threatening mental or physical illness;

(iii) pregnancy ~~beyond the first trimester of pregnancy~~;

(iv) a physical or mental disability defined as an inability to engage in one or more major life activities, provided that the disability has lasted or can be expected to last for at least one year, or can be expected to result in death; or

(v) a disabling or chronic condition that is in an acute phase; or

(2) for the rest of the enrollee's life if a physician certifies that the enrollee has an expected lifetime of 180 days or less.

For all requests for authorization under this paragraph, the health plan company must grant the request for authorization unless the enrollee does not meet the criteria provided in this paragraph.

(b) The health plan company shall prepare a written plan that provides a process for coverage determinations regarding continuity of care of up to 120 days for new enrollees who request continuity of care with their former provider, if the new enrollee:

(1) is receiving culturally appropriate services and the health plan company does not have a provider in its preferred provider network with special expertise in the delivery of those culturally appropriate services within the time and distance requirements of section 62D.124, subdivision 1; or

(2) does not speak English and the health plan company does not have a provider in its preferred provider network who can communicate with the enrollee, either directly or through an interpreter, within the time and distance requirements of section 62D.124, subdivision 1.

The written plan must explain the criteria that will be used to determine whether a need for continuity of care exists and how it will be provided.

(c) This subdivision applies only to group coverage and continuation and conversion coverage, and applies only to changes in health plans made by the employer.

Sec. 27. Minnesota Statutes 2022, section 62Q.73, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "adverse determination" means:

(1) for individual health plans, a complaint decision relating to a health care service or claim that is partially or wholly adverse to the complainant;

(2) an individual health plan that is grandfathered plan coverage may instead apply the definition of adverse determination for group coverage in clause (3);

(3) for group health plans, a complaint decision relating to a health care service or claim that has been appealed in accordance with section 62Q.70 and the appeal decision is partially or wholly adverse to the complainant;

(4) any adverse determination, as defined in section 62M.02, subdivision 1a, that has been appealed in accordance with section 62M.06 and the appeal did not reverse the adverse determination;

(5) a decision relating to a health care service made by a health plan company licensed under chapter 60A that denies the service on the basis that the service was not medically necessary; ~~or~~

(6) the enrollee has met the requirements of subdivision 6, paragraph (e); or

(7) a decision relating to a health plan's coverage of nonparticipating provider services as described in and subject to section 62Q.556, subdivision 1, paragraph (a).

An adverse determination does not include complaints relating to fraudulent marketing practices or agent misrepresentation.

Sec. 28. Minnesota Statutes 2022, section 62Q.73, subdivision 7, is amended to read:

Subd. 7. **Standards of review.** (a) For an external review of any issue in an adverse determination that does not require a medical necessity determination, the external review must be based on whether the adverse determination was in compliance with the enrollee's health benefit plan or section 62Q.556, subdivision 1, paragraph (a).

(b) For an external review of any issue in an adverse determination by a health plan company licensed under chapter 62D that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in Minnesota Rules, part 4685.0100, subpart 9b.

(c) For an external review of any issue in an adverse determination by a health plan company, other than a health plan company licensed under chapter 62D, that requires a medical necessity determination, the external review must determine whether the adverse determination was consistent with the definition of medically necessary care in section 62Q.53, subdivision 2.

(d) For an external review of an adverse determination involving experimental or investigational treatment, the external review entity must base its decision on all documents submitted by the health plan company and enrollee, including:

(1) medical records;

(2) the recommendation of the attending physician, advanced practice registered nurse, physician assistant, or health care professional;

(3) consulting reports from health care professionals;

(4) the terms of coverage;

(5) federal Food and Drug Administration approval; and

(6) medical or scientific evidence or evidence-based standards.

Sec. 29. Minnesota Statutes 2022, section 62U.04, subdivision 4, is amended to read:

Subd. 4. **Encounter data.** (a) All health plan companies, dental plan companies, and third-party administrators shall submit encounter data on a monthly basis to a private entity designated by the commissioner of health. The data shall be submitted in a form and manner specified by the commissioner subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home, data on contractual value-based payments, and, ~~for claims incurred on or after January 1, 2019~~, data deemed necessary by the commissioner to uniquely identify claims in the individual health insurance market; ~~and~~

(3) the data must include enrollee race and ethnicity, to the extent available; and

~~(3) (4) except for the identifier data described in clause clauses (2) and (3), the data must not include information that is not included in a health care claim, dental care claim, or equivalent encounter information transaction that is required under section 62J.536.~~

(b) The commissioner or the commissioner's designee shall only use the data submitted under paragraph (a) to carry out the commissioner's responsibilities in this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. ~~Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. Notwithstanding the data classifications in this paragraph, data on providers collected under this subdivision may be released or published as authorized in subdivision 11.~~ The commissioner or the commissioner's designee shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commissioner or the commissioner's designee shall not publish analyses or reports that identify, or could potentially identify, individual patients.

(e) The commissioner shall compile summary information on the data submitted under this subdivision. The commissioner shall work with its vendors to assess the data submitted in terms of compliance with the data submission requirements and the completeness of the data submitted by comparing the data with summary information compiled by the commissioner and with established and emerging data quality standards to ensure data quality.

EFFECTIVE DATE. Paragraph (a), clause (3), is effective retroactively from January 1, 2023, and applies to claims incurred on or after that date.

Sec. 30. Minnesota Statutes 2022, section 62U.04, subdivision 5, is amended to read:

Subd. 5. **Pricing data.** (a) All health plan companies, dental plan companies, and third-party administrators shall submit, on a monthly basis, data on their contracted prices with health care providers and dental care providers to a private entity designated by the commissioner of health for the purposes of performing the analyses required under this subdivision. Data on contracted prices submitted under this paragraph must include data on supplemental contractual value-based payments paid to health care providers. The data shall be submitted in the form and manner specified by the commissioner of health.

(b) The commissioner or the commissioner's designee shall only use the data submitted under this subdivision to carry out the commissioner's responsibilities under this section, including supplying the data to providers so they can verify their results of the peer grouping process consistent with the recommendations developed pursuant to subdivision 3c, paragraph (d), and adopted by the commissioner and, if necessary, submit comments to the commissioner or initiate an appeal.

(c) Data collected under this subdivision are nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. Notwithstanding the data classifications in this paragraph, data on providers collected under this subdivision may be released or published as authorized in subdivision 11. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

Sec. 31. Minnesota Statutes 2022, section 62U.04, subdivision 5a, is amended to read:

Subd. 5a. **Self-insurers.** (a) The commissioner shall not require a self-insurer governed by the federal Employee Retirement Income Security Act of 1974 (ERISA) to comply with this section.

(b) A third-party administrator must annually notify the self-insurers whose health plans are administered by the third-party administrator that the self-insurer may elect to have the third-party administrator submit encounter data and data on contracted prices under subdivisions 4 and 5 from the self-insurer's health plan for the upcoming plan year. This notice must be provided in a form and manner specified by the commissioner. After receiving responses from self-insurers, a third-party administrator must, in a form and manner specified by the commissioner, report to the commissioner:

(1) the self-insurers that elected to have the third-party administrator submit encounter data and data on contracted prices from the self-insurer's health plan for the upcoming plan year;

(2) the self-insurers that declined to have the third-party administrator submit encounter data and data on contracted prices from the self-insurer's health plan for the upcoming plan year; and

(3) data deemed necessary by the commissioner to identify and track the status of reporting of data from self-insured health plans.

Sec. 32. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to read:

Subd. 5b. **Nonclaims-based payments.** (a) Beginning January 1, 2025, all health plan companies and third-party administrators shall submit to a private entity designated by the commissioner of health all nonclaims-based payments made to health care providers. The data shall be submitted in a form, manner, and frequency specified by the commissioner. Nonclaims-based payments are payments to health care providers designed to pay for value of health care services over volume of health care services and include alternative payment models or incentives, payments for infrastructure expenditures or investments, and payments for workforce expenditures or investments. Nonclaims-based payments submitted under this subdivision must, to the extent possible, be attributed to a health care provider in the same manner in which claims-based data are attributed to a health care provider and, where appropriate, must be combined with data collected under subdivisions 4 and 5 in analyses of health care spending.

(b) Data collected under this subdivision are nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

(c) The commissioner shall consult with health plan companies, hospitals, health care providers, and the commissioner of human services in developing the data reported under this subdivision and standardized reporting forms.

Sec. 33. Minnesota Statutes 2022, section 62U.04, subdivision 11, is amended to read:

Subd. 11. **Restricted uses of the all-payer claims data.** (a) Notwithstanding subdivision 4, paragraph (b), and subdivision 5, paragraph (b), the commissioner or the commissioner's designee shall only use the data submitted under subdivisions 4 ~~and~~ 5, 5a, and 5b for the ~~following~~ following purposes authorized in this subdivision and in subdivision 13:

(1) to evaluate the performance of the health care home program as authorized under section 62U.03, subdivision 7;

(2) to study, in collaboration with the reducing avoidable readmissions effectively (RARE) campaign, hospital readmission trends and rates;

(3) to analyze variations in health care costs, quality, utilization, and illness burden based on geographical areas or populations;

(4) to evaluate the state innovation model (SIM) testing grant received by the Departments of Health and Human Services, including the analysis of health care cost, quality, and utilization baseline and trend information for targeted populations and communities; ~~and~~

(5) to compile one or more public use files of summary data or tables that must:

(i) be available to the public for no or minimal cost by March 1, 2016, and available by web-based electronic data download by June 30, 2019;

(ii) not identify individual patients, payers, or providers but that may identify the rendering or billing hospital, clinic, or medical practice so long as no individual health professionals are identified and the commissioner finds the data to be accurate, valid, and suitable for publication for such use;

(iii) be updated by the commissioner, at least annually, with the most current data available; and

(iv) contain clear and conspicuous explanations of the characteristics of the data, such as the dates of the data contained in the files, the absence of costs of care for uninsured patients or nonresidents, and other disclaimers that provide appropriate context; and

~~(v) not lead to the collection of additional data elements beyond what is authorized under this section as of June 30, 2015.~~

(6) to conduct analyses of the impact of health care transactions on health care costs, market consolidation, and quality under section 144.593, subdivision 6.

(b) ~~The commissioner may publish the results of the authorized uses identified in paragraph (a) so long as the data released publicly do not contain information or descriptions in which the identity of individual hospitals, clinics, or other providers may be discerned. The data published under this paragraph may identify hospitals, clinics, and medical practices so long as no individual health professionals are identified and the commissioner finds the data to be accurate, valid, and suitable for publication for such use.~~

~~(c) Nothing in this subdivision shall be construed to prohibit the commissioner from using the data collected under subdivision 4 to complete the state-based risk adjustment system assessment due to the legislature on October 1, 2015.~~

~~(d) The commissioner or the commissioner's designee may use the data submitted under subdivisions 4 and 5 for the purpose described in paragraph (a), clause (3), until July 1, 2023.~~

~~(e) The commissioner shall consult with the all-payer claims database work group established under subdivision 12 regarding the technical considerations necessary to create the public use files of summary data described in paragraph (a), clause (5).~~

Sec. 34. Minnesota Statutes 2022, section 62U.04, is amended by adding a subdivision to read:

Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The commissioner or the commissioner's designee shall make the data submitted under subdivisions 4, 5, 5a, and 5b available to individuals and organizations engaged in research on, or efforts to effect transformation in, health care outcomes, access, quality, disparities, or spending, provided the use of the data serves a public benefit. Data made available under this subdivision may not be used to:

(1) create an unfair market advantage for any participant in the health care market in Minnesota, including health plan companies, payers, and providers;

(2) reidentify or attempt to reidentify an individual in the data; or

(3) publicly report contract details between a health plan company and provider and derived from the data.

(b) To implement paragraph (a), the commissioner shall:

(1) establish detailed requirements for data access; a process for data users to apply to access and use the data; legally enforceable data use agreements to which data users must consent; a clear and robust oversight process for data access and use, including a data management plan, that ensures compliance with state and federal data privacy laws; agreements for state agencies and the University of Minnesota to ensure proper and efficient use and security of data; and technical assistance for users of the data and for stakeholders;

(2) develop a fee schedule to support the cost of expanded access to and use of the data, provided the fees charged under the schedule do not create a barrier to access or use for those most affected by disparities; and

(3) create a research advisory group to advise the commissioner on applications for data use under this subdivision, including an examination of the rigor of the research approach, the technical capabilities of the proposed user, and the ability of the proposed user to successfully safeguard the data.

Sec. 35. **[115.7411] ADVISORY COUNCIL ON WATER SUPPLY SYSTEMS AND WASTEWATER TREATMENT FACILITIES.**

Subdivision 1. **Purpose; membership.** The Advisory Council on Water Supply Systems and Wastewater Treatment Facilities shall advise the commissioners of health and the Pollution Control Agency regarding classification of water supply systems and wastewater treatment facilities, qualifications and competency evaluation of water supply system operators and wastewater treatment facility operators, and additional laws, rules, and procedures that may be desirable for regulating the operation of water supply systems and of wastewater treatment facilities. The advisory council is composed of 11 voting members, of whom:

(1) one member must be from the Department of Health, Division of Environmental Health, appointed by the commissioner of health;

(2) one member must be from the Pollution Control Agency appointed by the commissioner of the Pollution Control Agency;

(3) three members must be certified water supply system operators, appointed by the commissioner of health, one of whom must represent a nonmunicipal community or nontransient noncommunity water supply system;

(4) three members must be certified wastewater treatment facility operators, appointed by the commissioner of the Pollution Control Agency;

(5) one member must be a representative from an organization representing municipalities, appointed by the commissioner of health with the concurrence of the commissioner of the Pollution Control Agency; and

(6) two members must be members of the public who are not associated with water supply systems or wastewater treatment facilities. One must be appointed by the commissioner of health and the other by the commissioner of the Pollution Control Agency. Consideration should be given to one of these members being a representative of academia knowledgeable in water or wastewater matters.

Subd. 2. **Geographic representation.** At least one of the water supply system operators and at least one of the wastewater treatment facility operators must be from outside the seven-county metropolitan area and one wastewater treatment facility operator must be from the Metropolitan Council.

Subd. 3. **Terms; compensation.** The terms of the appointed members and the compensation and removal of all members are governed by section 15.059.

Subd. 4. **Officers.** When new members are appointed to the council, a chair must be elected at the next council meeting. The Department of Health representative shall serve as secretary of the council.

Sec. 36. Minnesota Statutes 2022, section 121A.335, is amended to read:

121A.335 LEAD IN SCHOOL DRINKING WATER.

Subdivision 1. **Model plan.** The commissioners of health and education shall jointly develop a model plan to require school districts to accurately and efficiently test for the presence of lead in water in public school buildings serving students in kindergarten through grade 12. To the extent possible, the commissioners shall base the plan on the standards established by the United States Environmental Protection Agency. The plan may be based on the technical guidance in the Department of Health's document, "Reducing Lead in Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities." The plan must include recommendations for remediation efforts when testing reveals the presence of lead above five parts per billion.

Subd. 2. **School plans.** (a) By July 1, 2018, the board of each school district or charter school must adopt the commissioners' model plan or develop and adopt an alternative plan to accurately and efficiently test for the presence of lead in water in school buildings serving prekindergarten students and students in kindergarten through grade 12.

(b) By July 1, 2024, a school district or charter school must revise its plan to include its policies and procedures for ensuring consistent water quality throughout the district's or charter school's facilities. The plan must document the routine water management strategies and procedures used in each building or facility to maintain water quality and reduce exposure to lead. A district or charter school must base the plan on the United States Environmental Protection Agency's "Ensuring Drinking Water Quality in Schools During and After Extended Closures" fact sheet and the United States Environmental Protection Agency's "3Ts Toolkit for Reducing Lead in Drinking Water in Schools and Child Care Facilities" manual. A district or charter school's plan must be publicly available upon request.

Subd. 3. **Frequency of testing.** (a) The plan under subdivision 2 must include a testing schedule for every building serving prekindergarten through grade 12 students. The schedule must require that each building be tested at least once every five years. A school district or charter school must begin testing school buildings by July 1, 2018, and complete testing of all buildings that serve students within five years.

(b) A school district or charter school that finds lead at a specific location providing cooking or drinking water within a facility must formulate, make publicly available, and implement a plan that is consistent with established guidelines and recommendations to ensure that student exposure to lead is ~~minimized~~ reduced to at or below five parts per billion as verified by a retest. This includes, when a school district or charter school finds the presence of

lead ~~at a level where action should be taken as set by the guidance~~ above five parts per billion in any water source fixture that can provide cooking or drinking water, immediately shutting off the water source fixture or making it unavailable until the hazard has been ~~minimized~~ remediated as verified by a retest.

(c) A school district or charter school must test for the presence of lead after completing remediation activities required under this section to confirm that the water contains lead at a level at or below five parts per billion.

Subd. 4. **Ten-year facilities plan.** A school district may include lead testing and remediation as a part of its ten-year facilities plan under section 123B.595.

Subd. 5. **Reporting.** (a) A school district or charter school that has tested its buildings for the presence of lead shall make the results of the testing available to the public for review and must notify parents of the availability of the information. School districts and charter schools must follow the actions outlined in guidance from the commissioners of health and education. must send parents an annual notice that includes the district's or charter school's annual testing and remediation plan, information about how to find test results, and a description of remediation efforts on the district website. The district or charter school must update the lead testing and remediation information on its website at least annually. In addition to the annual notice, the district or charter school must include in an official school handbook or official school policy guide information on how parents may find the test results and a description of remediation efforts on the district or charter school website and how often this information is updated.

(b) If a test conducted under subdivision 3, paragraph (a), reveals the presence of lead above a level where action should be taken as set by the guidance five parts per billion, the school district or charter school must, within 30 days of receiving the test result, either remediate the presence of lead to at or below the level set in guidance five parts per billion, verified by retest, or directly notify parents of the test result. The school district or charter school must make the water source unavailable until the hazard has been minimized.

(c) Starting July 1, 2024, school districts and charter schools must report their test results and remediation activities to the commissioner of health in the form and manner determined by the commissioner in consultation with school districts and charter schools, by July 1 of each year. The commissioner of health must post and annually update the test results and remediation efforts on the department website by school site.

(d) A district or charter school must maintain a record of lead testing results and remediation activities for at least 15 years.

Subd. 6. **Public water systems.** (a) A district or charter school is not financially responsible for remediation of documented elevated lead levels in drinking water caused by the presence of lead infrastructure owned by a public water supply utility providing water to the school facility, such as lead service lines, meters, galvanized service lines downstream of lead, or lead connectors. The district or charter school must communicate with the public water system regarding its documented significant contribution to lead contamination in school drinking water and request from the public water system a plan for reducing the lead contamination.

(b) If the infrastructure is jointly owned by a district or charter school and a public water supply utility, the district or charter school must attempt to coordinate any needed replacements of lead service lines with the public water supply utility.

(c) A district or charter school may defer its remediation activities under this section until after the elevated lead level in the public water system's infrastructure is remediated and postremediation testing does not detect an elevated lead level in the drinking water that passes through that infrastructure. A district or charter school may also defer its remediation activities if the public water supply exceeds the federal Safe Drinking Water Act lead action level or is in violation of the Safe Drinking Water Act Lead and Copper Rule.

Subd. 7. **Commissioner recommendations.** By January 1, 2026, and every five years thereafter, the commissioner of health must report to the legislative committees having jurisdiction over health and kindergarten through grade 12 education any recommended changes to this section. The recommendations must be based on currently available scientific evidence regarding the effects of lead in drinking water.

Sec. 37. **[144.0526] MINNESOTA ONE HEALTH ANTIMICROBIAL STEWARDSHIP COLLABORATIVE.**

Subdivision 1. **Establishment.** The commissioner of health shall establish the Minnesota One Health Antimicrobial Stewardship Collaborative. The commissioner shall appoint a director to execute operations, conduct health education, and provide technical assistance.

Subd. 2. **Commissioner's duties.** The commissioner of health shall oversee a program to:

(1) maintain the position of director of One Health Antimicrobial Stewardship to lead state antimicrobial stewardship initiatives across human, animal, and environmental health;

(2) communicate to professionals and the public the interconnectedness of human, animal, and environmental health, especially related to preserving the efficacy of antibiotic medications, which are a shared resource;

(3) leverage new and existing partnerships. The commissioner of health shall consult and collaborate with organizations and agencies in fields including but not limited to health care, veterinary medicine, animal agriculture, academic institutions, and industry and community organizations to inform strategies for education, practice improvement, and research in all settings where antimicrobial products are used;

(4) ensure that veterinary settings have education and strategies needed to practice appropriate antibiotic prescribing, implement clinical antimicrobial stewardship programs, and prevent transmission of antimicrobial-resistant microbes; and

(5) support collaborative research and programmatic initiatives to improve the understanding of the impact of antimicrobial use and resistance in the natural environment.

Sec. 38. **[144.0528] COMPREHENSIVE DRUG OVERDOSE AND MORBIDITY PREVENTION ACT.**

Subdivision 1. **Definition.** For the purpose of this section, "drug overdose and morbidity" means health problems that people experience after inhaling, ingesting, or injecting medicines in quantities that exceed prescription status; medicines taken that are prescribed to a different person; medicines that have been adulterated or adjusted by contaminants intentionally or unintentionally; or nonprescription drugs in amounts that result in morbidity or mortality.

Subd. 2. **Establishment.** The commissioner of health shall establish a comprehensive drug overdose and morbidity program to conduct comprehensive drug overdose and morbidity prevention activities, epidemiologic investigations and surveillance, and evaluation to monitor, address, and prevent drug overdoses statewide through integrated strategies that include the following:

(1) advance access to evidence-based nonnarcotic pain management services;

(2) implement culturally specific interventions and prevention programs with population and community groups in greatest need, including those who are pregnant and their infants;

(3) enhance overdose prevention and supportive services for people experiencing homelessness. This strategy includes funding for emergency and short-term housing subsidies through the homeless overdose prevention hub and expanding support for syringe services programs serving people experiencing homelessness statewide;

(4) equip employers to promote health and well-being of employees by addressing substance misuse and drug overdose;

(5) improve outbreak detection and identification of substances involved in overdoses through the expansion of the Minnesota Drug Overdose and Substance Use Surveillance Activity (MNDOSA);

(6) implement Tackling Overdose With Networks (TOWN) community prevention programs;

(7) identify, address, and respond to drug overdose and morbidity in those who are pregnant or have just given birth through multitiered approaches that may:

(i) promote medication-assisted treatment options;

(ii) support programs that provide services in accord with evidence-based care models for mental health and substance abuse disorder;

(iii) collaborate with interdisciplinary and professional organizations that focus on quality improvement initiatives related to substance use disorder; and

(iv) implement substance use disorder-related recommendations from the maternal mortality review committee, as appropriate; and

(8) design a system to assess, address, and prevent the impacts of drug overdose and morbidity on those who are pregnant, their infants, and children. Specifically, the commissioner of health may:

(i) inform health care providers and the public of the prevalence, risks, conditions, and treatments associated with substance use disorders involving or affecting pregnancies, infants, and children; and

(ii) identify communities, families, infants, and children affected by substance use disorder in order to recommend focused interventions, prevention, and services.

Subd. 3. **Partnerships.** The commissioner of health may consult with sovereign Tribal nations, the Minnesota Departments of Human Services, Corrections, Public Safety, and Education, local public health agencies, care providers and insurers, community organizations that focus on substance abuse risks and recovery, individuals affected by substance use disorders, and any other individuals, entities, and organizations as necessary to carry out the goals of this section.

Subd. 4. **Grants authorized.** (a) The commissioner of health may award grants, as funding allows, to entities and organizations focused on addressing and preventing the negative impacts of drug overdose and morbidity. Examples of activities the commissioner may consider for these grant awards include:

(1) developing, implementing, or promoting drug overdose and morbidity prevention programs and activities;

(2) community outreach and other efforts addressing the root causes of drug overdose and morbidity;

(3) identifying risk and protective factors relating to drug overdose and morbidity that contribute to identification, development, or improvement of prevention strategies and community outreach;

(4) developing or providing trauma-informed drug overdose and morbidity prevention and services;

(5) developing or providing culturally and linguistically appropriate drug overdose and morbidity prevention and services, and programs that target and serve historically underserved communities;

(6) working collaboratively with educational institutions, including school districts, to implement drug overdose and morbidity prevention strategies for students, teachers, and administrators;

(7) working collaboratively with sovereign Tribal nations, care providers, nonprofit organizations, for-profit organizations, government entities, community-based organizations, and other entities to implement substance misuse and drug overdose prevention strategies within their communities; and

(8) creating or implementing quality improvement initiatives to improve drug overdose and morbidity treatment and outcomes.

(b) Any organization or government entity receiving grant money under this section must collect and make available to the commissioner of health aggregate data related to the activity funded by the program under this section. The commissioner of health shall use the information and data from the program evaluation to inform the administration of existing Department of Health programming and the development of Department of Health policies, programs, and procedures.

Subd. 5. **Promotion; administration.** In fiscal years 2026 and beyond, the commissioner may spend up to 25 percent of the total funding appropriated to the comprehensive drug overdose and morbidity program in each fiscal year to promote, administer, support, and evaluate the programs authorized under this section and to provide technical assistance to program grantees.

Subd. 6. **External contributions.** The commissioner may accept contributions from governmental and nongovernmental sources and may apply for grants to supplement state appropriations for the programs authorized under this section. Contributions and grants received from the sources identified in this subdivision to advance the purpose of this section are appropriated to the commissioner for the comprehensive drug overdose and morbidity program.

Subd. 7. **Program evaluation.** Beginning February 28, 2024, the commissioner of health shall report every even-numbered year to the legislative committees with jurisdiction over health detailing the expenditures of funds authorized under this section. The commissioner shall use the data to evaluate the effectiveness of the program. The commissioner must include in the report:

(1) the number of organizations receiving grant money under this section;

(2) the number of individuals served by the grant programs;

(3) a description and analysis of the practices implemented by program grantees; and

(4) best practices recommendations to prevent drug overdose and morbidity, including culturally relevant best practices and recommendations focused on historically underserved communities.

Subd. 8. **Measurement.** Notwithstanding any law to the contrary, the commissioner of health shall assess and evaluate grants and contracts awarded using available data sources, including but not limited to the Minnesota All Payer Claims Database (MN APCD), the Minnesota Behavioral Risk Factor Surveillance System (BRFSS), the Minnesota Student Survey, vital records, hospitalization data, syndromic surveillance, and the Minnesota Electronic Health Record Consortium.

Sec. 39. **[144.0752] CULTURAL COMMUNICATIONS.**

Subdivision 1. **Establishment.** The commissioner of health shall establish:

(1) a cultural communications program that advances culturally and linguistically appropriate communication services for communities most impacted by health disparities which includes limited English proficient (LEP) populations, African American populations, LGBTQ+ populations, and people with disabilities; and

(2) a position that works with department leadership and division to ensure that the department follows the National Standards for Culturally and Linguistically Appropriate Services (CLAS) Standards.

Subd. 2. **Commissioner's duties.** The commissioner of health shall oversee a program to:

(1) align the department services, policies, procedures, and governance with the National CLAS Standards, establish culturally and linguistically appropriate goals, policies, and management accountability, and apply them throughout the organization's planning and operations;

(2) ensure the department services respond to the cultural and linguistic diversity of Minnesotans and that the department partners with the community to design, implement, and evaluate policies, practices, and services that are aligned with the national cultural and linguistic appropriateness standard; and

(3) ensure the department leadership, workforce, and partners embed culturally and linguistically appropriate policies and practices into leadership and public health program planning, intervention, evaluation, and dissemination.

Subd. 3. **Eligible contractors.** The commissioner may enter into contracts to implement this section. Organizations eligible to receive contract funding under this section include:

(1) master contractors that are selected through the state to provide language and communication services; and

(2) organizations that are able to provide services for languages that master contractors are unable to cover.

Sec. 40. **[144.0754] OFFICE OF AFRICAN AMERICAN HEALTH; DUTIES.**

Subdivision 1. **Establishment.** The commissioner shall establish the Office of African American Health to address the unique public health needs of African American Minnesotans and work to develop solutions and systems to address identified health disparities of African American Minnesotans arising from a context of cumulative and historical discrimination and disadvantages in multiple systems, including but not limited to housing, education, employment, gun violence, incarceration, environmental factors, and health care discrimination.

Subd. 2. **Duties of the office.** The office shall:

(1) convene the African American Health State Advisory Council (AAHSAC) under section 144.0755 to advise the commissioner on issues and to develop specific, targeted policy solutions to improve the health of African American Minnesotans, with a focus on United States-born African Americans;

(2) based upon input from and collaboration with the AAHSAC, health indicators, and identified disparities, conduct analysis and develop policy and program recommendations and solutions targeted at improving African American health outcomes;

(3) coordinate and conduct community engagement across multiple systems, sectors, and communities to address racial disparities in labor force participation, educational achievement, and involvement with the criminal justice system that impact African American health and well-being;

(4) conduct data analysis and research to support policy goals and solutions;

(5) award and administer African American health special emphasis grants to health and community-based organizations to plan and develop programs targeted at improving African American health outcomes, based upon needs identified by the council, health indicators, and identified disparities and addressing historical trauma and systems of United States-born African American Minnesotans; and

(6) develop and administer Department of Health immersion experiences for students in secondary education and community colleges to improve diversity of the public health workforce and introduce career pathways that contribute to reducing health disparities.

Sec. 41. **[144.0755] AFRICAN AMERICAN HEALTH STATE ADVISORY COUNCIL.**

Subdivision 1. **Establishment; purpose.** The commissioner of health shall establish and administer the African American Health State Advisory Council to advise the commissioner on implementing specific strategies to reduce health inequities and disparities that particularly affect African Americans in Minnesota.

Subd. 2. **Members.** (a) The council shall include no fewer than 12 or more than 20 members from any of the following groups:

- (1) representatives of community-based organizations serving or advocating for African American citizens;
- (2) at-large community leaders or elders, as nominated by other council members;
- (3) African American individuals who provide and receive health care services;
- (4) African American secondary or college students;
- (5) health or human service professionals serving African American communities or clients;
- (6) representatives with research or academic expertise in racial equity; and
- (7) other members that the commissioner deems appropriate to facilitate the goals and duties of the council.

(b) The commissioner shall make recommendations for council membership and, after considering recommendations from the council, shall appoint a chair or chairs of the council. Council members shall be appointed by the governor.

Subd. 3. **Terms.** A term shall be for two years and appointees may be reappointed to serve two additional terms. The commissioner shall recommend appointments to replace members vacating their positions in a timely manner, no more than three months after the council reviews panel recommendations.

Subd. 4. **Duties of commissioner.** The commissioner or commissioner's designee shall:

- (1) maintain and actively engage with the council established in this section;
- (2) based on recommendations of the council, review identified department or other related policies or practices that maintain health inequities and disparities that particularly affect African Americans in Minnesota;
- (3) in partnership with the council, recommend or implement action plans and resources necessary to address identified disparities and advance African American health equity;
- (4) support interagency collaboration to advance African American health equity; and
- (5) support member participation in the council, including participation in educational and community engagement events across Minnesota that specifically address African American health equity.

Subd. 5. **Duties of council.** The council shall:

- (1) identify health disparities found in African American communities and contributing factors;

(2) recommend to the commissioner for review any statutes, rules, or administrative policies or practices that would address African American health disparities;

(3) recommend policies and strategies to the commissioner of health to address disparities specifically affecting African American health;

(4) form work groups of council members who are persons who provide and receive services and representatives of advocacy groups;

(5) provide the work groups with clear guidelines, standardized parameters, and tasks for the work groups to accomplish; and

(6) annually submit to the commissioner a report that summarizes the activities of the council, identifies disparities specially affecting the health of African American Minnesotans, and makes recommendations to address identified disparities.

Subd. 6. Duties of council members. The members of the council shall:

(1) attend scheduled meetings with no more than three absences per year, participate in scheduled meetings, and prepare for meetings by reviewing meeting notes;

(2) maintain open communication channels with respective constituencies;

(3) identify and communicate issues and risks that may impact the timely completion of tasks;

(4) participate in any activities the council or commissioner deems appropriate and necessary to facilitate the goals and duties of the council; and

(5) participate in work groups to carry out council duties.

Subd. 7. Staffing; office space; equipment. The commissioner shall provide the advisory council with staff support, office space, and access to office equipment and services.

Subd. 8. Reimbursement. Compensation and reimbursement for travel and expenses incurred for council activities are governed by section 15.059, subdivision 3.

Sec. 42. **[144.0756] AFRICAN AMERICAN HEALTH SPECIAL EMPHASIS GRANT PROGRAM.**

Subdivision 1. Establishment. The commissioner of health shall establish the African American health special emphasis grant program administered by the Office of African American Health. The purposes of the program are to:

(1) identify disparities impacting African American health arising from cumulative and historical discrimination and disadvantages in multiple systems, including but not limited to housing, education, employment, gun violence, incarceration, environmental factors, and health care discrimination; and

(2) develop community-based solutions that incorporate a multisector approach to addressing identified disparities impacting African American health.

Subd. 2. Requests for proposals; accountability; data collection. As directed by the commissioner of health, the Office of African American Health shall:

(1) develop a request for proposals for an African American health special emphasis grant program in consultation with community stakeholders;

(2) provide outreach, technical assistance, and program development guidance to potential qualifying organizations or entities;

(3) review responses to requests for proposals in consultation with community stakeholders and award grants under this section;

(4) establish a transparent and objective accountability process in consultation with community stakeholders, focused on outcomes that grantees agree to achieve;

(5) provide grantees with access to summary and other public data to assist grantees in establishing and implementing effective community-led solutions; and

(6) collect and maintain data on outcomes reported by grantees.

Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this section include nonprofit organizations or entities that work with African American communities or are focused on addressing disparities impacting the health of African American communities.

Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In developing the requests for proposals and awarding the grants, the commissioner and the Office of African American Health shall consider building upon the existing capacity of communities and on developing capacity where it is lacking. Proposals shall focus on addressing health equity issues specific to United States-born African American communities; addressing the health impact of historical trauma; and reducing health disparities experienced by United States-born African American communities; and incorporating a multisector approach to addressing identified disparities.

Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to timelines established by the commissioner.

Sec. 43. **[144.0757] OFFICE OF AMERICAN INDIAN HEALTH.**

Subdivision 1. **Duties.** The Office of American Indian Health is established to address unique public health needs of American Indian Tribal communities in Minnesota, and shall:

(1) coordinate with Minnesota's Tribal Nations and urban American Indian community-based organizations to identify underlying causes of health disparities, address unique health needs of Minnesota's Tribal communities, and develop public health approaches to achieve health equity;

(2) strengthen capacity of American Indian and community-based organizations and Tribal Nations to address identified health disparities and needs;

(3) administer state and federal grant funding opportunities targeted to improve the health of American Indians;

(4) provide overall leadership for targeted development of holistic health and wellness strategies to improve health and to support Tribal and urban American Indian public health leadership and self-sufficiency;

(5) provide technical assistance to Tribal and American Indian urban community leaders to develop culturally appropriate activities to address public health emergencies;

(6) develop and administer the department immersion experiences for American Indian students in secondary education and community colleges to improve diversity of the public health workforce and introduce career pathways that contribute to reducing health disparities; and

(7) identify and promote workforce development strategies for Department of Health staff to work with the American Indian population and Tribal Nations more effectively in Minnesota.

Subd. 2. **Grants and contracts.** To carry out these duties, the office may contract with or provide grants to qualifying entities.

Sec. 44. **[144.0758] AMERICAN INDIAN HEALTH SPECIAL EMPHASIS GRANTS.**

Subdivision 1. **Establishment.** The commissioner of health shall establish the American Indian health special emphasis grant program. The purposes of the program are to:

(1) plan and develop programs targeted to address continuing and persistent health disparities of Minnesota's American Indian population and improve American Indian health outcomes based upon needs identified by health indicators and identified disparities;

(2) identify disparities in American Indian health arising from cumulative and historical discrimination; and

(3) plan and develop community-based solutions with a multisector approach to addressing identified disparities in American Indian health.

Subd. 2. **Commissioner's duties.** The commissioner of health shall:

(1) develop a request for proposals for an American Indian health special emphasis grant program in consultation with Minnesota's Tribal Nations and urban American Indian community-based organizations based upon needs identified by the community, health indicators, and identified disparities;

(2) provide outreach, technical assistance, and program development guidance to potential qualifying organizations or entities;

(3) review responses to requests for proposals in consultation with community stakeholders and award grants under this section;

(4) establish a transparent and objective accountability process in consultation with community stakeholders focused on outcomes that grantees agree to achieve;

(5) provide grantees with access to data to assist grantees in establishing and implementing effective community-led solutions; and

(6) collect and maintain data on outcomes reported by grantees.

Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this section are Minnesota's Tribal Nations and urban American Indian community-based organizations.

Subd. 4. **Strategic consideration and priority of proposals; grant awards.** In developing the proposals and awarding the grants, the commissioner shall consider building upon the existing capacity of Minnesota's Tribal Nations and urban American Indian community-based organizations and on developing capacity where it is lacking. Proposals may focus on addressing health equity issues specific to Tribal and urban American Indian communities; addressing the health impact of historical trauma; reducing health disparities experienced by American Indian communities; and incorporating a multisector approach to addressing identified disparities.

Subd. 5. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 45. Minnesota Statutes 2022, section 144.122, is amended to read:

144.122 LICENSE, PERMIT, AND SURVEY FEES.

(a) The state commissioner of health, by rule, may prescribe procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the Department of Management and Budget. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with disabilities program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner shall set license fees for hospitals and nursing homes that are not boarding care homes at the following levels:

Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and American Osteopathic

Association (AOA) hospitals	\$7,655 plus \$16 per bed
Non-JCAHO and non-AOA hospitals	\$5,280 plus \$250 per bed
Nursing home	\$183 plus \$91 per bed until June 30, 2018. \$183 plus \$100 per bed between July 1, 2018, and June 30, 2020. \$183 plus \$105 per bed beginning July 1, 2020.

The commissioner shall set license fees for outpatient surgical centers, boarding care homes, supervised living facilities, assisted living facilities, and assisted living facilities with dementia care at the following levels:

Outpatient surgical centers	\$3,712
Boarding care homes	\$183 plus \$91 per bed
Supervised living facilities	\$183 plus \$91 per bed.
Assisted living facilities with dementia care	\$3,000 plus \$100 per resident.
Assisted living facilities	\$2,000 plus \$75 per resident.

Fees collected under this paragraph are nonrefundable. The fees are nonrefundable even if received before July 1, 2017, for licenses or registrations being issued effective July 1, 2017, or later.

(e) Unless prohibited by federal law, the commissioner of health shall charge applicants the following fees to cover the cost of any initial certification surveys required to determine a provider's eligibility to participate in the Medicare or Medicaid program:

Prospective payment surveys for hospitals	\$900
Swing bed surveys for nursing homes	\$1,200
Psychiatric hospitals	\$1,400
Rural health facilities	\$1,100
Portable x-ray providers	\$500
Home health agencies	\$1,800
Outpatient therapy agencies	\$800
End stage renal dialysis providers	\$2,100
Independent therapists	\$800
Comprehensive rehabilitation outpatient facilities	\$1,200
Hospice providers	\$1,700
Ambulatory surgical providers	\$1,800
Hospitals	\$4,200
Other provider categories or additional resurveys required to complete initial certification	Actual surveyor costs: average surveyor cost x number of hours for the survey process.

These fees shall be submitted at the time of the application for federal certification and shall not be refunded. All fees collected after the date that the imposition of fees is not prohibited by federal law shall be deposited in the state treasury and credited to the state government special revenue fund.

(f) Notwithstanding section 16A.1283, the commissioner may adjust the fees assessed on assisted living facilities and assisted living facilities with dementia care under paragraph (d), in a revenue-neutral manner in accordance with the requirements of this paragraph:

(1) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent lower than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise more than 50 percent of the facility's capacity in the calendar year prior to the year in which the renewal application is submitted; and

(2) a facility seeking to renew a license shall pay a renewal fee in an amount that is up to ten percent higher than the applicable fee in paragraph (d) if residents who receive home and community-based waiver services under chapter 256S and section 256B.49 comprise less than 50 percent of the facility's capacity during the calendar year prior to the year in which the renewal application is submitted.

The commissioner may annually adjust the percentages in clauses (1) and (2), to ensure this paragraph is implemented in a revenue-neutral manner. The commissioner shall develop a method for determining capacity thresholds in this paragraph in consultation with the commissioner of human services and must coordinate the administration of this paragraph with the commissioner of human services for purposes of verification.

(g) The commissioner shall charge hospitals an annual licensing base fee of \$1,826 per hospital, plus an additional \$23 per licensed bed or bassinet fee. Revenue shall be deposited to the state government special revenue fund and credited toward trauma hospital designations under sections 144.605 and 144.6071.

Sec. 46. Minnesota Statutes 2022, section 144.1481, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** The commissioner of health shall establish a ~~16-member~~ Rural Health Advisory Committee. The committee shall consist of the following 22 members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathic medicine licensed under chapter 147;

(7) a dentist licensed under chapter 150A;

(8) an allied dental personnel as defined in Minnesota Rules, part 3100.0100, subpart 5;

~~(8) a midlevel practitioner;~~

(9) an advanced practice professional;

~~(9)~~ (10) a registered nurse or licensed practical nurse;

~~(10)~~ (11) a licensed health care professional from an occupation not otherwise represented on the committee;

~~(11)~~ (12) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(13) a member of a Tribal Nation;

(14) a representative of a local public health agency or community health board;

(15) a health professional or advocate with experience working with people with mental illness;

(16) a representative of a community organization that works with individuals experiencing health disparities;

(17) an individual with expertise in economic development, or an employer working outside the seven-county metropolitan area;

~~(12) three~~ (18) two consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled, from a community experiencing health disparities; and

(19) one consumer who is an advocate for persons who are developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The advisory committee is governed by section 15.059, except that the members do not receive per diem compensation.

Sec. 47. Minnesota Statutes 2022, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Advanced dental therapist" means an individual who is licensed as a dental therapist under section 150A.06, and who is certified as an advanced dental therapist under section 150A.106.

(c) "Alcohol and drug counselor" means an individual who is licensed as an alcohol and drug counselor under chapter 148F.

(d) "Dental therapist" means an individual who is licensed as a dental therapist under section 150A.06.

(e) "Dentist" means an individual who is licensed to practice dentistry.

(f) "Designated rural area" means a statutory and home rule charter city or township that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(g) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(h) "Hospital nurse" means an individual who is licensed as a registered nurse and who is providing direct patient care in a nonprofit hospital setting.

(i) "Mental health professional" means an individual providing clinical services in the treatment of mental illness who is qualified in at least one of the ways specified in section 245.462, subdivision 18.

~~(j)~~ (j) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(k)~~ (k) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

~~(l)~~ (l) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

~~(m)~~ (m) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

~~(n)~~ (n) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

~~(o)~~ (o) "Pharmacist" means an individual with a valid license issued under chapter 151.

~~(p)~~ (p) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

~~(q)~~ (q) "Physician assistant" means a person licensed under chapter 147A.

(r) "PSLF program" means the federal Public Service Loan Forgiveness program established under Code of Federal Regulations, title 34, section 685.219.

~~(s)~~ (s) "Public health nurse" means a registered nurse licensed in Minnesota who has obtained a registration certificate as a public health nurse from the Board of Nursing in accordance with Minnesota Rules, chapter 6316.

(⇌) (t) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

(⇌) (u) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas (HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 48. Minnesota Statutes 2022, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents, mental health professionals, and alcohol and drug counselors agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of ~~pediatric~~ psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home; in an intermediate care facility for persons with developmental disability; in a hospital if the hospital owns and operates a Minnesota nursing home and a minimum of 50 percent of the hours worked by the nurse is in the nursing home; ~~a housing with services establishment as defined in section 144D.01, subdivision 4~~ in an assisted living facility as defined in section 144G.08, subdivision 7; or for a home care provider as defined in section 144A.43, subdivision 4; or agree to teach at least 12 credit hours, or 720 hours per year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach at least 12 credit hours, or 720 hours per year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists, advanced dental therapists, dental therapists, and public health nurses who agree to practice in designated rural areas; ~~and~~

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section ~~51, chapter 303, 51c.303~~; and

(7) for nurses who are enrolled in the PSLF program, employed as a hospital nurse by a nonprofit hospital that is an eligible employer under the PSLF program, and providing direct care to patients at the nonprofit hospital.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 49. Minnesota Statutes 2022, section 144.1501, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a medical or dental resident; be a licensed pharmacist; or be enrolled in a training or education program or obtaining required supervision hours to become a dentist, dental therapist, advanced dental therapist, mental health professional, alcohol and drug counselor, pharmacist, public health nurse, midlevel practitioner, registered nurse, or a licensed practical nurse. The commissioner may also consider applications submitted by graduates in eligible professions who are licensed and in practice; and

(2) submit an application to the commissioner of health. Nurses applying under subdivision 2, paragraph (a), clause (7), must also include proof that the applicant is enrolled in the PSLF program and confirmation that the applicant is employed as a hospital nurse.

(b) An applicant selected to participate must sign a contract to agree to serve a minimum three-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training, with the exception of:

(1) a nurse, who must agree to serve a minimum two-year full-time service obligation according to subdivision 2, which shall begin no later than March 31 following completion of required training;

(2) a nurse selected under subdivision 2, paragraph (a), clause (7), who must agree to continue as a hospital nurse for the repayment period of the participant's eligible loan under the PSLF program; and

(3) a nurse who agrees to teach according to subdivision 2, paragraph (a), clause (3), who must sign a contract to agree to teach for a minimum of two years.

Sec. 50. Minnesota Statutes 2022, section 144.1501, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** (a) The commissioner of health may select applicants each year for participation in the loan forgiveness program, within the limits of available funding. In considering applications, the commissioner shall give preference to applicants who document diverse cultural competencies. The commissioner shall distribute available funds for loan forgiveness proportionally among the eligible professions according to the vacancy rate for each profession in the required geographic area, facility type, teaching area, patient group, or specialty type specified in subdivision 2, except for hospital nurses. The commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the funds available are used for rural physician loan forgiveness and 25 percent of the funds available are used for underserved urban communities and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough qualified applicants each year to use the entire allocation of funds for any eligible profession, the remaining funds may be allocated proportionally among the other eligible professions according to the vacancy rate for each profession in the required geographic area, patient group, or facility type specified in subdivision 2. Applicants are responsible for securing their own qualified educational loans. The commissioner shall select participants based on their suitability for practice serving the required geographic area or facility type specified in subdivision 2, as indicated by experience or training. The commissioner shall give preference to applicants closest to completing their training. Except as specified in paragraphs (b) and (c), for each year that a participant meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the applicant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans. Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the participant is practicing as required under subdivisions 2 and 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2.

(b) For hospital nurses, the commissioner of health shall select applicants each year for participation in the hospital nursing education loan forgiveness program, within limits of available funding for hospital nurses. Applicants are responsible for applying for and maintaining eligibility for the PSLF program. For each year that a participant meets the eligibility requirements described in subdivision 3, the commissioner shall make an annual disbursement directly to the participant in an amount equal to the minimum loan payments required to be paid by the participant under the participant's repayment plan established for the participant under the PSLF program for the previous loan year. Before receiving the annual loan repayment disbursement, the participant must complete and return to the commissioner a confirmation of practice form provided by the commissioner, verifying that the participant continues to meet the eligibility requirements under subdivision 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the loan for which forgiveness is sought under the PSLF program.

(c) For each year that a participant who is a nurse and who has agreed to teach according to subdivision 2 meets the teaching obligation required in subdivision 3, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average annual educational debt for indebted graduates in the nursing profession in the year closest to the participant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans.

Sec. 51. Minnesota Statutes 2022, section 144.1501, subdivision 5, is amended to read:

Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required minimum commitment of service according to subdivision 3, or for hospital nurses, if the secretary of education determines that the participant does not meet eligibility requirements for the PSLF, the commissioner of health shall collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The commissioner shall deposit the money collected in the health care access fund to be credited to the health professional education loan forgiveness program account established in subdivision 2. The commissioner shall allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment, or for hospital nurses, if the PSLF program is discontinued before the participant's service commitment is fulfilled.

Sec. 52. **[144.1504] EMPLOYEE RECRUITMENT EDUCATION LOAN FORGIVENESS PROGRAM.**

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

(b) "Advanced practice registered nurse" has the meaning given in section 148.171, subdivision 3.

(c) "Designated rural area" means a statutory or home rule charter city or township that is outside the seven-county metropolitan area as defined in section 473.121, subdivision 2, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(d) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(e) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

(f) "Physician assistant" means a person licensed under chapter 147A.

(g) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

Subd. 2. Creation of account. (a) A health professional employee education loan forgiveness program account is established. The commissioner of health shall use money from the account to make grants to eligible providers for a loan forgiveness recruitment and retention program. Nominations for loan forgiveness through a grant shall be available to employees who are advanced practice registered nurses, physicians, or physician assistants who agree to practice in designated rural areas that are included in a health profession's shortage area, where the provider rate per 10,000 population is less than ten and the vacancy rate has reached a level determined by the commissioner.

(b) Appropriations made to the account do not cancel and are available until expended, except that, at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the general fund.

Subd. 3. Eligibility. (a) Eligible providers must provide services in designated rural areas that are included in a health profession's shortage area where the provider rate per 10,000 population is less than ten and the vacancy rate has reached a level determined by the commissioner for advanced practice registered nurses, physicians, or physician assistants.

(b) Employees, as described in subdivision 2, paragraph (a), selected to receive loan forgiveness must agree to work a minimum average of 30 hours per week for a minimum of five years for a qualifying provider organization to maintain eligibility for loan forgiveness under this section.

Subd. 4. Request for proposals. The commissioner shall publish request for proposals that specify qualifying provider eligibility requirements; criteria for a qualifying employee loan forgiveness recruitment program; provider selection criteria; documentation required for program participation; maximum number of loan forgiveness slots available per eligible provider; and methods of evaluation. The commissioner must publish additional requests for proposals each year in which funding is available for this purpose.

Subd. 5. Application requirements. (a) Eligible providers seeking loan forgiveness for employees shall submit an application to the commissioner. Applications from eligible providers must contain a complete description of the employee loan forgiveness program being proposed by the applicant, the process for determining which employees are eligible for loan forgiveness, and any special circumstances related to the provider that make it difficult to recruit and retain qualified employees. Eligible providers must submit the names of their employees to be considered for loan forgiveness.

(b) An employee whose name has been submitted to the commissioner and who wishes to apply for loan forgiveness must submit an application to the commissioner that must include employee practice site information and verification of employee qualified educational loan debt. The employee is responsible for securing the employee's qualified educational loans.

Subd. 6. Selection process. The commissioner shall determine a maximum number of loan forgiveness slots available per eligible provider and shall make selections based on the information provided in the grant application, including the demonstrated need for an applicant provider to enhance the retention of its workforce, the proposed employee loan forgiveness selection process, and other criteria as determined by the commissioner.

Subd. 7. Reporting requirements. (a) Participating providers whose employees receive loan forgiveness shall submit a report to the commissioner on a schedule determined by the commissioner and on a form supplied by the commissioner. The report must include the number of employees receiving loan forgiveness and, for each employee receiving loan forgiveness, the employee's name, current position, and average number of hours worked per week. During the loan forgiveness period, the commissioner may require and collect from participating providers and employees receiving loan forgiveness other information necessary to evaluate the program and ensure ongoing eligibility.

(b) Before receiving loan repayment disbursements, the employee must complete and return to the commissioner a confirmation of practice form provided by the commissioner verifying that the employee is practicing as required in subdivision 3. The employee must provide the commissioner with verification that the full amount of loan repayment disbursement received by the employee has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Employees who move to a different eligible provider remain eligible for loan repayment as long as they practice as required in subdivision 3.

Subd. 8. **Penalty for nonfulfillment.** If an employee does not fulfill the required minimum service commitment in subdivision 3, the commissioner shall collect from the employee the total amount paid to the employee under the loan forgiveness program, plus interest at a rate established according to section 270C.40. The commissioner shall deposit the money collected in an account in the special revenue fund and money in that account is annually appropriated to the commissioner for purposes of this section. The commissioner may allow waivers of all or part of the money owed to the commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the minimum service commitment.

Subd. 9. **Rules.** The commissioner may adopt rules to implement this section.

Sec. 53. Minnesota Statutes 2022, section 144.1505, is amended to read:

144.1505 HEALTH PROFESSIONALS CLINICAL TRAINING EXPANSION AND RURAL AND UNDERSERVED CLINICAL ROTATIONS GRANT PROGRAM PROGRAMS.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "eligible advanced practice registered nurse program" means a program that is located in Minnesota and is currently accredited as a master's, doctoral, or postgraduate level advanced practice registered nurse program by the Commission on Collegiate Nursing Education or by the Accreditation Commission for Education in Nursing, or is a candidate for accreditation;

(2) "eligible dental therapy program" means a dental therapy education program or advanced dental therapy education program that is located in Minnesota and is either:

(i) approved by the Board of Dentistry; or

(ii) currently accredited by the Commission on Dental Accreditation;

(3) "eligible mental health professional program" means a program that is located in Minnesota and is listed as a mental health professional program by the appropriate accrediting body for clinical social work, psychology, marriage and family therapy, or licensed professional clinical counseling, or is a candidate for accreditation;

(4) "eligible pharmacy program" means a program that is located in Minnesota and is currently accredited as a doctor of pharmacy program by the Accreditation Council on Pharmacy Education;

(5) "eligible physician assistant program" means a program that is located in Minnesota and is currently accredited as a physician assistant program by the Accreditation Review Commission on Education for the Physician Assistant, or is a candidate for accreditation;

(6) "mental health professional" means an individual providing clinical services in the treatment of mental illness who meets one of the qualifications under section 245.462, subdivision 18; ~~and~~

(7) "eligible physician training program" means a physician residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation;

(8) "eligible dental program" means a dental education program or a dental residency training program located in Minnesota and that is currently accredited by the accrediting body or has presented a credible plan as a candidate for accreditation; and

~~(7)~~ (9) "project" means a project to establish or expand clinical training for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, or mental health professionals in Minnesota.

Subd. 2. **Program Programs.** (a) For advanced practice provider clinical training expansion grants, the commissioner of health shall award health professional training site grants to eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs to plan and implement expanded clinical training. A planning grant shall not exceed \$75,000, and a training grant shall not exceed \$150,000 for the first year, \$100,000 for the second year, and \$50,000 for the third year per program.

(b) For health professional rural and underserved clinical rotations grants, the commissioner of health shall award health professional training site grants to eligible physician, physician assistant, advanced practice registered nurse, pharmacy, dentistry, dental therapy, and mental health professional programs to augment existing clinical training programs to add rural and underserved rotations or clinical training experiences, such as credential or certificate rural tracks or other specialized training. For physician and dentist training, the expanded training must include rotations in primary care settings such as community clinics, hospitals, health maintenance organizations, or practices in rural communities.

~~(b)~~ (c) Funds may be used for:

(1) ~~establishing or expanding rotations and clinical training for physician assistants, advanced practice registered nurses, pharmacists, dental therapists, advanced dental therapists, and mental health professionals in Minnesota;~~

(2) recruitment, training, and retention of students and faculty;

(3) connecting students with appropriate clinical training sites, internships, practicums, or externship activities;

(4) travel and lodging for students;

(5) faculty, student, and preceptor salaries, incentives, or other financial support;

(6) development and implementation of cultural competency training;

(7) evaluations;

(8) ~~training site improvements, fees, equipment, and supplies required to establish, maintain, or expand a physician assistant, advanced practice registered nurse, pharmacy, dental therapy, or mental health professional training program; and~~

(9) supporting clinical education in which trainees are part of a primary care team model.

Subd. 3. **Applications.** Eligible physician assistant, advanced practice registered nurse, pharmacy, dental therapy, and mental health professional programs and physician and dental programs seeking a grant shall apply to the commissioner. Applications must include a description of the number of additional students who will be trained using grant funds; attestation that funding will be used to support an increase in the number of clinical training slots; a description of the problem that the proposed project will address; a description of the project, including all costs associated with the project, sources of funds for the project, detailed uses of all funds for the project, and the results expected; and a plan to maintain or operate any component included in the project after the grant period. The applicant must describe achievable objectives, a timetable, and roles and capabilities of responsible individuals in the organization. Applicants applying under subdivision 2, paragraph (b), must include information about length of training and training site settings, geographic location of rural sites, and rural populations expected to be served.

Subd. 4. **Consideration of applications.** The commissioner shall review each application to determine whether or not the application is complete and whether the program and the project are eligible for a grant. In evaluating applications, the commissioner shall score each application based on factors including, but not limited to, the applicant's clarity and thoroughness in describing the project and the problems to be addressed, the extent to which the applicant has demonstrated that the applicant has made adequate provisions to ensure proper and efficient operation of the training program once the grant project is completed, the extent to which the proposed project is consistent with the goal of increasing access to primary care and mental health services for rural and underserved urban communities, the extent to which the proposed project incorporates team-based primary care, and project costs and use of funds.

Subd. 5. **Program oversight.** The commissioner shall determine the amount of a grant to be given to an eligible program based on the relative score of each eligible program's application, including rural locations as applicable under subdivision 2, paragraph (b), other relevant factors discussed during the review, and the funds available to the commissioner. Appropriations made to the program do not cancel and are available until expended. During the grant period, the commissioner may require and collect from programs receiving grants any information necessary to evaluate the program.

Sec. 54. **[144.1507] PRIMARY CARE RESIDENCY TRAINING GRANT PROGRAM.**

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

(b) "Eligible program" means a program that meets the following criteria:

(1) is located in Minnesota;

(2) trains medical residents in the specialties of family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, or general surgery in rural residency training programs or in community-based ambulatory care centers that primarily serve the underserved; and

(3) is accredited by the Accreditation Council for Graduate Medical Education or presents a credible plan to obtain accreditation.

(c) "Rural residency training program" means a residency program that provides an initial year of training in an accredited residency program in Minnesota. The subsequent years of the residency program are based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers.

(d) "Community-based ambulatory care centers" means federally qualified health centers, community mental health centers, rural health clinics, health centers operated by the Indian Health Service, an Indian Tribe or Tribal organization, or an urban American Indian organization or an entity receiving funds under Title X of the Public Health Service Act.

(e) "Eligible project" means a project to establish and maintain a rural residency training program.

Subd. 2. **Rural residency training program.** (a) The commissioner of health shall award rural residency training program grants to eligible programs to plan, implement, and sustain rural residency training programs. A rural residency training program grant shall not exceed \$250,000 per year for up to three years for planning and development, and \$225,000 per resident per year for each year thereafter to sustain the program.

(b) Funds may be spent to cover the costs of:

(1) planning related to establishing accredited rural residency training programs;

(2) obtaining accreditation by the Accreditation Council for Graduate Medical Education or another national body that accredits rural residency training programs;

(3) establishing new rural residency training programs;

(4) recruitment, training, and retention of new residents and faculty related to the new rural residency training program;

(5) travel and lodging for new residents;

(6) faculty, new resident, and preceptor salaries related to new rural residency training programs;

(7) training site improvements, fees, equipment, and supplies required for new rural residency training programs; and

(8) supporting clinical education in which trainees are part of a primary care team model.

Subd. 3. **Applications for rural residency training program grants.** Eligible programs seeking a grant shall apply to the commissioner. Applications must include the number of new primary care rural residency training program slots planned, under development or under contract; a description of the training program, including location of the established residency program and rural training sites; a description of the project, including all costs associated with the project; all sources of funds for the project; detailed uses of all funds for the project; the results expected; proof of eligibility for federal graduate medical education funding, if applicable; and a plan to seek the funding. The applicant must describe achievable objectives, a timetable, and the roles and capabilities of responsible individuals in the organization.

Subd. 4. **Consideration of grant applications.** The commissioner shall review each application to determine if the residency program application is complete, if the proposed rural residency program and residency slots are eligible for a grant, and if the program is eligible for federal graduate medical education funding, and when the funding is available. If eligible programs are not eligible for federal graduate medical education funding, the commissioner may award continuation funding to the eligible program beyond the initial grant period. The commissioner shall award grants to support training programs in family medicine, general internal medicine, general pediatrics, psychiatry, geriatrics, general surgery, and other primary care focus areas.

Subd. 5. **Program oversight.** During the grant period, the commissioner may require and collect from grantees any information necessary to evaluate the program. Notwithstanding section 16A.28, subdivision 6, encumbrances for grants under this section issued by June 30 of each year may be certified for a period of up to three years beyond the year in which the funds were originally appropriated.

Sec. 55. [144.1508] CLINICAL HEALTH CARE TRAINING.

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

(b) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body that reviews the accrediting organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health.

(c) "Clinical medical education program" means the accredited clinical training of physicians, medical students, residents, doctors of pharmacy practitioners, doctors of chiropractic, dentists, advanced practice nurses, clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, certified nurse midwives, physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, community health workers, and other medical professions as determined by the commissioner.

(d) "Commissioner" means the commissioner of health.

(e) "Eligible entity" means an organization that is located in Minnesota, provides a clinical medical education experience, and hosts students, residents, or other trainee types as determined by the commissioner, and is from an accredited Minnesota teaching program and institution.

(f) "Eligible trainee FTEs" means the number of trainees, as measured by full-time equivalent counts, that are training in Minnesota at an entity with either currently active medical assistance enrollment status and a National Provider Identification (NPI) number or documentation that they provide sliding fee services. Training may occur in an inpatient or ambulatory patient care setting or alternative setting as determined by the commissioner. Training that occurs in nursing facility settings is not eligible for funding under this section.

(g) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota that is accountable to the accrediting body.

(h) "Trainee" means a student, resident, fellow, or other postgraduate involved in a clinical medical education program from an accredited Minnesota teaching program and institution.

Subd. 2. Application process. (a) An eligible entity hosting clinical trainees from a clinical medical education program and teaching institution is eligible for funds under subdivision 3, if the entity:

(1) is funded in part by sliding fee scale services or enrolled in the Minnesota health care program;

(2) faces increased financial pressure as a result of competition with nonteaching patient care entities; and

(3) emphasizes primary care or specialties that are in undersupply in rural or underserved areas of Minnesota.

(b) An entity hosting a clinical medical education program for advanced practice nursing is eligible for funds under subdivision 3, if the program meets the eligibility requirements in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or an institution that is part of the Minnesota State Colleges and Universities system or members of the Minnesota Private College Council.

(c) An application must be submitted to the commissioner by an eligible entity through the teaching institution and contain the following information:

(1) the official name and address and the site addresses of the clinical medical education programs where eligible trainees are hosted;

(2) the name, title, and business address of those persons responsible for administering the funds;

(3) for each applicant, the type and specialty orientation of trainees in the program; the name, entity address, medical assistance provider number, and national provider identification number of each training site used in the program, as appropriate; the federal tax identification number of each training site, where available; the total number of eligible trainee FTEs at each site; and

(4) other supporting information the commissioner deems necessary.

(d) An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the current funding cycle.

Subd. 3. **Distribution of funds.** (a) The commissioner may distribute funds for clinical training in areas of Minnesota and for the professions listed in subdivision 1, paragraph (c), determined by the commissioner as a high need area and profession shortage area. The commissioner shall annually distribute medical education funds to qualifying applicants under this section based on the costs to train, service level needs, and profession or training site shortages. Use of funds is limited to related clinical training costs for eligible programs.

(b) To ensure the quality of clinical training, eligible entities must demonstrate that they hold contracts in good standing with eligible educational institutions that specify the terms, expectations, and outcomes of the clinical training conducted at sites. Funds shall be distributed in an administrative process determined by the commissioner to be efficient.

Subd. 4. **Report.** (a) Teaching institutions receiving funds under this section must sign and submit a medical education grant verification report (GVR) to verify funding was distributed as specified in the GVR. If the teaching institution fails to submit the GVR by the stated deadline, the teaching institution is required to return the full amount of funds received to the commissioner within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

(b) Teaching institutions receiving funds under this section must provide any other information the commissioner deems appropriate to evaluate the effectiveness of the use of funds for medical education.

Sec. 56. Minnesota Statutes 2022, section 144.2151, is amended to read:

144.2151 FETAL DEATH RECORD AND CERTIFICATE OF BIRTH RESULTING IN STILLBIRTH.

Subdivision 1. **Filing Registration.** A fetal death record of birth for each birth resulting in a stillbirth in this state, on or after August 1, 2005, must be established for which a each fetal death report is required reported and registered under section 144.222, subdivision 1, shall be filed with the state registrar within five days after the birth if the parent or parents of the stillbirth request to have a record of birth resulting in stillbirth prepared.

Subd. 2. **Information to parents.** The party responsible for filing a fetal death report under section 144.222, subdivision 1, shall advise the parent or parents of a stillbirth:

(1) that they may request preparation of a record of birth resulting in stillbirth;

(2) that preparation of the record is optional; and

(3) how to obtain a certified copy of the record if one is requested and prepared.

(1) that the parent or parents may choose to provide a full name or provide only a last name for the record;

(2) that the parent or parents may request a certificate of birth resulting in stillbirth after the fetal death record is established;

(3) that the parent who gave birth may request an informational copy of the fetal death record; and

(4) that the parent or parents named on the fetal death record and the party responsible for reporting the fetal death may correct or amend the record to protect the integrity and accuracy of vital records.

Subd. 3. **Preparation Responsibilities of the state registrar.** (a) Within five days after delivery of a stillbirth, the parent or parents of the stillbirth may prepare and file the record with the state registrar if the parent or parents of the stillbirth, after being advised as provided in subdivision 2, request to have a record of birth resulting in stillbirth prepared.

~~(b) If the parent or parents of the stillbirth do not choose to provide a full name for the stillbirth, the parent or parents may choose to file only a last name.~~

~~(c) Either parent of the stillbirth or, if neither parent is available, another person with knowledge of the facts of the stillbirth shall attest to the accuracy of the personal data entered on the record in time to permit the filing of the record within five days after delivery.~~

The state registrar shall:

(1) prescribe the process to:

(i) register a fetal death;

(ii) request the certificate of birth resulting in stillbirth; and

(iii) request the informational copy of a fetal death record;

(2) prescribe a standardized format for the certificate of birth resulting in stillbirth, which shall integrate security features and be as similar as possible to a birth certificate;

(3) issue a certificate of birth resulting in stillbirth or a statement of no vital record found to the parent or parents named on the fetal death record upon the parent's proper completion of an attestation provided by the commissioner and payment of the required fee;

(4) correct or amend the fetal death record upon a request from the parent who gave birth, parents, or the person who registered the fetal death or filed the report; and

(5) refuse to amend or correct the fetal death record when an applicant does not submit the minimum documentation required to amend the record or when the state registrar has cause to question the validity or completeness of the applicant's statements or any documentary evidence and the deficiencies are not corrected. The state registrar shall advise the applicant of the reason for this action and shall further advise the applicant of the right of appeal to a court with competent jurisdiction over the Department of Health.

Subd. 4. ~~**Retroactive application**~~ **Delayed registration.** ~~Notwithstanding subdivisions 1 to 3, If a birth that fetal death occurred in this state at any time resulted in a stillbirth for which a fetal death report was required under section 144.222, subdivision 1, but a record of birth resulting in stillbirth was not prepared under subdivision 3, a parent of the stillbirth may submit to the state registrar, on or after August 1, 2005, a written request for preparation of a record of birth resulting in stillbirth and evidence of the facts of the stillbirth in the form and manner specified by the state registrar. The state registrar shall prepare and file the record of birth resulting in stillbirth within 30 days after receiving satisfactory evidence of the facts of the stillbirth. fetal death was not registered and a record was not established, a person responsible for registering the fetal death, the medical examiner or coroner with jurisdiction, or a parent may submit to the state registrar a written request to register the fetal death and submit the evidence to support the request.~~

Subd. 5. ~~**Responsibilities of state registrar.**~~ The state registrar shall:

~~(1) prescribe the form of and information to be included on a record of birth resulting in stillbirth, which shall be as similar as possible to the form of and information included on a record of birth;~~

~~(2) prescribe the form of and information to be provided by the parent of a stillbirth requesting a record of birth resulting in stillbirth under subdivisions 3 and 4 and make this form available on the Department of Health's website;~~

~~(3) issue a certified copy of a record of birth resulting in stillbirth to a parent of the stillbirth that is the subject of the record if:~~

~~(i) a record of birth resulting in stillbirth has been prepared and filed under subdivision 3 or 4; and~~

~~(ii) the parent requesting a certified copy of the record submits the request in writing; and~~

~~(4) create and implement a process for entering, preparing, and handling stillbirth records identical or as close as possible to the processes for birth and fetal death records when feasible, but no later than the date on which the next reprogramming of the Department of Health's database for vital records is completed.~~

Sec. 57. Minnesota Statutes 2022, section 144.222, is amended to read:

144.222 FETAL DEATH REPORTS OF FETAL OR INFANT DEATH AND REGISTRATION.

Subdivision 1. **Fetal death report required.** A fetal death ~~report~~ must be ~~filed~~ registered or reported within five days of the death of a fetus for whom 20 or more weeks of gestation have elapsed, except for abortions defined under section 145.4241. A fetal death ~~report must be prepared~~ must be registered or reported in a format prescribed by the state registrar and filed in accordance with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

(1) a person in charge of an institution or that person's authorized designee if a fetus is delivered in the institution or en route to the institution;

(2) a physician, certified nurse midwife, or other licensed medical personnel in attendance at or immediately after the delivery if a fetus is delivered outside an institution; or

(3) a parent or other person in charge of the disposition of the remains if a fetal death occurred without medical attendance at or immediately after the delivery.

~~Subd. 2. **Sudden infant death.** Each infant death which is diagnosed as sudden infant death syndrome shall be reported within five days to the state registrar.~~

Sec. 58. Minnesota Statutes 2022, section 144.222, subdivision 1, is amended to read:

Subdivision 1. **Fetal death report required.** A fetal death report must be filed within five days of the death of a fetus for whom 20 or more weeks of gestation have elapsed, except for abortions defined under section ~~145.4241~~ 145.411, subdivision 5. A fetal death report must be prepared in a format prescribed by the state registrar and filed in accordance with Minnesota Rules, parts 4601.0100 to 4601.2600 by:

(1) a person in charge of an institution or that person's authorized designee if a fetus is delivered in the institution or en route to the institution;

(2) a physician, certified nurse midwife, or other licensed medical personnel in attendance at or immediately after the delivery if a fetus is delivered outside an institution; or

(3) a parent or other person in charge of the disposition of the remains if a fetal death occurred without medical attendance at or immediately after the delivery.

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

Sec. 59. Minnesota Statutes 2022, section 144.226, subdivision 3, is amended to read:

Subd. 3. **Birth record surcharge.** (a) In addition to any fee prescribed under subdivision 1, there shall be a nonrefundable surcharge of \$3 for each certified birth or stillbirth record and for a certification that the vital record cannot be found. The state registrar or local issuance office shall forward this amount to the commissioner of management and budget each month following the collection of the surcharge for deposit into the account for the children's trust fund for the prevention of child abuse established under section 256E.22. This surcharge shall not be charged under those circumstances in which no fee for a certified birth or stillbirth record is permitted under subdivision 1, paragraph (b). Upon certification by the commissioner of management and budget that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

(b) In addition to any fee prescribed under subdivision 1, there shall be a nonrefundable surcharge of \$10 for each certified birth record. The state registrar or local issuance office shall forward this amount to the commissioner of management and budget each month following the collection of the surcharge for deposit in the general fund.

Sec. 60. Minnesota Statutes 2022, section 144.226, subdivision 4, is amended to read:

Subd. 4. **Vital records surcharge.** In addition to any fee prescribed under subdivision 1, there is a nonrefundable surcharge of \$4 for each certified and noncertified birth, stillbirth, or death record, and for a certification that the record cannot be found. The local issuance office or state registrar shall forward this amount to the commissioner of management and budget each month following the collection of the surcharge to be deposited into the state government special revenue fund.

Sec. 61. **[144.3431] NONRESIDENTIAL MENTAL HEALTH SERVICES.**

A minor who is age 16 or older may give effective consent for nonresidential mental health services, and the consent of no other person is required. For purposes of this section, "nonresidential mental health services" means outpatient services as defined in section 245.4871, subdivision 29, provided to a minor who is not residing in a hospital, inpatient unit, or licensed residential treatment facility or program.

Sec. 62. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 2a. **Connector.** "Connector" means gooseneck, pigtail, and other service line connectors. A connector is typically a short section of piping not exceeding two feet that can be bent and used for connections between rigid service piping.

Sec. 63. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3a. **Galvanized requiring replacement.** "Galvanized requiring replacement" means a galvanized service line that is or was at any time connected to a lead service line or lead status unknown service line, or is currently or was previously affixed to a lead connector. The majority of galvanized service lines fall under this category.

Sec. 64. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3b. **Galvanized service line.** "Galvanized service line" means a service line made of iron or piping that has been dipped in zinc to prevent corrosion and rusting.

Sec. 65. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3c. **Lead connector.** "Lead connector" means a connector made of lead.

Sec. 66. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3d. **Lead service line.** "Lead service line" means a portion of pipe that is made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, by the property owner, or both.

Sec. 67. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3e. **Lead status unknown service line or unknown service line.** "Lead status unknown service line" or "unknown service line" means a service line that has not been demonstrated to meet or does not meet the definition of lead free in section 1417 of the Safe Drinking Water Act.

Sec. 68. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 3f. **Nonlead service line.** "Nonlead service line" means a service line determined through an evidence-based record, method, or technique not to be a lead service line or galvanized service line requiring replacement. Most nonlead service lines are made of copper or plastic.

Sec. 69. Minnesota Statutes 2022, section 144.382, is amended by adding a subdivision to read:

Subd. 4a. **Service line.** "Service line" means a portion of pipe that connects the water main to the building inlet. A service line may be owned by the water system, by the property owner, or both. A service line may be made of many materials, such as lead, copper, galvanized steel, or plastic.

Sec. 70. **[144.3853] CLASSIFICATION OF SERVICE LINES.**

Subdivision 1. **Classification of lead status of service line.** (a) A water system may classify the actual material of a service line, such as copper or plastic, as an alternative to classifying the service line as a nonlead service line, for the purpose of the lead service line inventory.

(b) It is not necessary to physically verify the material composition, such as copper or plastic, of a service line for its lead status to be identified. For example, if records demonstrate the service line was installed after a municipal, state, or federal ban on the installation of lead service lines, the service line may be classified as a nonlead service line.

Subd. 2. **Lead connector.** For the purposes of the lead service line inventory and lead service line replacement plan, if a service line has a lead connector, the service line shall be classified as a lead service line or a galvanized service line requiring replacement.

Subd. 3. **Galvanized service line.** A galvanized service line may only be classified as a nonlead service line if there is documentation verifying it was never connected to a lead service line or lead connector. Rarely will a galvanized service line be considered a nonlead service line.

Sec. 71. **[144.398] TOBACCO USE PREVENTION ACCOUNT; ESTABLISHMENT AND USES.**

Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have the meanings given.

(b) "Electronic delivery device" has the meaning given in section 609.685, subdivision 1, paragraph (c).

(c) "Nicotine delivery product" has the meaning given in section 609.6855, subdivision 1, paragraph (c).

(d) "Tobacco" has the meaning given in section 609.685, subdivision 1, paragraph (a).

(e) "Tobacco-related devices" has the meaning given in section 609.685, subdivision 1, paragraph (b).

Subd. 2. **Account created.** A tobacco use prevention account is created in the special revenue fund. Pursuant to section 16A.151, subdivision 2, paragraph (h), the commissioner of management and budget shall deposit into the account any money received by the state resulting from a settlement agreement or an assurance of discontinuance entered into by the attorney general of the state, or a court order in litigation brought by the attorney general of the state on behalf of the state or a state agency related to alleged violations of consumer fraud laws in the marketing, sale, or distribution of electronic nicotine delivery systems in this state or other alleged illegal actions that contributed to the exacerbation of youth nicotine use.

Subd. 3. **Appropriations from tobacco use prevention account.** (a) Each fiscal year, the amount of money in the tobacco use prevention account is appropriated to the commissioner of health for:

(1) tobacco and electronic delivery device use prevention and cessation projects consistent with the duties specified in section 144.392;

(2) a public information program under section 144.393;

(3) the development of health promotion and health education materials about tobacco and electronic delivery device use prevention and cessation;

(4) tobacco and electronic delivery device use prevention activities under section 144.396; and

(5) statewide tobacco cessation services under section 144.397.

(b) In activities funded under this subdivision, the commissioner of health must:

(1) prioritize preventing persons under the age of 21 from using commercial tobacco, electronic delivery devices, tobacco-related devices, and nicotine delivery products;

(2) promote racial and health equity; and

(3) use strategies that are evidence-based or based on promising practices.

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

Sec. 72. Minnesota Statutes 2022, section 144.55, subdivision 3, is amended to read:

Subd. 3. **Standards for licensure.** (a) Notwithstanding the provisions of section 144.56, for the purpose of hospital licensure, the commissioner of health shall use as minimum standards the hospital certification regulations promulgated pursuant to title XVIII of the Social Security Act, United States Code, title 42, section 1395, et seq. The commissioner may use as minimum standards changes in the federal hospital certification regulations promulgated after May 7, 1981, if the commissioner finds that such changes are reasonably necessary to protect public health and safety. ~~The commissioner shall also promulgate in rules additional minimum standards for new construction.~~

(b) Hospitals must meet the applicable provisions of the 2022 edition of the Facility Guidelines Institute *Guidelines for Design and Construction of Hospitals*. This minimum design standard must be met for all new licenses, new construction, change of use, or change of occupancy for which plan review packages are received on or after January 1, 2024.

(c) If the commissioner decides to update the edition of the guidelines specified in paragraph (b) for purposes of this subdivision, the commissioner must notify the chairs and ranking minority members of the legislative committees with jurisdiction over health care and public safety of the planned update by January 15 of the year in which the new edition will become effective. Following notice from the commissioner, the new edition shall become effective for hospitals beginning August 1 of that year, unless otherwise provided in law. The commissioner shall, by publication in the State Register, specify a date by which hospitals must comply with the updated edition. The date by which hospitals must comply shall not be sooner than 12 months after publication of the commissioner's notice in the State Register and shall apply only to plan review packages received on or after that date.

(d) Hospitals shall be in compliance with all applicable state and local governing laws, regulations, standards, ordinances, and codes for fire safety, building, and zoning requirements.

~~(b)~~ (e) Each hospital and outpatient surgical center shall establish policies and procedures to prevent the transmission of human immunodeficiency virus and hepatitis B virus to patients and within the health care setting. The policies and procedures shall be developed in conformance with the most recent recommendations issued by the United States Department of Health and Human Services, Public Health Service, Centers for Disease Control. The commissioner of health shall evaluate a hospital's compliance with the policies and procedures according to subdivision 4.

~~(e)~~ (f) An outpatient surgical center must establish and maintain a comprehensive tuberculosis infection control program according to the most current tuberculosis infection control guidelines issued by the United States Centers for Disease Control and Prevention (CDC), Division of Tuberculosis Elimination, as published in CDC's Morbidity and Mortality Weekly Report (MMWR). This program must include a tuberculosis infection control plan that covers all paid and unpaid employees, contractors, students, and volunteers. The Department of Health shall provide technical assistance regarding implementation of the guidelines.

~~(d)~~ (g) Written compliance with this subdivision must be maintained by the outpatient surgical center.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 73. Minnesota Statutes 2022, section 144.566, is amended to read:

144.566 VIOLENCE AGAINST HEALTH CARE WORKERS.

Subdivision 1. **Definitions.** (a) The following definitions apply to this section and have the meanings given.

(b) "Act of violence" means an act by a patient or visitor against a health care worker that includes kicking, scratching, urinating, sexually harassing, or any act defined in sections 609.221 to 609.2241.

(c) "Commissioner" means the commissioner of health.

(d) "Health care worker" means any person, whether licensed or unlicensed, employed by, volunteering in, or under contract with a hospital, who has direct contact with a patient of the hospital for purposes of either medical care or emergency response to situations potentially involving violence.

(e) "Hospital" means any facility licensed as a hospital under section 144.55.

(f) "Incident response" means the actions taken by hospital administration and health care workers during and following an act of violence.

(g) "Interfere" means to prevent, impede, discourage, or delay a health care worker's ability to report acts of violence, including by retaliating or threatening to retaliate against a health care worker.

(h) "Preparedness" means the actions taken by hospital administration and health care workers to prevent a single act of violence or acts of violence generally.

(i) "Retaliate" means to discharge, discipline, threaten, otherwise discriminate against, or penalize a health care worker regarding the health care worker's compensation, terms, conditions, location, or privileges of employment.

(j) "Workplace violence hazards" means locations and situations where violent incidents are more likely to occur, including, as applicable, but not limited to locations isolated from other health care workers; health care workers working alone; health care workers working in remote locations; health care workers working late night or early morning hours; locations where an assailant could prevent entry of responders or other health care workers into a work area; locations with poor illumination; locations with poor visibility; lack of physical barriers between health care workers and persons at risk of committing workplace violence; lack of effective escape routes; obstacles and impediments to accessing alarm systems; locations within the facility where alarm systems are not operational; entryways where unauthorized entrance may occur, such as doors designated for staff entrance or emergency exits; presence, in the areas where patient contact activities are performed, of furnishings or objects that could be used as weapons; and locations where high-value items, currency, or pharmaceuticals are stored.

Subd. 2. ~~Hospital duties~~ **Action plans and action plan reviews required.** ~~(a)~~ All hospitals must design and implement preparedness and incident response action plans to acts of violence by January 15, 2016, and review and update the plan at least annually thereafter. The plan must be in writing; specific to the workplace violence hazards and corrective measures for the units, services, or operations of the hospital; and available to health care workers at all times.

Subd. 3. **Action plan committees.** ~~(b)~~ A hospital shall designate a committee of representatives of health care workers employed by the hospital, including nonmanagerial health care workers, nonclinical staff, administrators, patient safety experts, and other appropriate personnel to develop preparedness and incident response action plans to acts of violence. The hospital shall, in consultation with the designated committee, implement the plans under ~~paragraph (a) subdivision 2.~~ Nothing in this ~~paragraph~~ subdivision shall require the establishment of a separate committee solely for the purpose required by this subdivision.

Subd. 4. **Required elements of action plans; generally.** The preparedness and incident response action plans to acts of violence must include:

(1) effective procedures to obtain the active involvement of health care workers and their representatives in developing, implementing, and reviewing the plan, including their participation in identifying, evaluating, and correcting workplace violence hazards, designing and implementing training, and reporting and investigating incidents of workplace violence;

(2) names or job titles of the persons responsible for implementing the plan; and

(3) effective procedures to ensure that supervisory and nonsupervisory health care workers comply with the plan.

Subd. 5. **Required elements of action plans; evaluation of risk factors.** (a) The preparedness and incident response action plans to acts of violence must include assessment procedures to identify and evaluate workplace violence hazards for each facility, unit, service, or operation, including community-based risk factors and areas surrounding the facility, such as employee parking areas and other outdoor areas. Procedures shall specify the frequency with which such environmental assessments will take place.

(b) The preparedness and incident response action plans to acts of violence must include assessment tools, environmental checklists, or other effective means to identify workplace violence hazards.

Subd. 6. Required elements of action plans; review of workplace violence incidents. The preparedness and incident response action plans to acts of violence must include procedures for reviewing all workplace violence incidents that occurred in the facility, unit, service, or operation within the previous year, whether or not an injury occurred.

Subd. 7. Required elements of action plans; reporting workplace violence. The preparedness and incident response action plans to acts of violence must include:

(1) effective procedures for health care workers to document information regarding conditions that may increase the potential for workplace violence incidents and communicate that information without fear of reprisal to other health care workers, shifts, or units;

(2) effective procedures for health care workers to report a violent incident, threat, or other workplace violence concern without fear of reprisal;

(3) effective procedures for the hospital to accept and respond to reports of workplace violence and to prohibit retaliation against a health care worker who makes such a report;

(4) a policy statement stating the hospital will not prevent a health care worker from reporting workplace violence or take punitive or retaliatory action against a health care worker for doing so;

(5) effective procedures for investigating health care worker concerns regarding workplace violence or workplace violence hazards;

(6) procedures for informing health care workers of the results of the investigation arising from a report of workplace violence or from a concern about a workplace violence hazard and of any corrective actions taken;

(7) effective procedures for obtaining assistance from the appropriate law enforcement agency or social service agency during all work shifts. The procedure may establish a central coordination procedure; and

(8) a policy statement stating the hospital will not prevent a health care worker from seeking assistance and intervention from local emergency services or law enforcement when a violent incident occurs or take punitive or retaliatory action against a health care worker for doing so.

Subd. 8. Required elements of action plans; coordination with other employers. The preparedness and incident response action plans to acts of violence must include methods the hospital will use to coordinate implementation of the plan with other employers whose employees work in the same health care facility, unit, service, or operation and to ensure that those employers and their employees understand their respective roles as provided in the plan. These methods must ensure that all employees working in the facility, unit, service, or operation are provided the training required by subdivision 11 and that workplace violence incidents involving any employee are reported, investigated, and recorded.

Subd. 9. Required elements of action plans; white supremacist affiliation and support prohibited. (a) The preparedness and incident response action plans to acts of violence must include a policy statement stating that security personnel employed by the hospital or assigned to the hospital by a contractor are prohibited from affiliating with, supporting, or advocating for white supremacist groups, causes, or ideologies or participating in, or actively promoting, an international or domestic extremist group that the Federal Bureau of Investigation has determined supports or encourages illegal, violent conduct.

(b) For purposes of this subdivision, white supremacist groups, causes, or ideologies include organizations and associations and ideologies that promote white supremacy and the idea that white people are superior to Black, Indigenous, and people of color (BIPOC); promote religious and racial bigotry; seek to exacerbate racial and ethnic tensions between BIPOC and non-BIPOC; or engage in patently hateful and inflammatory speech, intimidation, and violence against BIPOC as means of promoting white supremacy.

Subd. 10. Required elements of action plans; training. (a) The preparedness and incident response action plans to acts of violence must include:

(1) procedures for developing and providing the training required in subdivision 11 that permits health care workers and their representatives to participate in developing the training; and

(2) a requirement for cultural competency training and equity, diversity, and inclusion training.

(b) The preparedness and incident response action plans to acts of violence must include procedures to communicate with health care workers regarding workplace violence matters, including:

(1) how health care workers will document and communicate to other health care workers and between shifts and units information regarding conditions that may increase the potential for workplace violence incidents;

(2) how health care workers can report a violent incident, threat, or other workplace violence concern;

(3) how health care workers can communicate workplace violence concerns without fear of reprisal; and

(4) how health care worker concerns will be investigated, and how health care workers will be informed of the results of the investigation and any corrective actions to be taken.

Subd. 11. Training required. ~~(e)~~ A hospital shall must provide training to all health care workers employed or contracted with the hospital on safety during acts of violence. Each health care worker must receive safety training annually and upon hire during the health care worker's orientation and before the health care worker completes a shift independently, and annually thereafter. Training must, at a minimum, include:

(1) safety guidelines for response to and de-escalation of an act of violence;

(2) ways to identify potentially violent or abusive situations, including aggression and violence predicting factors; and

(3) the hospital's ~~incident response reaction plan and violence prevention plan~~ preparedness and incident response action plans for acts of violence, including how the health care worker may report concerns about workplace violence within each hospital's reporting structure without fear of reprisal, how the hospital will address workplace violence incidents, and how the health care worker can participate in reviewing and revising the plan; and

(4) any resources available to health care workers for coping with incidents of violence, including but not limited to critical incident stress debriefing or employee assistance programs.

Subd. 12. Annual review and update of action plans. ~~(d)~~ (a) As part of its annual review of preparedness and incident response action plans required under ~~paragraph (a)~~ subdivision 2, the hospital must review with the designated committee:

(1) the effectiveness of its preparedness and incident response action plans, including the sufficiency of security systems, alarms, emergency responses, and security personnel availability;

(2) security risks associated with specific units, areas of the facility with uncontrolled access, late night shifts, early morning shifts, and areas surrounding the facility such as employee parking areas and other outdoor areas;

(3) the most recent gap analysis as provided by the commissioner; ~~and~~

(~~3~~) (4) the number of acts of violence that occurred in the hospital during the previous year, including injuries sustained, if any, and the unit in which the incident occurred-;

(5) evaluations of staffing, including staffing patterns and patient classification systems that contribute to, or are insufficient to address, the risk of violence; and

(6) any reports of discrimination or abuse that arise from security resources, including from the behavior of security personnel.

(b) As part of the annual update of preparedness and incident response action plans required under subdivision 2, the hospital must incorporate corrective actions into the action plan to address workplace violence hazards identified during the annual action plan review, reports of workplace violence, reports of workplace violence hazards, and reports of discrimination or abuse that arise from the security resources.

Subd. 13. **Action plan updates.** Following the annual review of the action plan, a hospital must update the action plans to reflect the corrective actions the hospital will implement to mitigate the hazards and vulnerabilities identified during the annual review.

Subd. 14. **Requests for additional staffing.** A hospital shall create and implement a procedure for a health care worker to officially request of hospital supervisors or administration that additional staffing be provided. The hospital must document all requests for additional staffing made because of a health care worker's concern over a risk of an act of violence. If the request for additional staffing to reduce the risk of violence is denied, the hospital must provide the health care worker who made the request a written reason for the denial and must maintain documentation of that communication with the documentation of requests for additional staffing. A hospital must make documentation regarding staffing requests available to the commissioner for inspection at the commissioner's request. The commissioner may use documentation regarding staffing requests to inform the commissioner's determination on whether the hospital is providing adequate staffing and security to address acts of violence, and may use documentation regarding staffing requests if the commissioner imposes a penalty under subdivision 18.

Subd. 15. **Disclosure of action plans.** (~~e~~) (a) A hospital ~~shall~~ must make its most recent action plans and the ~~information listed in paragraph (d)~~ most recent action plan reviews available to ~~local law enforcement~~ all direct care staff and, if any of its workers are represented by a collective bargaining unit, to the exclusive bargaining representatives of those collective bargaining units.

(b) A hospital must also annually submit to the commissioner its most recent action plan and the results of the most recent annual review conducted under subdivision 12.

Subd. 16. **Legislative report required.** (a) The commissioner must compile the information into a single annual report and submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over health care by January 15 of each year.

(b) This subdivision does not expire.

Subd. 17. **Interference prohibited.** (~~f~~) A hospital, including any individual, partner, association, or any person or group of persons acting directly or indirectly in the interest of the hospital, ~~shall~~ must not interfere with or discourage a health care worker if the health care worker wishes to contact law enforcement or the commissioner regarding an act of violence.

Subd. 18. **Penalties.** ~~(e)~~ Notwithstanding section 144.653, subdivision 6, the commissioner may impose an ~~administrative~~ a fine of up to ~~\$250~~ \$10,000 for failure to comply with the requirements of this ~~subdivision~~ section. The commissioner must allow the hospital at least 30 calendar days to correct a violation of this section before assessing a fine.

Sec. 74. **[144.587] REQUIREMENTS FOR SCREENING FOR ELIGIBILITY FOR HEALTH COVERAGE OR ASSISTANCE.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section and sections 144.588 to 144.589.

(b) "Charity care" means the provision of free or discounted care to a patient according to a hospital's financial assistance policies.

(c) "Hospital" means a private, nonprofit, or municipal hospital licensed under sections 144.50 to 144.56.

(d) "Minnesota attorney general/hospital agreement" means the agreement between the attorney general and certain Minnesota hospitals that is filed in Ramsey County District Court and that establishes requirements for hospital litigation practices, garnishments, use of collection agencies, central billing office practices, and practices for billing uninsured patients.

(e) "Most favored insurer" means the nongovernmental third-party payor that provided the most revenue to the provider during the previous calendar year.

(f) "Navigator" has the meaning given in section 62V.02, subdivision 9.

(g) "Premium tax credit" means a tax credit or premium subsidy under the federal Patient Protection and Affordable Care Act, Public Law 111-148, as amended, including the federal Health Care and Education Reconciliation Act of 2010, Public Law 111-152, and any amendments to and federal guidance and regulations issued under these acts.

(h) "Presumptive eligibility" has the meaning given in section 256B.057, subdivision 12.

(i) "Revenue recapture" means the use of the procedures in chapter 270A to collect debt.

(j) "Uninsured service or treatment" means any service or treatment that is not covered by: (1) a health plan, contract, or policy that provides health coverage to a patient; or (2) any other type of insurance coverage, including but not limited to no-fault automobile coverage, workers' compensation coverage, or liability coverage.

(k) "Unreasonable burden" includes requiring a patient to apply for enrollment in a state or federal program for which the patient is obviously or categorically ineligible or has been found to be ineligible in the previous 12 months.

Subd. 2. **Screening.** A hospital must screen a patient who is uninsured or whose insurance coverage status is not known by the hospital for: eligibility for charity care from the hospital; eligibility for state or federal public health care programs using presumptive eligibility or another similar process; and eligibility for a premium tax credit. The hospital must attempt to complete this screening process in person or by telephone within 30 days after the patient receives services at the hospital or at the emergency department associated with the hospital.

Subd. 3. Charity care. (a) Upon completion of the screening process in subdivision 2, the hospital must either assist the patient with applying for charity care and refer the patient to the appropriate department in the hospital for follow-up or make a determination that the patient is ineligible for charity care. A hospital may initiate one or more of the following steps only after the hospital determines that the patient is ineligible for charity care and may not initiate any of the following steps while the patient's application for charity care is pending:

(1) offering to enroll or enrolling the patient in a payment plan;

(2) changing the terms of a patient's payment plan;

(3) offering the patient a loan or line of credit, application materials for a loan or line of credit, or assistance with applying for a loan or line of credit, for the payment of medical debt;

(4) referring a patient's debt for collections, including in-house collections, third-party collections, revenue recapture, or any other process for the collection of debt;

(5) denying health care services to the patient or any member of the patient's household because of outstanding medical debt, regardless of whether the services are deemed necessary or may be available from another provider; or

(6) accepting a credit card payment of over \$500 for the medical debt owed to the hospital.

(b) A hospital may not impose application procedures for charity care that place an unreasonable burden on the individual patient, taking into account the individual patient's physical, mental, intellectual, or sensory deficiencies or language barriers that may hinder the patient's ability to comply with application procedures.

(c) When a hospital evaluates a patient's eligibility for charity care, hospital requests to the responsible party for verification of assets or income shall be limited to:

(1) information that is reasonably necessary and readily available to determine eligibility; and

(2) facts that are relevant to determine eligibility.

A hospital must not demand duplicate forms of verification of assets.

Subd. 4. Public health care program; premium tax credit. (a) If a patient is presumptively eligible for a public health care program, the hospital must assist the patient in completing an insurance affordability program application, help the patient schedule an appointment with a navigator organization, or provide the patient with contact information for the nearest available navigator or certified application counselor services.

(b) If a patient is eligible for a premium tax credit, the hospital may schedule an appointment for the patient with a navigator or a MNsure-certified insurance broker organization or provide the patient with contact information for the nearest available navigator services or a MNsure-certified insurance broker.

Subd. 5. Patient may decline services. A patient may decline to participate in the screening process, to apply for charity care, to complete an insurance affordability program application, to schedule an appointment with a navigator organization, or to accept information about navigator services.

Subd. 6. Notice. (a) A hospital must post notice of the availability of charity care from the hospital in at least the following locations: (1) areas of the hospital where patients are admitted or registered; (2) emergency departments; and (3) the portion of the hospital's financial services or billing department that is accessible to patients. The posted notice must be in all languages spoken by more than five percent of the population in the hospital's service area.

(b) A hospital must make available on the hospital's website, the current version of the hospital's charity care policy, a plain-language summary of the policy, and the hospital's charity care application form. The summary and application form must be available in all languages spoken by more than five percent of the population in the hospital's service area.

EFFECTIVE DATE. This section is effective November 1, 2023.

Sec. 75. **[144.588] CERTIFICATION OF EXPERT REVIEW.**

Subdivision 1. Requirement; referral to third-party debt collection agency. (a) In order to refer a patient's account to a third-party debt collection agency, a hospital must complete an affidavit of expert review certifying that the hospital:

(1) confirmed the information required of the hospital in the most recent version of the Minnesota attorney general/hospital agreement for referral of a specific patient's account to a third-party debt collection agency; and

(2) unless the patient declined to participate, complied with the requirements in section 144.587 to conduct a patient screening and, as applicable, assist the patient in applying for charity care, assist the patient with completing an insurance affordability program application, or refer the patient to a navigator organization.

(b) The affidavit of expert review must be completed by a designated employee of the hospital seeking to refer the patient's account to a third-party debt collection agency.

Subd. 2. Penalty for noncompliance. Failure to comply with subdivision 1 shall subject a hospital to a fine assessed by the commissioner of health.

EFFECTIVE DATE. This section is effective November 1, 2023.

Sec. 76. **[144.589] BILLING OF UNINSURED PATIENTS.**

A hospital shall not charge a patient whose annual household income is less than \$125,000 for any uninsured service or treatment in an amount that exceeds the total amount the provider would be reimbursed for that service or treatment from its most favored insurer. The total amount the provider would be reimbursed for that service or treatment from its most favored insurer includes both the amount the provider would be reimbursed directly from its most favored insurer, and the amount the provider would be reimbursed from the insured's policyholder under any applicable co-payments, deductibles, and coinsurance.

EFFECTIVE DATE. This section is effective November 1, 2023.

Sec. 77. **[144.593] REQUIREMENTS FOR CERTAIN HEALTH CARE ENTITY TRANSACTIONS.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meaning given.

(b) "Captive professional entity" means a professional corporation, limited liability company, or other entity formed to render professional services in which a beneficial owner is a health care provider employed by, controlled by, or subject to the direction of a hospital or hospital system.

(c) "Commissioner" means the commissioner of health.

(d) "Health care entity" means:

(1) a hospital;

(2) a hospital system;

(3) a captive professional entity;

(4) a medical foundation;

(5) a health care provider group practice;

(6) an entity organized or controlled by an entity listed in clauses (1) to (5); or

(7) an entity that owns or exercised substantial control over an entity listed in clauses (1) to (5).

(e) "Health care provider" means a physician licensed under chapter 147, a physician assistant licensed under chapter 147A, or an advanced practice registered nurse as defined in section 148.171, subdivision 3, who provides health care services, including but not limited to medical care, consultation, diagnosis, or treatment.

(f) "Health care provider group practice" means two or more health care providers legally organized in a partnership, professional corporation, limited liability company, medical foundation, nonprofit corporation, faculty practice plan, or other similar entity:

(1) in which each health care provider who is a member of the group provides substantially the full range of services that a health care provider routinely provides, including but not limited to medical care, consultation, diagnosis, and treatment, through the joint use of shared office space, facilities, equipment, or personnel;

(2) for which substantially all services of the health care providers who are group members are provided through the group and are billed in the name of the group practice and amounts so received are treated as receipts of the group; or

(3) in which the overhead expenses of, and the income from, the group are distributed in accordance with methods previously determined by members of the group.

An entity that otherwise meets the definition of health care provider group practice in this paragraph shall be considered a health care provider group practice even if its shareholders, partners, or owners include single-health care provider professional corporations, limited liability companies formed to render professional services, or other entities in which beneficial owners are individual health care providers.

(g) "Hospital" means a health care facility licensed as a hospital under sections 144.50 to 144.56.

(h) "Medical foundation" means a nonprofit legal entity through which physicians or other health care providers perform research or provide medical services.

(i) "Transaction" means a single action, or a series of actions within a five-year period, that constitutes:

(1) a merger or exchange of a health care entity with another entity;

(2) the sale, lease, or transfer of 30 percent or more of the assets of a health care entity to another entity;

(3) the granting of a security interest of 30 percent or more of the property and assets of a health care entity to another entity;

(4) the transfer of 30 percent or more of the shares or other ownership of the health care entity to another entity;

(5) an addition or substitution of one or more members of the health care entity's governing body that effectively transfers control, responsibility for, or governance of the health care entity to another entity;

(6) the creation of a new health care entity; or

(7) substantial investment of 30 percent or more in a health care entity that results in sharing of revenues without a change in ownership or voting shares.

Subd. 2. Notice required. (a) This subdivision applies to all transactions where:

(1) the health care entity involved in the transaction has average revenue of at least \$10,000,000 per year; or

(2) an entity created by the transaction is projected to have average revenue of at least \$10,000,000 per year once the entity is operating at full capacity.

(b) A health care entity must provide notice to the attorney general and the commissioner and comply with this subdivision before entering into a transaction. Notice must be provided at least 180 days before the proposed completion date for the transaction.

(c) As part of the notice required under this subdivision, at least 180 days before the proposed completion date of the transaction, a health care entity must affirmatively disclose the following to the attorney general and the commissioner:

(1) the entities involved in the transaction;

(2) the leadership of the entities involved in the transaction, including all directors, board members, and officers;

(3) the services provided by each entity and the attributed revenue for each entity by location;

(4) the primary service area for each location;

(5) the proposed service area for each location;

(6) the current relationships between the entities and the health care providers and practices affected, the locations of affected health care providers and practices, the services provided by affected health care providers and practices, and the proposed relationships between the entities and the health care providers and practices affected;

(7) the terms of the transaction agreement or agreements;

(8) the acquisition price;

(9) markets in which the entities expect postmerger synergies to produce a competitive advantage;

(10) potential areas of expansion, whether in existing markets or new markets;

(11) plans to close facilities, reduce workforce, or reduce or eliminate services;

(12) the experts and consultants used to evaluate the transaction;

(13) the number of full-time equivalent positions at each location before and after the transaction by job category, including administrative and contract positions; and

(14) any other information requested by the attorney general or commissioner.

(d) As part of the notice required under this subdivision, at least 180 days before the proposed completion date of the transaction, a health care entity must affirmatively produce the following to the attorney general and the commissioner:

(1) the current governing documents for all entities involved in the transaction and any amendments to these documents;

(2) the transaction agreement or agreements and all related agreements;

(3) any collateral agreements related to the principal transaction, including leases, management contracts, and service contracts;

(4) all expert or consultant reports or valuations conducted in evaluating the transaction, including any valuation of the assets that are subject to the transaction prepared within three years preceding the anticipated transaction completion date and any reports of financial or economic analysis conducted in anticipation of the transaction;

(5) the results of any projections or modeling of health care utilization or financial impacts related to the transaction, including but not limited to copies of reports by appraisers, accountants, investment bankers, actuaries, and other experts;

(6) a financial and economic analysis and report prepared by an independent expert or consultant on the effects of the transaction;

(7) an impact analysis report prepared by an independent expert or consultant on the effects of the transaction on communities and the workforce, including any changes in availability or accessibility of services;

(8) all documents reflecting the purposes of or restrictions on any related nonprofit entity's charitable assets;

(9) copies of all filings submitted to federal regulators, including any Hart-Scott-Rodino filing the entities submitted to the Federal Trade Commission in connection with the transaction;

(10) a certification sworn under oath by each board member and chief executive officer for any nonprofit entity involved in the transaction containing the following: an explanation of how the completed transaction is in the public interest, addressing the factors in subdivision 5, paragraph (a); a disclosure of each declarant's compensation and benefits relating to the transaction for the three years following the transaction's anticipated completion date; and a disclosure of any conflicts of interest;

(11) audited and unaudited financial statements from all entities involved in the transaction and tax filings for all entities involved in the transaction covering the preceding five fiscal years; and

(12) any other information or documents requested by the attorney general or commissioner.

(e) The commissioner may adopt rules to implement this section, and may alter, amend, suspend, or repeal any of such rules. The requirements of section 14.125 do not apply to the adoption of rules under this paragraph.

(f) The attorney general may extend the notice and waiting period required under paragraph (b) for an additional 90 days by notifying the health care entity in writing of the extension.

(g) The attorney general may waive all or any part of the notice and waiting period required under paragraph (b).

(h) The attorney general or the commissioner may hold public listening sessions or forums to obtain input on the transaction from providers or community members who may be impacted by the transaction.

(i) The attorney general or the commissioner may bring an action in district court to compel compliance with the notice requirements in this subdivision.

Subd. 3. Prohibited transactions. No health care entity may enter into a transaction that will:

(1) substantially lessen competition; or

(2) tend to create a monopoly or monopsony.

Subd. 4. Additional requirements for nonprofit health care entities. A health care entity that is incorporated under chapter 317A or organized under section 322C.1101, or that is a subsidiary of any such entity, must, before entering into a transaction, ensure that:

(1) the transaction complies with chapters 317A and 501B and other applicable laws;

(2) the transaction does not involve or constitute a breach of charitable trust;

(3) the nonprofit health care entity will receive full and fair value for its public benefit assets;

(4) the value of the public benefit assets to be transferred has not been manipulated in a manner that causes or has caused the value of the assets to decrease;

(5) the proceeds of the transaction will be used in a manner consistent with the public benefit for which the assets are held by the nonprofit health care entity;

(6) the transaction will not result in a breach of fiduciary duty; and

(7) there are procedures and policies in place to prohibit any officer, director, trustee, or other executive of the nonprofit health care entity from directly or indirectly benefiting from the transaction.

Subd. 5. Attorney general enforcement and supplemental authority. (a) The attorney general may bring an action in district court to enjoin or unwind a transaction or seek other equitable relief necessary to protect the public interest if a health care entity or transaction violates this section, if the transaction is contrary to the public interest, or if both a health care entity or transaction violates this section and the transaction is contrary to the public interest. Factors informing whether a transaction is contrary to the public interest include but are not limited to whether the transaction:

(1) will harm public health;

(2) will reduce the affected community's continued access to affordable and quality care and to the range of services historically provided by the entities or will prevent members in the affected community from receiving a comparable or better patient experience;

(3) will have a detrimental impact on competing health care options within primary and dispersed service areas;

(4) will reduce delivery of health care to disadvantaged, uninsured, underinsured, and underserved populations and to populations enrolled in public health care programs;

(5) will have a substantial negative impact on medical education and teaching programs, health care workforce training, or medical research;

(6) will have a negative impact on the market for health care services, health insurance services, or skilled health care workers;

(7) will increase health care costs for patients; or

(8) will adversely impact provider cost trends and containment of total health care spending.

(b) The attorney general may enforce this section under section 8.31.

(c) Failure of the entities involved in a transaction to provide timely information as required by the attorney general or the commissioner shall be an independent and sufficient ground for a court to enjoin the transaction or provide other equitable relief, provided the attorney general notified the entities of the inadequacy of the information provided and provided the entities with a reasonable opportunity to remedy the inadequacy.

(d) The attorney general shall consult with the commissioner to determine whether a transaction is contrary to the public interest. Any information exchanged between the attorney general and the commissioner according to this subdivision is confidential data on individuals as defined in section 13.02, subdivision 3, or protected nonpublic data as defined in section 13.02, subdivision 13. The commissioner may share with the attorney general, according to section 13.05, subdivision 9, any not public data, as defined in section 13.02, subdivision 8a, held by the Department of Health to aid in the investigation and review of the transaction, and the attorney general must maintain this data with the same classification according to section 13.03, subdivision 4, paragraph (d).

Subd. 6. **Supplemental authority of commissioner.** (a) Notwithstanding any law to the contrary, the commissioner may use data or information submitted under this section, section 62U.04, and sections 144.695 to 144.705 to conduct analyses of the aggregate impact of health care transactions on access to or the cost of health care services, health care market consolidation, and health care quality.

(b) The commissioner shall issue periodic public reports on the number and types of transactions subject to this section and on the aggregate impact of transactions on health care cost, quality, and competition in Minnesota.

Subd. 7. **Relation to other law.** (a) The powers and authority under this section are in addition to, and do not affect or limit, all other rights, powers, and authority of the attorney general or the commissioner under chapter 8, 309, 317A, 325D, 501B, or other law.

(b) Nothing in this section shall suspend any obligation imposed under chapter 8, 309, 317A, 325D, 501B, or other law on the entities involved in a transaction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to transactions completed on or after that date. In determining whether a transaction was completed on or after the effective date, any actions or series of actions necessary to the completion of the transaction that occurred prior to the effective date must be considered.

Sec. 78. Minnesota Statutes 2022, section 144.608, subdivision 1, is amended to read:

Subdivision 1. **Trauma Advisory Council established.** (a) A Trauma Advisory Council is established to advise, consult with, and make recommendations to the commissioner on the development, maintenance, and improvement of a statewide trauma system.

(b) The council shall consist of the following members:

(1) a trauma surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery who practices in a level I or II trauma hospital;

(2) a general surgeon certified by the American Board of Surgery or the American Osteopathic Board of Surgery whose practice includes trauma and who practices in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;

(3) a neurosurgeon certified by the American Board of Neurological Surgery who practices in a level I or II trauma hospital;

(4) a trauma program nurse manager or coordinator practicing in a level I or II trauma hospital;

(5) an emergency physician certified by the American Board of Emergency Medicine or the American Osteopathic Board of Emergency Medicine whose practice includes emergency room care in a level I, II, III, or IV trauma hospital;

(6) a trauma program manager or coordinator who practices in a level III or IV trauma hospital;

(7) a physician certified by the American Board of Family Medicine or the American Osteopathic Board of Family Practice whose practice includes emergency department care in a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;

(8) a nurse practitioner, as defined under section 144.1501, subdivision 1, ~~paragraph (4)~~, or a physician assistant, as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~, whose practice includes emergency room care in a level IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;

(9) a physician certified in pediatric emergency medicine by the American Board of Pediatrics or certified in pediatric emergency medicine by the American Board of Emergency Medicine or certified by the American Osteopathic Board of Pediatrics whose practice primarily includes emergency department medical care in a level I, II, III, or IV trauma hospital, or a surgeon certified in pediatric surgery by the American Board of Surgery whose practice involves the care of pediatric trauma patients in a trauma hospital;

(10) an orthopedic surgeon certified by the American Board of Orthopaedic Surgery or the American Osteopathic Board of Orthopedic Surgery whose practice includes trauma and who practices in a level I, II, or III trauma hospital;

(11) the state emergency medical services medical director appointed by the Emergency Medical Services Regulatory Board;

(12) a hospital administrator of a level III or IV trauma hospital located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~;

(13) a rehabilitation specialist whose practice includes rehabilitation of patients with major trauma injuries or traumatic brain injuries and spinal cord injuries as defined under section 144.661;

(14) an attendant or ambulance director who is an EMT, ~~EMT I, or EMT P~~ AEMT, or paramedic within the meaning of section 144E.001 and who actively practices with a licensed ambulance service in a primary service area located in a designated rural area as defined under section 144.1501, subdivision 1, ~~paragraph (e)~~; and

(15) the commissioner of public safety or the commissioner's designee.

Sec. 79. Minnesota Statutes 2022, section 144.615, subdivision 7, is amended to read:

Subd. 7. **Limitations of services.** (a) The following limitations apply to the services performed at a birth center:

(1) surgical procedures must be limited to those normally accomplished during an uncomplicated birth, including episiotomy and repair; and

~~(2) no abortions may be administered; and~~

~~(3)~~ (2) no general or regional anesthesia may be administered.

(b) Notwithstanding paragraph (a), local anesthesia may be administered at a birth center if the administration of the anesthetic is performed within the scope of practice of a health care professional.

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

Sec. 80. Minnesota Statutes 2022, section 144.651, is amended by adding a subdivision to read:

Subd. 10a. **Designated support person for pregnant patient.** (a) A health care provider and a health care facility must allow, at a minimum, one designated support person of a pregnant patient's choosing to be physically present while the patient is receiving health care services including during a hospital stay.

(b) For purposes of this subdivision, "designated support person" means any person necessary to provide comfort to the patient including but not limited to the patient's spouse, partner, family member, or another person related by affinity. Certified doulas and traditional midwives may not be counted toward the limit of one designated support person.

Sec. 81. Minnesota Statutes 2022, section 144.653, subdivision 5, is amended to read:

Subd. 5. **Correction orders.** Whenever a duly authorized representative of the state commissioner of health finds upon inspection of a facility required to be licensed under the provisions of sections 144.50 to 144.58 that the licensee of such facility is not in compliance with sections 144.411 to 144.417, 144.50 to 144.58, 144.651, 144.7051 to 144.7058, or 626.557, or the applicable rules promulgated under those sections, a correction order shall be issued to the licensee. The correction order shall state the deficiency, cite the specific rule violated, and specify the time allowed for correction.

Sec. 82. Minnesota Statutes 2022, section 144.6535, subdivision 1, is amended to read:

Subdivision 1. **Request for variance or waiver.** A hospital may request that the commissioner grant a variance or waiver from the provisions of ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b). A request for a variance or waiver must be submitted to the commissioner in writing. Each request must contain:

(1) the specific ~~rule or rules~~ requirement for which the variance or waiver is requested;

(2) the reasons for the request;

(3) the alternative measures that will be taken if a variance or waiver is granted;

(4) the length of time for which the variance or waiver is requested; and

(5) other relevant information deemed necessary by the commissioner to properly evaluate the request for the variance or waiver.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 83. Minnesota Statutes 2022, section 144.6535, subdivision 2, is amended to read:

Subd. 2. **Criteria for evaluation.** The decision to grant or deny a variance or waiver must be based on the commissioner's evaluation of the following criteria:

(1) whether the variance or waiver will adversely affect the health, treatment, comfort, safety, or well-being of a patient;

(2) whether the alternative measures to be taken, if any, are equivalent to or superior to those prescribed in ~~Minnesota Rules, chapter 4640 or 4645~~ section 144.55, subdivision 3, paragraph (b); and

(3) whether compliance with the ~~rule or rules~~ requirements would impose an undue burden upon the applicant.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 84. Minnesota Statutes 2022, section 144.6535, subdivision 4, is amended to read:

Subd. 4. **Effect of alternative measures or conditions.** (a) Alternative measures or conditions attached to a variance or waiver have the same force and effect as the ~~rules requirement~~ under Minnesota Rules, chapter 4640 or 4645 section 144.55, subdivision 3, paragraph (b), and are subject to the issuance of correction orders and penalty assessments in accordance with section 144.55.

(b) Fines for a violation of this section shall be in the same amount as that specified for the particular ~~rule requirement~~ for which the variance or waiver was requested.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 85. Minnesota Statutes 2022, section 144.69, is amended to read:

144.69 CLASSIFICATION OF DATA ON INDIVIDUALS.

Subdivision 1. Data collected by the cancer reporting system. Notwithstanding any law to the contrary, including section 13.05, subdivision 9, data collected on individuals by the cancer ~~surveillance reporting~~ reporting system, including the names and personal identifiers of persons required in section 144.68 to report, shall be private and may only be used for the purposes set forth in this section and sections 144.671, 144.672, and 144.68. Any disclosure other than is provided for in this section and sections 144.671, 144.672, and 144.68, is declared to be a misdemeanor and punishable as such. Except as provided by rule, and as part of an epidemiologic investigation, an officer or employee of the commissioner of health may interview patients named in any such report, or relatives of any such patient, only after ~~the consent of~~ notifying the attending physician, advanced practice registered nurse, physician assistant, or surgeon ~~is obtained.~~ Research protections for patients must be consistent with section 13.04, subdivision 2, and Code of Federal Regulations, title 45, part 46.

Subd. 2. Transfers of information to state cancer registries and federal government agencies. (a) Information containing personal identifiers of a non-Minnesota resident collected by the cancer reporting system may be provided to the statewide cancer registry of the nonresident's home state solely for the purposes consistent with this section and sections 144.671, 144.672, and 144.68, provided that the other state agrees to maintain the classification of the information as provided under subdivision 1.

(b) Information, excluding direct identifiers such as name, Social Security number, telephone number, and street address, collected by the cancer reporting system may be provided to the Centers for Disease Control and Prevention's National Program of Cancer Registries and the National Cancer Institute's Surveillance, Epidemiology, and End Results Program registry.

Sec. 86. **[144.7051] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of sections 144.7051 to 144.7058, the terms defined in this section have the meanings given.

Subd. 2. **Concern for safe staffing form.** "Concern for safe staffing form" means a standard uniform form developed by the commissioner that may be used by any individual to report unsafe staffing situations while maintaining the privacy of patients.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of health.

Subd. 4. **Daily staffing schedule.** "Daily staffing schedule" means the actual number of full-time equivalent nonmanagerial care staff assigned to an inpatient care unit and providing care in that unit during a 24-hour period and the actual number of patients assigned to each direct care registered nurse present and providing care in the unit.

Subd. 5. **Direct-care registered nurse.** "Direct-care registered nurse" means a registered nurse, as defined in section 148.171, subdivision 20, who is nonsupervisory and nonmanagerial and who directly provides nursing care to patients more than 60 percent of the time.

Subd. 6. **Hospital.** "Hospital" means any setting that is licensed under this chapter as a hospital.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 87. **[144.7053] HOSPITAL NURSE STAFFING COMMITTEE.**

Subdivision 1. **Hospital nurse staffing committee required.** (a) Each hospital must establish and maintain a functioning hospital nurse staffing committee. A hospital may assign the functions and duties of a hospital nurse staffing committee to an existing committee provided the existing committee meets the membership requirements applicable to a hospital nurse staffing committee.

(b) The commissioner is not required to verify compliance with this section by an on-site visit.

Subd. 2. **Staffing committee membership.** (a) At least 35 percent of the hospital nurse staffing committee's membership must be direct care registered nurses typically assigned to a specific unit for an entire shift and at least 15 percent of the committee's membership must be other direct care workers typically assigned to a specific unit for an entire shift. Direct care registered nurses and other direct care workers who are members of a collective bargaining unit shall be appointed or elected to the committee according to the guidelines of the applicable collective bargaining agreement. If there is no collective bargaining agreement, direct care registered nurses shall be elected to the committee by direct care registered nurses employed by the hospital and other direct care workers shall be elected to the committee by other direct care workers employed by the hospital.

(b) The hospital shall appoint 50 percent of the hospital nurse staffing committee's membership.

Subd. 3. **Staffing committee compensation.** A hospital must treat participation in the hospital nurse staffing committee meetings by any hospital employee as scheduled work time and compensate each committee member at the employee's existing rate of pay. A hospital must relieve all direct care registered nurse members of the hospital nurse staffing committee of other work duties during the times when the committee meets.

Subd. 4. **Staffing committee meeting frequency.** Each hospital nurse staffing committee must meet at least quarterly.

Subd. 5. **Staffing committee duties.** (a) Each hospital nurse staffing committee shall create, implement, continuously evaluate, and update as needed evidence-based written core staffing plans to guide the creation of daily staffing schedules for each inpatient care unit of the hospital.

(b) Each hospital nurse staffing committee must:

(1) establish a secure, uniform, and easily accessible method for any hospital employee, patient, or patient family member to submit directly to the committee a concern for safe staffing form;

(2) review each concern for safe staffing form;

(3) forward a copy of all concern for safe staffing forms to the relevant hospital nurse workload committee;

(4) review the documentation of compliance maintained by the hospital under section 144.7056, subdivision 10;

(5) conduct a trend analysis of the data related to all reported concerns regarding safe staffing;

(6) develop a mechanism for tracking and analyzing staffing trends within the hospital;

(7) submit a nurse staffing report to the commissioner;

(8) assist the commissioner in compiling data for the Nursing Workforce Report by encouraging participation in the commissioner's independent study on reasons licensed registered nurses are leaving the profession; and

(9) record in the committee minutes for each meeting a summary of the discussions and recommendations of the committee. Each committee must maintain the minutes, records, and distributed materials for five years.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 88. **[144.7054] HOSPITAL NURSE WORKLOAD COMMITTEE.**

Subdivision 1. **Hospital nurse workload committee required.** (a) Each hospital must establish and maintain functioning hospital nurse workload committees for each unit.

(b) The commissioner is not required to verify compliance with this section by an on-site visit.

Subd. 2. **Workload committee membership.** (a) At least 35 percent of each workload committee's membership must be direct care registered nurses typically assigned to the unit for an entire shift and at least 15 percent of the committee's membership must be other direct care workers typically assigned to the unit for an entire shift. Direct care registered nurses and other direct care workers who are members of a collective bargaining unit shall be appointed or elected to the committee according to the guidelines of the applicable collective bargaining agreement. If there is no collective bargaining agreement, direct care registered nurses shall be elected to the committee by direct care registered nurses typically assigned to the unit for an entire shift and other direct care workers shall be elected to the committee by other direct care workers typically assigned to the unit for an entire shift.

(b) The hospital shall appoint 50 percent of each unit's nurse workload committee's membership.

(c) Notwithstanding paragraphs (a) and (b), if a hospital has established a staffing committee through collective bargaining, then the composition of that committee prevails.

Subd. 3. **Workload committee compensation.** A hospital must treat participation in a hospital nurse workload committee meeting by any hospital employee as scheduled work time and compensate each committee member at the employee's existing rate of pay. A hospital must relieve all direct care registered nurse members of a hospital nurse workload committee of other work duties during the times when the committee meets.

Subd. 4. **Workload committee meeting frequency.** Each hospital nurse workload committee must meet at least monthly whenever the committee is in receipt of an unresolved concern for safe staffing form.

Subd. 5. **Workload committee duties.** (a) Each hospital nurse workload committee must create, implement, and maintain dispute resolution procedures to guide the committee's development and implementation of solutions to the staffing concerns raised in concern for safe staffing forms that have been forwarded to the committee. The dispute resolution procedures must include an expedited arbitration process with an arbitrator who has expertise in patient care. The committee must use the expedited arbitration process for any complaint that remains unresolved 30 days after the submission of the concern for safe staffing form that gave rise to the complaint.

(b) Each hospital nurse workload committee must attempt to expeditiously resolve staffing issues the committee determines arise from a violation of the hospital's core staffing plan.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 89. Minnesota Statutes 2022, section 144.7055, is amended to read:

144.7055 HOSPITAL CORE STAFFING PLAN REPORTS.

Subdivision 1. **Definitions.** (a) For the purposes of ~~this section~~ sections 144.7051 to 144.7058, the following terms have the meanings given.

(b) "Core staffing plan" means ~~the projected number of full-time equivalent nonmanagerial care staff that will be assigned in a 24-hour period to an inpatient care unit~~ a plan described in subdivision 2.

(c) "Nonmanagerial care staff" means registered nurses, licensed practical nurses, and other health care workers, which may include but is not limited to nursing assistants, nursing aides, patient care technicians, and patient care assistants, who perform nonmanagerial direct patient care functions for more than 50 percent of their scheduled hours on a given patient care unit.

(d) "Inpatient care unit" or "unit" means a designated inpatient area for assigning patients and staff for which a ~~distinct staffing plan~~ daily staffing schedule exists and that operates 24 hours per day, seven days per week in a hospital setting. Inpatient care unit does not include any hospital-based clinic, long-term care facility, or outpatient hospital department.

(e) "Staffing hours per patient day" means the number of full-time equivalent nonmanagerial care staff who will ordinarily be assigned to provide direct patient care divided by the expected average number of patients upon which such assignments are based.

~~(f) "Patient acuity tool" means a system for measuring an individual patient's need for nursing care. This includes utilizing a professional registered nursing assessment of patient condition to assess staffing need.~~

Subd. 2. **Hospital core staffing report plans.** (a) ~~The chief nursing executive or nursing designee~~ hospital nurse staffing committee of every reporting hospital in Minnesota under section 144.50 will must develop a core staffing plan for each ~~patient~~ inpatient care unit.

(b) The commissioner is not required to verify compliance with this section by an on-site visit.

~~(b)~~ (c) Core staffing plans shall must specify all of the following:

(1) the projected number of full-time equivalent for nonmanagerial care staff that will be assigned in a 24-hour period to each patient inpatient care unit for each 24-hour period;

(2) the maximum number of patients on each inpatient care unit for whom a direct care nurse can typically safely care;

(3) criteria for determining when circumstances exist on each inpatient care unit such that a direct care nurse cannot safely care for the typical number of patients and when assigning a lower number of patients to each nurse on the inpatient unit would be appropriate;

(4) a procedure for each inpatient care unit to make shift-to-shift adjustments in staffing levels when such adjustments are required by patient acuity and nursing intensity in the unit;

(5) a contingency plan for each inpatient unit to safely address circumstances in which patient care needs unexpectedly exceed the staffing resources provided for in a daily staffing schedule. A contingency plan must include a method to quickly identify, for each daily staffing schedule, additional direct care registered nurses who are available to provide direct care on the inpatient care unit;

(6) strategies to enable direct care registered nurses to take breaks they are entitled to under law or under an applicable collective bargaining agreement; and

(7) strategies to eliminate patient boarding in emergency departments that do not rely on requiring direct care registered nurses to work additional hours to provide care.

~~(c)~~ (d) Core staffing plans must ensure that:

(1) the person creating a daily staffing schedule has sufficiently detailed information to create a daily staffing schedule that meets the requirements of the plan;

(2) daily staffing schedules do not rely on assigning individual nonmanagerial care staff to work overtime hours in excess of 16 hours in a 24-hour period or to work consecutive 24-hour periods requiring 16 or more hours;

(3) a direct care registered nurse is not required or expected to perform functions outside the nurse's professional license;

(4) a light duty direct care registered nurse is given appropriate assignments;

(5) a charge nurse does not have patient assignments; and

(6) daily staffing schedules do not interfere with applicable collective bargaining agreements.

Subd. 2a. Development of hospital core staffing plans. (a) Prior to submitting completing or updating the core staffing plan, as required in subdivision 3, hospitals shall a hospital nurse staffing committee must consult with representatives of the hospital medical staff, managerial and nonmanagerial care staff, and other relevant hospital personnel about the core staffing plan and the expected average number of patients upon which the core staffing plan is based.

(b) When developing a core staffing plan, a hospital nurse staffing committee must consider all of the following:

(1) the individual needs and expected census of each inpatient care unit;

(2) unit-specific patient acuity, including fall risk and behaviors requiring intervention, such as physical aggression toward self or others or destruction of property;

(3) unit-specific demands on direct care registered nurses' time, including: frequency of admissions, discharges, and transfers; frequency and complexity of patient evaluations and assessments; frequency and complexity of nursing care planning; planning for patient discharge; assessing for patient referral; patient education; and implementing infectious disease protocols;

(4) the architecture and geography of the inpatient care unit, including the placement of patient rooms, treatment areas, nursing stations, medication preparation areas, and equipment;

(5) mechanisms and procedures to provide for one-to-one patient observation for patients on psychiatric or other units;

(6) the stress that direct-care nurses experience when required to work extreme amounts of overtime, such as shifts in excess of 12 hours or multiple consecutive double shifts;

(7) the need for specialized equipment and technology on the unit;

(8) other special characteristics of the unit or community patient population, including age, cultural and linguistic diversity and needs, functional ability, communication skills, and other relevant social and socioeconomic factors;

(9) the skill mix of personnel other than direct care registered nurses providing or supporting direct patient care on the unit;

(10) mechanisms and procedures for identifying additional registered nurses who are available for direct patient care when patients' unexpected needs exceed the planned workload for direct care staff; and

(11) demands on direct care registered nurses' time not directly related to providing direct care on a unit, such as involvement in quality improvement activities, professional development, service to the hospital, including serving on the hospital nurse staffing committee or the hospital nurse workload committee, and service to the profession.

Subd. 2b. Failure to develop hospital core staffing plans. If a hospital nurse staffing committee cannot approve a hospital core staffing plan by a majority vote, the members of the nurse staffing committee must enter an expedited arbitration process with an arbitrator who understands patient care needs.

Subd. 2c. Objections to hospital core staffing plans. (a) If hospital management objects to a core staffing plan approved by a majority vote of the hospital nurse staffing committee, the hospital may elect to attempt to amend the core staffing plan through arbitration.

(b) During an ongoing dispute resolution process, a hospital must continue to implement the core staffing plan as written and approved by the hospital nurse staffing committee.

(c) If the dispute resolution process results in an amendment to the core staffing plan, the hospital must implement the amended core staffing plan.

Subd. 2d. Mandatory submission of core staffing plan to commissioner. Each hospital must submit to the commissioner the core staffing plans approved by the hospital's nurse staffing committee. A hospital must submit any substantial updates to any previously approved plan, including any amendments to the plan resulting from arbitration, within 30 calendar days of approval of the update by the committee or the conclusion of arbitration.

Subd. 3. **Standard electronic reporting developed.** ~~(a) Hospitals must submit the core staffing plans to the Minnesota Hospital Association by January 1, 2014. The Minnesota Hospital Association shall include each reporting hospital's core staffing plan on the Minnesota Hospital Association's Minnesota Hospital Quality Report website by April 1, 2014. any substantial changes to the core staffing plan shall be updated within 30 days.~~

~~(b)~~ The Minnesota Hospital Association shall include on its website for each reporting hospital on a quarterly basis the actual direct patient care hours per patient and per unit. Hospitals must submit the direct patient care report to the Minnesota Hospital Association by July 1, 2014, and quarterly thereafter.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 90. **[144.7056] IMPLEMENTATION OF HOSPITAL CORE STAFFING PLANS.**

Subdivision 1. Plan implementation required. (a) A hospital must implement the core staffing plans approved by a majority vote of its hospital nurse staffing committee.

(b) The commissioner is not required to verify compliance with this section by on-site visits during routine hospital surveys.

Subd. 2. Public posting of core staffing plans. A hospital must post its core staffing plan for each inpatient care unit in a public area on the relevant unit.

Subd. 3. Public posting of compliance with plan. For each publicly posted core staffing plan, a hospital must post a notice stating whether the current staffing on the unit complies with the hospital's core staffing plan for that unit. The public notice of compliance must include a list of the number of nonmanagerial care staff working on the unit during the current shift and the number of patients assigned to each direct care registered nurse working on the unit during the current shift. The list must enumerate the nonmanagerial care staff by health care worker type. The public notice of compliance must be posted immediately adjacent to the publicly posted core staffing plan.

Subd. 4. Posting of compliance in patient rooms. A hospital must post on a whiteboard in a patient's room or make available through a television in a patient's room both the number of patients a nurse on the patient's unit should be assigned under the relevant core staffing plan and the number of patients actually assigned to a nurse during the current shift.

Subd. 5. Deviations from core staffing plans. (a) Before hospital management lowers the staffing level of any unit, management must consult with and receive agreement from at least 50 percent of the direct care registered nurses staffing the unit.

(b) Deviation from a core staffing plan with the agreement of at least 50 percent of the direct care registered nurses staffing the unit does not constitute compliance with the core staffing plan.

Subd. 6. Public posting of emergency department wait times. A hospital must maintain on its website and publicly display in its emergency department the approximate wait time for patients who are not in critical need of emergency care. The approximate wait time must be updated at least hourly.

Subd. 7. Disclosure of staffing plan upon admission. A hospital must provide an explanation of its core staffing plan to each patient upon admission.

Subd. 8. Public distribution of core staffing plan and notice of compliance. (a) A hospital must include with the posted materials described in subdivisions 2 and 3 a statement that individual copies of the posted materials are available upon request to any patient on the unit or to any visitor of a patient on the unit. The statement must include specific instructions for obtaining copies of the posted materials.

(b) A hospital must, within four hours after the request, provide individual copies of all the posted materials described in subdivisions 2 and 3 to any patient on the unit or to any visitor of a patient on the unit who requests the materials.

Subd. 9. **Reporting noncompliance.** (a) Any hospital employee, patient, or patient family member may submit a concern for safe staffing form to report an instance of noncompliance with a hospital's core staffing plan, to object to the contents of a core staffing plan, or to challenge the process of the hospital nurse staffing committee.

(b) A hospital must not interfere with or retaliate against a hospital employee for submitting a concern for safe staffing form.

(c) The commissioner of labor and industry may investigate any report of retaliation against a hospital employee for submitting a concern for safe staffing form. The commissioner of labor and industry may fine a hospital up to \$250,000 for each instance of substantiated retaliation against a hospital employee for submitting a concern for safe staffing form.

Subd. 10. **Documentation of compliance.** Each hospital must document compliance with its core nursing plans and maintain records demonstrating compliance for each inpatient care unit for five years. Each hospital must provide to its nurse staffing committee access to all documentation required under this subdivision.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 91. **[144.7057] HOSPITAL NURSE STAFFING REPORTS.**

Subdivision 1. **Nurse staffing report required.** Each hospital nurse staffing committee must submit quarterly nurse staffing reports to the commissioner. Reports must be submitted within 60 days of the end of the quarter.

Subd. 2. **Nurse staffing report.** Nurse staffing reports submitted to the commissioner by a hospital nurse staffing committee must:

(1) identify any suspected incidents of the hospital failing during the reporting quarter to meet the standards of one of its core staffing plans;

(2) identify each occurrence of the hospital accepting an elective surgery at a time when the unit performing the surgery is out of compliance with its core staffing plan;

(3) identify problems of insufficient staffing, including but not limited to:

(i) inappropriate number of direct care registered nurses scheduled in a unit;

(ii) inappropriate number of direct care registered nurses present and delivering care in a unit;

(iii) inappropriately experienced direct care registered nurses scheduled for a particular unit;

(iv) inappropriately experienced direct care registered nurses present and delivering care in a unit;

(v) inability for nurse supervisors to adjust daily nursing schedules for increased patient acuity or nursing intensity in a unit; and

(vi) chronically unfilled direct care positions within the hospital;

- (4) identify any units that pose a risk to patient safety due to inadequate staffing;
- (5) propose solutions to solve insufficient staffing;
- (6) propose solutions to reduce risks to patient safety in inadequately staffed units; and
- (7) describe staffing trends within the hospital.

Subd. 3. **Public posting of nurse staffing reports.** The commissioner must include on its website each quarterly nurse staffing report submitted to the commissioner under subdivision 1.

Subd. 4. **Standardized reporting.** The commissioner shall develop and provide to each hospital nurse staffing committee a uniform format or standard form the committee must use to comply with the nurse staffing reporting requirements under this section. The format or form developed by the commissioner must present the reported information in a manner allowing patients and the public to clearly understand and compare staffing patterns and actual levels of staffing across reporting hospitals. The commissioner must include, in the uniform format or on the standardized form, space to allow the reporting hospital to include a description of additional resources available to support unit-level patient care and a description of the hospital.

Subd. 5. **Penalties.** Notwithstanding section 144.653, subdivisions 5 and 6, the commissioner may impose an immediate fine of up to \$5,000 for each instance of a failure to report an elective surgery requiring reporting under subdivision 2, clause (2). The facility may request a hearing on the immediate fine under section 144.653, subdivision 8.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 92. **[144.7058] GRADING OF COMPLIANCE WITH CORE STAFFING PLANS.**

Subdivision 1. **Grading compliance with core staffing plans.** By January 1, 2026, the commissioner must develop a uniform annual grading system that evaluates each hospital's compliance with its own core staffing plan. The commissioner must assign each hospital a compliance grade based on a review of the hospital's nurse staffing report submitted under section 144.7057. The commissioner must assign a failing compliance grade to any hospital that has not been in compliance with its staffing plan for six or more months during the reporting year.

Subd. 2. **Grading factors.** When grading a hospital's compliance with its core staffing plan, the commissioner must consider at least the following factors:

- (1) the number of assaults and injuries occurring in the hospital involving patients;
- (2) the prevalence of infections, pressure ulcers, and falls among patients;
- (3) emergency department wait times;
- (4) readmissions;
- (5) use of restraints and other behavior interventions;
- (6) employment turnover rates among direct care registered nurses and other direct care health care workers;
- (7) prevalence of overtime among direct care registered nurses and other direct care health care workers;

(8) prevalence of missed shift breaks among direct care registered nurses and other direct care health care workers;

(9) frequency of incidents of being out of compliance with a core staffing plan; and

(10) the extent of noncompliance with a core staffing plan.

Subd. 3. **Public disclosure of compliance grades.** Beginning January 1, 2027, the commissioner must publish a compliance grade for each hospital on the department website with a link to the hospital's core staffing plan, the hospital's nurse staffing reports, and an accessible and easily understandable explanation of what the compliance grade means.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 93. **[144.7059] RETALIATION AGAINST NURSES PROHIBITED.**

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

(b) "Emergency" means a period when replacement staff are not able to report for duty for the next shift, or a period of increased patient need, because of unusual, unpredictable, or unforeseen circumstances, including but not limited to an act of terrorism, a disease outbreak, adverse weather conditions, or a natural disaster, that impacts continuity of patient care.

(c) "Nurse" has the meaning given in section 148.171, subdivision 9, and includes nurses employed by the state.

(d) "Taking action against" means discharging, disciplining, threatening, reporting to the Board of Nursing, discriminating against, or penalizing regarding compensation, terms, conditions, location, or privileges of employment.

Subd. 2. **Prohibited actions.** Except as provided in subdivision 5, a hospital or other entity licensed under sections 144.50 to 144.58, and its agent, or other health care facility licensed by the commissioner of health, and the facility's agent, is prohibited from taking action against a nurse solely on the ground that the nurse fails to accept an assignment of one or more additional patients because the nurse determines that accepting an additional patient assignment, in the nurse's judgment, may create an unnecessary danger to a patient's life, health, or safety or may otherwise constitute a ground for disciplinary action under section 148.261. This subdivision does not apply to a nursing facility, an intermediate care facility for persons with developmental disabilities, or a licensed boarding care home.

Subd. 3. **State nurses.** Subdivision 2 applies to nurses employed by the state regardless of the type of facility where the nurse is employed and regardless of the facility's license, if the nurse is involved in resident or patient care.

Subd. 4. **Collective bargaining rights.** This section does not diminish or impair the rights of a person under any collective bargaining agreement.

Subd. 5. **Emergency.** A nurse may be required to accept an additional patient assignment in an emergency.

Subd. 6. **Enforcement.** The commissioner of labor and industry shall enforce this section. The commissioner of labor and industry may assess a fine of up to \$5,000 for each violation of this section.

Sec. 94. Minnesota Statutes 2022, section 144.7067, subdivision 1, is amended to read:

Subdivision 1. **Establishment of reporting system.** (a) The commissioner shall establish an adverse health event reporting system designed to facilitate quality improvement in the health care system. The reporting system shall not be designed to punish errors by health care practitioners or health care facility employees.

(b) The reporting system shall consist of:

(1) mandatory reporting by facilities of 27 adverse health care events;

(2) mandatory reporting by facilities of whether the unit where an adverse event occurred was in compliance with the core staffing plan for the unit at the time of the adverse event;

(3) mandatory completion of a root cause analysis and a corrective action plan by the facility and reporting of the findings of the analysis and the plan to the commissioner or reporting of reasons for not taking corrective action;

(~~3~~) (4) analysis of reported information by the commissioner to determine patterns of systemic failure in the health care system and successful methods to correct these failures;

(4) (5) sanctions against facilities for failure to comply with reporting system requirements; and

(~~5~~) (6) communication from the commissioner to facilities, health care purchasers, and the public to maximize the use of the reporting system to improve health care quality.

(c) The commissioner is not authorized to select from or between competing alternate acceptable medical practices.

EFFECTIVE DATE. This section is effective October 1, 2025.

Sec. 95. Minnesota Statutes 2022, section 144.9501, subdivision 9, is amended to read:

Subd. 9. **Elevated blood lead level.** "Elevated blood lead level" means a diagnostic blood lead test with a result that is equal to or greater than ~~ten~~ 3.5 micrograms of lead per deciliter of whole blood in any person, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 96. Minnesota Statutes 2022, section 144.9501, subdivision 17, is amended to read:

Subd. 17. **Lead hazard reduction.** (a) "Lead hazard reduction" means abatement, swab team services, or interim controls undertaken to make a residence, child care facility, school, playground, or other location where lead hazards are identified lead-safe by complying with the lead standards and methods adopted under section 144.9508.

(b) Lead hazard reduction does not include renovation activity that is primarily intended to remodel, repair, or restore a given structure or dwelling rather than abate or control lead-based paint hazards.

(c) Lead hazard reduction does not include activities that disturb painted surfaces that total:

(1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than two square feet (0.2 square meters) in an interior room.

Sec. 97. Minnesota Statutes 2022, section 144.9501, subdivision 26a, is amended to read:

Subd. 26a. **Regulated lead work.** ~~(a)~~ "Regulated lead work" means:

- (1) abatement;
- (2) interim controls;
- (3) a clearance inspection;
- (4) a lead hazard screen;
- (5) a lead inspection;
- (6) a lead risk assessment;
- (7) lead project designer services;
- (8) lead sampling technician services;
- (9) swab team services;
- (10) renovation activities; ~~or~~
- (11) lead hazard reduction; or

~~(11)~~ (12) activities performed to comply with lead orders issued by ~~a community health board~~ an assessing agency.

~~(b) Regulated lead work does not include abatement, interim controls, swab team services, or renovation activities that disturb painted surfaces that total no more than:~~

- ~~(1) 20 square feet (two square meters) on exterior surfaces; or~~
- ~~(2) six square feet (0.6 square meters) in an interior room.~~

Sec. 98. Minnesota Statutes 2022, section 144.9501, subdivision 26b, is amended to read:

Subd. 26b. **Renovation.** (a) "Renovation" means the modification of any pre-1978 affected property for compensation that results in the disturbance of known or presumed lead-containing painted surfaces defined under section 144.9508, unless that activity is performed as lead hazard reduction. A renovation performed for the purpose of converting a building or part of a building into an affected property is a renovation under this subdivision.

(b) Renovation does not include minor repair and maintenance activities described in this paragraph. All activities that disturb painted surfaces and are performed within 30 days of other activities that disturb painted surfaces in the same room must be considered a single project when applying the criteria below. Unless the activity involves window replacement or demolition of a painted surface, building component, or portion of a structure, for purposes of this paragraph, "minor repair and maintenance" means activities that disturb painted surfaces totaling:

- (1) less than 20 square feet (two square meters) on exterior surfaces; or

(2) less than six square feet (0.6 square meters) in an interior room.

(c) Renovation does not include total demolition of a freestanding structure. For purposes of this paragraph, "total demolition" means demolition and disposal of all interior and exterior painted surfaces, including windows. Unpainted foundation building components remaining after total demolition may be reused.

Sec. 99. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision to read:

Subd. 33. **Compensation.** "Compensation" means money or other mutually agreed upon form of payment given or received for regulated lead work, including rental payments, rental income, or salaries derived from rental payments.

Sec. 100. Minnesota Statutes 2022, section 144.9501, is amended by adding a subdivision to read:

Subd. 34. **Individual.** "Individual" means a natural person.

Sec. 101. Minnesota Statutes 2022, section 144.9505, subdivision 1, is amended to read:

Subdivision 1. **Licensing, certification, and permitting.** (a) Fees collected under this section shall be deposited into the state treasury and credited to the state government special revenue fund.

(b) Persons shall not advertise or otherwise present themselves as lead supervisors, lead workers, lead inspectors, lead risk assessors, lead sampling technicians, lead project designers, renovation firms, or lead firms unless they have licenses or certificates issued by the commissioner under this section.

(c) The fees required in this section for inspectors, risk assessors, and certified lead firms are waived for state or local government employees performing services for or as an assessing agency.

~~(d) An individual who is the owner of property on which regulated lead work is to be performed or an adult individual who is related to the property owner, as defined under section 245A.02, subdivision 13, is exempt from the requirements to obtain a license and pay a fee according to this section. Individual residential property owners who perform regulated lead work on their own residence are exempt from the licensure and firm certification requirements of this section. Notwithstanding the provisions of paragraphs (a) to (c), this exemption does not apply when the regulated lead work is a renovation performed for compensation, when a child with an elevated blood level has been identified in the residence or the building in which the residence is located, or when the residence is occupied by one or more individuals who are not related to the property owner, as defined under section 245A.02, subdivision 13.~~

~~(e) A person that employs individuals to perform regulated lead work outside of the person's property must obtain certification as a certified lead firm. An individual who performs lead hazard reduction, lead hazard screens, lead inspections, lead risk assessments, clearance inspections, lead project designer services, lead sampling technician services, swab team services, and activities performed to comply with lead orders must be employed by a certified lead firm, unless the individual is a sole proprietor and does not employ any other individuals, the individual is employed by a person that does not perform regulated lead work outside of the person's property, or the individual is employed by an assessing agency.~~

Sec. 102. Minnesota Statutes 2022, section 144.9505, subdivision 1g, is amended to read:

Subd. 1g. **Certified lead firm.** A person who performs or employs individuals to perform regulated lead work, with the exception of renovation, ~~outside of the person's property~~ must obtain certification as a lead firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and

address of the person to whom it is issued. A lead firm certificate is valid for one year. The certification fee is \$100, is nonrefundable, and must be submitted with each application. The lead firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 103. Minnesota Statutes 2022, section 144.9505, subdivision 1h, is amended to read:

Subd. 1h. **Certified renovation firm.** A person who performs or employs individuals to perform renovation activities outside of the person's property for compensation must obtain certification as a renovation firm. The certificate must be in writing, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. A renovation firm certificate is valid for two years. The certification fee is \$100, is nonrefundable, and must be submitted with each application. The renovation firm certificate or a copy of the certificate must be readily available at the worksite for review by the contracting entity, the commissioner, and other public health officials charged with the health, safety, and welfare of the state's citizens.

Sec. 104. Minnesota Statutes 2022, section 144.9508, subdivision 2, is amended to read:

Subd. 2. **Regulated lead work standards and methods.** (a) The commissioner shall adopt rules establishing regulated lead work standards and methods in accordance with the provisions of this section, for lead in paint, dust, drinking water, and soil in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose, child care facilities, playgrounds, and schools.

(b) In the rules required by this section, the commissioner shall require lead hazard reduction of intact paint only if the commissioner finds that the intact paint is on a chewable or lead-dust producing surface that is a known source of actual lead exposure to a specific individual. The commissioner shall prohibit methods that disperse lead dust into the air that could accumulate to a level that would exceed the lead dust standard specified under this section. The commissioner shall work cooperatively with the commissioner of administration to determine which lead hazard reduction methods adopted under this section may be used for lead-safe practices including prohibited practices, preparation, disposal, and cleanup. The commissioner shall work cooperatively with the commissioner of the Pollution Control Agency to develop disposal procedures. In adopting rules under this section, the commissioner shall require the best available technology for regulated lead work methods, paint stabilization, and repainting.

(c) The commissioner of health shall adopt regulated lead work standards and methods for lead in bare soil in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil. The commissioner shall set a soil replacement standard not to exceed 25 parts of lead per million. Soil lead hazard reduction methods shall focus on erosion control and covering of bare soil.

(d) The commissioner shall adopt regulated lead work standards and methods for lead in dust in a manner to protect the public health and environment. Dust standards shall use a weight of lead per area measure and include dust on the floor, on the window sills, and on window wells. Lead hazard reduction methods for dust shall focus on dust removal and other practices which minimize the formation of lead dust from paint, soil, or other sources.

(e) The commissioner shall adopt lead hazard reduction standards and methods for lead in drinking water both at the tap and public water supply system or private well in a manner to protect the public health and the environment. The commissioner may adopt the rules for controlling lead in drinking water as contained in Code of Federal Regulations, title 40, part 141. Drinking water lead hazard reduction methods may include an educational approach of minimizing lead exposure from lead in drinking water.

(f) The commissioner of the Pollution Control Agency shall adopt rules to ensure that removal of exterior lead-based coatings from residences and steel structures by abrasive blasting methods is conducted in a manner that protects health and the environment.

(g) All regulated lead work standards shall provide reasonable margins of safety that are consistent with more than a summary review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous.

(h) No unit of local government shall have an ordinance or regulation governing regulated lead work standards or methods for lead in paint, dust, drinking water, or soil that require a different regulated lead work standard or method than the standards or methods established under this section.

(i) Notwithstanding paragraph (h), the commissioner may approve the use by a unit of local government of an innovative lead hazard reduction method which is consistent in approach with methods established under this section.

(j) The commissioner shall adopt rules for issuing lead orders required under section 144.9504, rules for notification of abatement or interim control activities requirements, and other rules necessary to implement sections 144.9501 to 144.9512.

(k) The commissioner shall adopt rules consistent with section 402(c)(3) of the Toxic Substances Control Act and all regulations adopted thereunder to ensure that renovation in a pre-1978 affected property ~~where a child or pregnant female resides~~ is conducted in a manner that protects health and the environment. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

(l) The commissioner shall adopt rules consistent with sections 406(a) and 406(b) of the Toxic Substances Control Act. Notwithstanding sections 14.125 and 14.128, the authority to adopt these rules does not expire.

Sec. 105. Minnesota Statutes 2022, section 144A.06, subdivision 2, is amended to read:

Subd. 2. **New license required; change of ownership.** (a) The commissioner of health by rule shall prescribe procedures for licensure under this section.

(b) A new license is required and the prospective licensee must apply for a license prior to operating a currently licensed nursing home. The licensee must change whenever one of the following events occur:

(1) the form of the licensee's legal entity structure is converted or changed to a different type of legal entity structure;

(2) the licensee dissolves, consolidates, or merges with another legal organization and the licensee's legal organization does not survive;

(3) within the previous 24 months, 50 percent or more of the licensee's ownership interest is transferred, whether by a single transaction or multiple transactions to:

(i) a different person or multiple different persons; or

(ii) a person or multiple persons who had less than a five percent ownership interest in the facility at the time of the first transaction; or

(4) any other event or combination of events that results in a substitution, elimination, or withdrawal of the licensee's responsibility for the facility.

Sec. 106. Minnesota Statutes 2022, section 144A.071, subdivision 2, is amended to read:

Subd. 2. **Moratorium.** (a) The commissioner of health, in coordination with the commissioner of human services, shall deny each request for new licensed or certified nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or section 144A.073. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq. Certified beds in facilities which do not allow medical assistance intake shall be deemed to be decertified for purposes of this section only.

(b) The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

(c) In addition, the commissioner of health must not approve any construction project whose cost exceeds \$1,000,000, unless:

(a) (1) any construction costs exceeding \$1,000,000 are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

(b) (2) the project:

(i) has been approved through the process described in section 144A.073;

(ii) meets an exception in subdivision 3 or 4a;

(iii) is necessary to correct violations of state or federal law issued by the commissioner of health;

(iv) is necessary to repair or replace a portion of the facility that was damaged by fire, lightning, ground shifts, or other such hazards, including environmental hazards, provided that the provisions of subdivision 4a, clause (a), are met; or

(v) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

(d) Prior to the final plan approval of any construction project, the commissioners of health and human services shall be provided with an itemized cost estimate for the project construction costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioners and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioners, the total project construction costs for the construction project shall be submitted to the commissioners. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

(e) The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in ~~clauses (1) to (6)~~ paragraph (c), clause (2), items (i) to (v), the dollar threshold is \$1,000,000. For projects authorized after July 1, 1993, under ~~clause (1)~~ paragraph (c), clause (2), item (i), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under ~~clauses (2) to (4)~~ paragraph (c), clause (2), items (ii) to (iv), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

(f) The commissioner of health shall adopt rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073.

(g) All construction projects approved through section 144A.073, subdivision 3, after March 1, 2020, are subject to the fair rental value property rate as described in section 256R.26.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2020.

Sec. 107. Minnesota Statutes 2022, section 144A.073, subdivision 3b, is amended to read:

Subd. 3b. **Amendments to approved projects.** (a) Nursing facilities that have received approval ~~on or after July 1, 1993,~~ for exceptions to the moratorium on nursing homes through the process described in this section may request amendments to the designs of the projects by writing the commissioner within 15 months of receiving approval. Applicants shall submit supporting materials that demonstrate how the amended projects meet the criteria described in paragraph (b).

(b) The commissioner shall approve requests for amendments for projects approved ~~on or after July 1, 1993,~~ according to the following criteria:

(1) the amended project designs must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions;

(2) the amended project designs may not reduce the space in each resident's living area or in the total amount of common space devoted to resident and family uses by more than five percent;

(3) the costs ~~recognized for reimbursement~~ of amended project designs shall be ~~the threshold amount of the original proposal as identified according to section 144A.071, subdivision 2~~ the cost estimate associated with the project as originally approved, except under conditions described in clause (4); and

(4) total costs ~~up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if~~ of the amendment are no greater than ten percent of the cost estimate associated with the project as initially approved if the proposer can document that one of the following circumstances is true:

(i) changes are needed due to a natural disaster;

(ii) conditions that affect the safety or durability of the project that could not have reasonably been known prior to approval are discovered;

(iii) state or federal law require changes in project design; or

(iv) documentable circumstances occur that are beyond the control of the owner and require changes in the design.

(c) Approval of a request for an amendment does not alter the expiration of approval of the project according to subdivision 3.

(d) Reimbursement for amendments to approved projects is independent of the actual construction costs and based on the allowable appraised value of the completed project. An approved project may not be amended to reduce the scope of an approved project.

EFFECTIVE DATE. This section is effective retroactively from March 1, 2020.

Sec. 108. Minnesota Statutes 2022, section 144A.474, subdivision 3, is amended to read:

Subd. 3. **Survey process.** The survey process for core surveys shall include the following as applicable to the particular licensee and setting surveyed:

- (1) presurvey review of pertinent documents and notification to the ombudsman for long-term care;
- (2) an entrance conference with available staff;
- (3) communication with managerial officials or the registered nurse in charge, if available, and ongoing communication with key staff throughout the survey regarding information needed by the surveyor, clarifications regarding home care requirements, and applicable standards of practice;
- (4) presentation of written contact information to the provider about the survey staff conducting the survey, the supervisor, and the process for requesting a reconsideration of the survey results;
- (5) a brief tour of ~~a sample of the housing with services establishments~~ establishment in which the provider is providing home care services;
- (6) a sample selection of home care clients;
- (7) information-gathering through client and staff observations, client and staff interviews, and reviews of records, policies, procedures, practices, and other agency information;
- (8) interviews of clients' family members, if available, with clients' consent when the client can legally give consent;
- (9) except for complaint surveys conducted by the Office of Health Facilities Complaints, an ~~on-site~~ exit conference, with preliminary findings ~~shared and~~ discussed with the provider within one business day after completion of survey activities, ~~documentation that an exit conference occurred~~, and with written information provided on the process for requesting a reconsideration of the survey results; and
- (10) postsurvey analysis of findings and formulation of survey results, including correction orders when applicable.

Sec. 109. Minnesota Statutes 2022, section 144A.474, subdivision 9, is amended to read:

Subd. 9. **Follow-up surveys.** For providers that have Level 3 or Level 4 violations under subdivision 11, ~~or any violations determined to be widespread~~, the department shall conduct a follow-up survey within 90 calendar days of the survey. When conducting a follow-up survey, the surveyor will focus on whether the previous violations have been corrected and may also address any new violations that are observed while evaluating the corrections that have been made.

Sec. 110. Minnesota Statutes 2022, section 144A.474, subdivision 12, is amended to read:

Subd. 12. **Reconsideration.** (a) The commissioner shall make available to home care providers a correction order reconsideration process. This process may be used to challenge the correction order issued, including the level and scope described in subdivision 11, and any fine assessed. During the correction order reconsideration request, the issuance for the correction orders under reconsideration are not stayed, but the department shall post information on the website with the correction order that the licensee has requested a reconsideration and that the review is pending.

(b) A licensed home care provider may request from the commissioner, in writing, a correction order reconsideration regarding any correction order issued to the provider. The written request for reconsideration must be received by the commissioner within 15 ~~calendar~~ business days of the correction order receipt date. The correction order reconsideration shall not be reviewed by any surveyor, investigator, or supervisor that participated in the writing or reviewing of the correction order being disputed. The correction order reconsiderations may be conducted in person, by telephone, by another electronic form, or in writing, as determined by the commissioner. The commissioner shall respond in writing to the request from a home care provider for a correction order reconsideration within 60 days of the date the provider requests a reconsideration. The commissioner's response shall identify the commissioner's decision regarding each citation challenged by the home care provider.

(c) The findings of a correction order reconsideration process shall be one or more of the following:

(1) supported in full, the correction order is supported in full, with no deletion of findings to the citation;

(2) supported in substance, the correction order is supported, but one or more findings are deleted or modified without any change in the citation;

(3) correction order cited an incorrect home care licensing requirement, the correction order is amended by changing the correction order to the appropriate statutory reference;

(4) correction order was issued under an incorrect citation, the correction order is amended to be issued under the more appropriate correction order citation;

(5) the correction order is rescinded;

(6) fine is amended, it is determined that the fine assigned to the correction order was applied incorrectly; or

(7) the level or scope of the citation is modified based on the reconsideration.

(d) If the correction order findings are changed by the commissioner, the commissioner shall update the correction order website.

(e) This subdivision does not apply to temporary licensees.

Sec. 111. Minnesota Statutes 2022, section 144A.4791, subdivision 10, is amended to read:

Subd. 10. **Termination of service plan.** (a) If a home care provider terminates a service plan with a client, and the client continues to need home care services, the home care provider shall provide the client and the client's representative, if any, with a written notice of termination which includes the following information:

(1) the effective date of termination;

(2) the reason for termination;

(3) a statement that the client may contact the Office of Ombudsman for Long-Term Care to request an advocate to assist regarding the termination and contact information for the office, including the office's central telephone number;

~~(3)~~ (4) a list of known licensed home care providers in the client's immediate geographic area;

(4) (5) a statement that the home care provider will participate in a coordinated transfer of care of the client to another home care provider, health care provider, or caregiver, as required by the home care bill of rights, section 144A.44, subdivision 1, clause (17);

(5) (6) the name and contact information of a person employed by the home care provider with whom the client may discuss the notice of termination; and

(6) (7) if applicable, a statement that the notice of termination of home care services does not constitute notice of termination of ~~the housing with services contract with a housing with services establishment~~ any housing contract.

(b) When the home care provider voluntarily discontinues services to all clients, the home care provider must notify the commissioner, lead agencies, and ombudsman for long-term care about its clients and comply with the requirements in this subdivision.

Sec. 112. Minnesota Statutes 2022, section 144G.16, subdivision 7, is amended to read:

Subd. 7. **Fines and penalties.** (a) The ~~fee~~ fine for failure to comply with the notification requirements in section 144G.52, subdivision 7, is \$1,000.

(b) Fines and penalties collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

Sec. 113. Minnesota Statutes 2022, section 144G.18, is amended to read:

144G.18 NOTIFICATION OF CHANGES IN INFORMATION.

Subdivision 1. **Notification.** A provisional licensee or licensee shall notify the commissioner in writing prior to a change in the manager or authorized agent and within 60 calendar days after any change in the information required in section 144G.12, subdivision 1, clause (1), (3), (4), (17), or (18).

Subd. 2. **Fines and penalties.** (a) The fine for failure to comply with the notification requirements of this section is \$1,000.

(b) Fines and penalties collected under this subdivision shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

Sec. 114. Minnesota Statutes 2022, section 144G.57, subdivision 8, is amended to read:

Subd. 8. ~~**Fine**~~ **Fines and penalties.** (a) The commissioner may impose a fine for failure to follow the requirements of this section.

(b) The fine for failure to comply with this section is \$1,000.

(c) Fines and penalties collected under this section shall be deposited in a dedicated special revenue account. On an annual basis, the balance in the special revenue account shall be appropriated to the commissioner to implement the recommendations of the advisory council established in section 144A.4799.

Sec. 115. Minnesota Statutes 2022, section 145.411, subdivision 1, is amended to read:

Subdivision 1. **Terms.** As used in sections 145.411 to ~~145.416~~ 145.414, the terms defined in this section have the meanings given to them.

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

Sec. 116. Minnesota Statutes 2022, section 145.411, subdivision 5, is amended to read:

Subd. 5. **Abortion.** "Abortion" includes an act, procedure or use of any instrument, medicine or drug which is supplied or prescribed for or administered to ~~a pregnant woman~~ an individual with the intention of terminating, and which results in the termination of pregnancy.

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

Sec. 117. Minnesota Statutes 2022, section 145.423, subdivision 1, is amended to read:

Subdivision 1. **Recognition; medical care.** ~~A born-alive~~ An infant as a result of an abortion who is born alive shall be fully recognized as a human person, and accorded immediate protection under the law. All reasonable measures consistent with good medical practice, including the compilation of appropriate medical records, shall be taken by the responsible medical personnel to ~~preserve the life and health of the born-alive infant~~ care for the infant who is born alive.

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

Sec. 118. **[145.561] 988 SUICIDE AND CRISIS LIFELINE.**

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

(b) "Commissioner" means the commissioner of health.

(c) "Department" means the Department of Health.

(d) "988" means the universal telephone number designated as the universal telephone number within the United States for the purpose of the national suicide prevention and mental health crisis hotline system operating through the 988 Suicide and Crisis Lifeline, or its successor, maintained by the Assistant Secretary for Mental Health and Substance Use under section 520E-3 of the Public Health Service Act (United States Code, title 42, sections 290bb-36c).

(e) "988 administrator" means the administrator of the national 988 Suicide and Crisis Lifeline maintained by the Assistant Secretary for Mental Health and Substance Use under section 520E-3 of the Public Health Service Act.

(f) "988 contact" means a communication with the 988 Suicide and Crisis Lifeline system within the United States via modalities offered including call, chat, or text.

(g) "988 Lifeline Center" means a state-identified center that is a member of the Suicide and Crisis Lifeline network that responds to statewide or regional 988 contacts.

(h) "988 Suicide and Crisis Lifeline" or "988 Lifeline" means the national suicide prevention and mental health crisis hotline system maintained by the Assistant Secretary for Mental Health and Substance Use under section 520E-3 of the Public Health Service Act (United States Code, title 42, sections 290bb-36c).

(i) "Veterans Crisis Line" means the Veterans Crisis Line maintained by the Secretary of Veterans Affairs under United States Code, title 38, section 170F(h).

Subd. 2. **988 Lifeline.** (a) The commissioner shall administer the designation of and oversight for a 988 Lifeline center or a network of 988 Lifeline centers to answer contacts from individuals accessing the Suicide and Crisis Lifeline from any jurisdiction within the state 24 hours per day, seven days per week.

(b) The designated 988 Lifeline Center must:

(1) have an active agreement with the 988 Suicide and Crisis Lifeline program for participation in the network and the department;

(2) meet the 988 Lifeline program requirements and best practice guidelines for operational and clinical standards;

(3) provide data and reports, and participate in evaluations and related quality improvement activities as required by the 988 Lifeline program and the department;

(4) identify or adapt technology that is demonstrated to be interoperable across Mobile Crisis and Public Safety Answering Points used in the state for the purpose of crisis care coordination;

(5) facilitate crisis and outgoing services, including mobile crisis teams in accordance with guidelines established by the 988 Lifeline program and the department;

(6) actively collaborate and coordinate service linkages with mental health and substance use disorder treatment providers, local community mental health centers including certified community behavioral health clinics and community behavioral health centers, mobile crisis teams, and community based and hospital emergency departments;

(7) offer follow-up services to individuals accessing the 988 Lifeline Center that are consistent with guidance established by the 988 Lifeline program and the department; and

(8) meet the requirements set by the 988 Lifeline program and the department for serving at-risk and specialized populations.

(c) The department shall adopt rules and regulations to allow appropriate information sharing and communication between and across crisis and emergency response systems.

(d) The department, having primary oversight of suicide prevention, shall work with the 988 Lifeline program, veterans crisis line, and other SAMHSA-approved networks for the purpose of ensuring consistency of public messaging about 988 services. The department may use funds under this section or provide grants to organizations in order to publicize and raise awareness about 988 services.

(e) The department shall work with representatives from 988 Lifeline Centers and public safety answering points, other public safety agencies, and the commissioner of public safety to facilitate the development of protocols and procedures for interactions between 988 and 911 services across Minnesota. Protocols and procedures shall be developed following available national standards and guidelines.

(f) The department shall provide an annual report of the 988 Lifeline usage including answer rates, abandoned calls, and referrals to 911 emergency response.

Subd. 3. 988 special revenue account established. (a) There is established a dedicated account in the special revenue fund to create and maintain a statewide 988 suicide and crisis lifeline system pursuant to the National Suicide Hotline Designation Act of 2020, the Federal Communications Commission's rules adopted July 16, 2020, and national guidelines for crisis care.

(b) The account shall consist of:

(1) a 988 telecommunication fee imposed under this section;

(2) a prepaid wireless 988 fee imposed under section 403.161;

(3) appropriations made by the state legislature;

(4) grants and gifts intended for deposit;

(5) interest, premiums, gains, or other earnings on the account; and

(6) money from any other source that is deposited in or transferred to the account.

(c) The account shall be administered by the department, and money in the account shall be expended to offset costs that are or can be reasonably attributed to:

(1) implementing, maintaining, and improving the 988 suicide and crisis lifeline including staffing and technological infrastructure enhancements necessary to achieve operational standards and best practices set by the 988 lifeline and the department;

(2) personnel for 988 lifeline centers;

(3) data collection, reporting, participation in evaluations, public promotion, and related quality improvement activities as required by the 988 administrator and the department; and

(4) administration, oversight, and evaluation of the account.

(d) Money in the fund:

(1) does not revert at the end of any state fiscal year but remains available for the purposes of the account in subsequent state fiscal years;

(2) is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose; and

(3) is appropriated to the commissioner for the purposes of the account.

(e) An annual report of funds, deposits, and expenditures shall be made to the Federal Communications Commission.

Subd. 4. 988 telecommunication fee. (a) In compliance with the National Suicide Hotline Designation Act of 2020, the department shall impose a monthly statewide fee on each subscriber of a wireline, wireless, and IP-enabled voice service at a rate that provides for the robust creation, operation, and maintenance of a statewide 988 suicide prevention and crisis system.

(b) The commissioner shall annually recommend to the Public Utilities Commission an adequate and appropriate fee to implement this section. The commissioner shall provide telecommunication service providers and carriers a minimum of 30 days' notice of each fee change.

(c) The amount of the 988 telecommunication fee must not be less than 12 cents and no more than 25 cents a month on or after January 1, 2024, for each consumer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1. The 988 telecommunication fee must be the same for all subscribers.

(d) Each wireline, wireless, and IP-enabled voice telecommunications service provider shall collect the 988 telecommunication fee and transfer the amounts collected to the commissioner of public safety in the same manner as provided in section 403.11, subdivision 1, paragraph (d).

(e) The commissioner of public safety shall deposit the money collected from the 988 telecommunication fee to the 988 account to be expended only in support of 988 services, or enhancements of such services.

(f) Consistent with United States Code, title 47, section 251(a), the revenue generated by a 988 telecommunication fee must only be used to offset costs that are or will be reasonably attributed to:

(1) ensuring the efficient and effective routing and handling of calls, chats, and texts made to the 988 Lifeline centers including staffing and technological infrastructure enhancements necessary to achieve operational, performance, and clinical standards and best practices set by the 988 Lifeline program and the department; and

(2) personnel and providing acute mental health and crisis outreach services by directly responding to the 988 Suicide and Crisis Lifeline.

(g) All 988 telecommunication fee revenue must be used to supplement, not supplant, any federal, state, or local funding for suicide prevention.

(h) The 988 telecommunication fee amount shall be adjusted as needed to provide for continuous operation, volume increases, and maintenance of the 988 service.

(i) The commissioner shall report on revenue generated by the 988 telecommunication fee to the Federal Communications Commission.

Subd. 5. **988 fee for prepaid wireless telecommunications services.** (a) The 988 telecommunication fee established in subdivision 4 does not apply to prepaid wireless telecommunications services. Prepaid wireless telecommunications services are subject to the prepaid wireless 988 fee established in section 403.161, subdivision 1, paragraph (c).

(b) Collection, remittance, and deposit of prepaid wireless 988 fees are governed by sections 403.161 and 403.162.

Subd. 6. **Biennial budget; annual financial report.** The commissioner must prepare a biennial budget for maintaining the 988 system. By December 15 of each year, the commissioner must submit a report to the legislature detailing the expenditures for maintaining the 988 system, the 988 fees collected, the balance of the 988 account, the 988-related administrative expenses of the commissioner, and the most recent forecast of revenues and expenditures for the 988 account, including a separate projection of 988 fees from prepaid wireless customers and projections of year-end fund balances.

Subd. 7. **Waiver.** A wireless telecommunications service provider or wire-line telecommunications service provider may petition the commissioner for a waiver of all or portions of the requirements of this section. The commissioner may grant a waiver upon a demonstration by the petitioner that the requirement is economically infeasible.

Sec. 119. Minnesota Statutes 2022, section 145.87, subdivision 4, is amended to read:

Subd. 4. ~~Administrative costs~~ **Administration.** The commissioner may use up to seven percent of the annual appropriation under this section to provide training and technical assistance and to administer and evaluate the program. The commissioner may contract for training, capacity-building support for grantees or potential grantees, technical assistance, and evaluation support.

Sec. 120. **[145.903] SCHOOL-BASED HEALTH CENTERS.**

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

(b) "School-based health center" or "comprehensive school-based health center" means a safety net health care delivery model that is located in or near a school facility and that offers comprehensive health care, including preventive and behavioral health services, provided by licensed and qualified health professionals in accordance with federal, state, and local law. When not located on school property, the school-based health center must have an established relationship with one or more schools in the community and operate to primarily serve those student groups.

(c) "Sponsoring organization" means any of the following that operate a school-based health center:

(1) health care providers;

(2) community clinics;

(3) hospitals;

(4) federally qualified health centers and look-alikes as defined in section 145.9269;

(5) health care foundations or nonprofit organizations;

(6) higher education institutions; or

(7) local health departments.

Subd. 2. **Expansion of Minnesota school-based health centers.** (a) The commissioner of health shall administer a program to provide grants to school districts and school-based health centers to support existing centers and facilitate the growth of school-based health centers in Minnesota.

(b) Grant funds distributed under this subdivision shall be used to support new or existing school-based health centers that:

(1) operate in partnership with a school or school district and with the permission of the school or school district board;

(2) provide health services through a sponsoring organization; and

(3) provide health services to all students and youth within a school or school district, regardless of ability to pay, insurance coverage, or immigration status, and in accordance with federal, state, and local law.

(c) The commissioner of health shall administer a grant to a nonprofit organization to facilitate a community of practice among school-based health centers to improve quality, equity, and sustainability of care delivered through school-based health centers; encourage cross-sharing among school-based health centers; support existing clinics; and expand school-based health centers in new communities in Minnesota.

(d) Grant recipients shall report their activities and annual performance measures as defined by the commissioner in a format and time specified by the commissioner.

(e) The commissioners of health and of education shall coordinate the projects and initiatives funded under this section with other efforts at the local, state, or national level to avoid duplication and promote coordinated efforts.

Subd. 3. School-based health center services. Services provided by a school-based health center may include but are not limited to:

(1) preventive health care;

(2) chronic medical condition management, including diabetes and asthma care;

(3) mental health care and crisis management;

(4) acute care for illness and injury;

(5) oral health care;

(6) vision care;

(7) nutritional counseling;

(8) substance abuse counseling;

(9) referral to a specialist, medical home, or hospital for care;

(10) additional services that address social determinants of health; and

(11) emerging services such as mobile health and telehealth.

Subd. 4. Sponsoring organizations. A sponsoring organization that agrees to operate a school-based health center must enter into a memorandum of agreement with the school or school district. The memorandum of agreement must require the sponsoring organization to be financially responsible for the operation of school-based health centers in the school or school district and must identify the costs that are the responsibility of the school or school district, such as Internet access, custodial services, utilities, and facility maintenance. To the greatest extent possible, a sponsoring organization must bill private insurers, medical assistance, and other public programs for services provided in the school-based health centers in order to maintain the financial sustainability of school-based health centers.

Sec. 121. Minnesota Statutes 2022, section 145.924, is amended to read:

145.924 AIDS HIV PREVENTION GRANTS.

(a) The commissioner may award grants to community health boards as defined in section 145A.02, subdivision 5, state agencies, state councils, or nonprofit corporations to provide evaluation and counseling services to populations at risk for acquiring human immunodeficiency virus infection, including, but not limited to, minorities communities of color, adolescents, intravenous drug users women, people who inject drugs, and homosexual men gay, bisexual, and transgender individuals.

(b) The commissioner may award grants to agencies experienced in providing services to communities of color, for the design of innovative outreach and education programs for targeted groups within the community who may be at risk of acquiring the human immunodeficiency virus infection, including intravenous drug users people who inject drugs and their partners, adolescents, women, and gay and, bisexual, and transgender individuals and women. Grants shall be awarded on a request for proposal basis and shall include funds for administrative costs. Priority for grants shall be given to agencies or organizations that have experience in providing service to the particular community which the grantee proposes to serve; that have policy makers representative of the targeted population; that have experience in dealing with issues relating to HIV/AIDS; and that have the capacity to deal effectively with persons of differing sexual orientations. For purposes of this paragraph, the "communities of color" are: the American-Indian community; the Hispanic community; the African-American community; and the Asian-Pacific Islander community.

(c) All state grants awarded under this section for programs targeted to adolescents shall include the promotion of abstinence from sexual activity and drug use.

(d) The commissioner shall administer a grant program to provide funds to organizations, including Tribal health agencies, to assist with HIV/AIDS outbreaks.

Sec. 122. Minnesota Statutes 2022, section 145.925, is amended to read:

145.925 FAMILY PLANNING SEXUAL AND REPRODUCTIVE HEALTH SERVICES GRANTS.

Subdivision 1. ~~Eligible organizations; purpose~~ Goal and establishment. ~~The commissioner of health may make special grants to cities, counties, groups of cities or counties, or nonprofit corporations to provide pre-pregnancy family planning services.~~ (a) It is the goal of the state to increase access to sexual and reproductive health services for people who experience barriers, whether geographic, cultural, financial, or other, in access to such services. The commissioner of health shall administer grants to facilitate access to sexual and reproductive health services for people of reproductive age, particularly those from populations that experience barriers to these services.

(b) The commissioner of health shall coordinate with other efforts at the local, state, or national level to avoid duplication and promote complementary efforts in sexual and reproductive health service promotion among people of reproductive age.

Subd. 1a. ~~Family planning services; defined.~~ "Family planning services" means ~~counseling by trained personnel regarding family planning; distribution of information relating to family planning, referral to licensed physicians or local health agencies for consultation, examination, medical treatment, genetic counseling, and prescriptions for the purpose of family planning; and the distribution of family planning products, such as charts, thermometers, drugs, medical preparations, and contraceptive devices. For purposes of sections 145A.01 to 145A.14, family planning shall mean voluntary action by individuals to prevent or aid conception but does not include the performance, or make referrals for encouragement of voluntary termination of pregnancy.~~

~~Subd. 2. **Prohibition.** The commissioner shall not make special grants pursuant to this section to any nonprofit corporation which performs abortions. No state funds shall be used under contract from a grantee to any nonprofit corporation which performs abortions. This provision shall not apply to hospitals licensed pursuant to sections 144.50 to 144.56, or health maintenance organizations certified pursuant to chapter 62D.~~

Subd. 2a. **Sexual and reproductive health services defined.** For purposes of this section, "sexual and reproductive health services" means services that promote a state of complete physical, mental, and social well-being in relation to sexuality and reproduction, and not merely the absence of disease or infirmity, in all matters relating to the reproductive system and its functions and processes, and to sexuality. These services must be provided in accord with nationally recognized standards and include but are not limited to sexual and reproductive health counseling, voluntary and informed decision-making on sexual and reproductive health, information on and provision of contraceptive methods, sexual and reproductive health screenings and treatment, pregnancy testing and counseling, and other preconception services.

~~Subd. 3. **Minors Grants authorized.** No funds provided by grants made pursuant to this section shall be used to support any family planning services for any unemancipated minor in any elementary or secondary school building. (a) The commissioner of health shall award grants to eligible community organizations, including nonprofit organizations, community health boards, and Tribal communities in rural and metropolitan areas of the state to support, sustain, expand, or implement reproductive and sexual health programs for people of reproductive age to increase access to and availability of medically accurate sexual and reproductive health services.~~

(b) The commissioner of health shall establish application scoring criteria in the evaluation of applications submitted for award under this section. These criteria shall include but are not limited to the degree to which applicants' programming responds to demographic factors relevant to subdivision 1, paragraph (a), and paragraph (f).

(c) When determining whether to award a grant or the amount of a grant under this section, the commissioner of health may identify and stratify geographic regions based on the region's need for sexual and reproductive health services. In this stratification, the commissioner may consider data on the prevalence of poverty and other factors relevant to a geographic region's need for sexual and reproductive health services.

(d) The commissioner of health may consider geographic and Tribal communities' representation in the award of grants.

(e) Current recipients of funding under this section shall not be afforded priority over new applicants.

(f) Grant funds shall be used to support new or existing sexual and reproductive health programs that provide person-centered, accessible services; that are culturally and linguistically appropriate, inclusive of all people, and trauma-informed; that protect the dignity of the individual; and that ensure equitable, quality services consistent with nationally recognized standards of care. These services shall include:

(1) education and outreach on medically accurate sexual and reproductive health information;

(2) contraceptive counseling, provision of contraceptive methods, and follow-up;

(3) screening, testing, and treatment of sexually transmitted infections and other sexual or reproductive concerns; and

(4) referral and follow-up for medical, financial, mental health, and other services in accord with a service recipient's needs.

~~Subd. 4. **Parental notification.** Except as provided in sections 144.341 and 144.342, any person employed to provide family planning services who is paid in whole or in part from funds provided under this section who advises an abortion or sterilization to any unemancipated minor shall, following such a recommendation, so notify the parent or guardian of the reasons for such an action.~~

~~Subd. 5. **Rules.** The commissioner of health shall promulgate rules for approval of plans and budgets of prospective grant recipients, for the submission of annual financial and statistical reports, and the maintenance of statements of source and application of funds by grant recipients. The commissioner of health may not require that any home rule charter or statutory city or county apply for or receive grants under this subdivision as a condition for the receipt of any state or federal funds unrelated to family planning services.~~

Subd. 6. **Public services; individual and employee rights.** The request of any person for family planning sexual and reproductive health services or the refusal to accept any service shall in no way affect the right of the person to receive public assistance, public health services, or any other public service. Nothing in this section shall abridge the right of the individual person to make decisions concerning family planning sexual and reproductive health, nor shall any individual person be required to state a reason for refusing any offer of family planning sexual and reproductive health services.

~~Any employee of the agencies engaged in the administration of the provisions of this section may refuse to accept the duty of offering family planning services to the extent that the duty is contrary to personal beliefs. A refusal shall not be grounds for dismissal, suspension, demotion, or any other discrimination in employment. The directors or supervisors of the agencies shall reassign the duties of employees in order to carry out the provisions of this section.~~

All information gathered by any agency, entity, or individual conducting programs in family planning sexual and reproductive health is private data on individuals within the meaning of section 13.02, subdivision 12. For any person or entity meeting the definition of a "provider" under section 144.291, subdivision 2, paragraph (i), all sexual and reproductive health services information provided to, gathered about, or received from a person under this section is also subject to the Minnesota Health Records Act, in sections 144.291 to 144.298.

Subd. 7. **Family planning services; information required.** ~~A grant recipient shall inform any person requesting counseling on family planning methods or procedures of:~~

(1) ~~Any methods or procedures which may be followed, including identification of any which are experimental or any which may pose a health hazard to the person;~~

(2) ~~A description of any attendant discomforts or risks which might reasonably be expected;~~

(3) ~~A fair explanation of the likely results, should a method fail;~~

(4) ~~A description of any benefits which might reasonably be expected of any method;~~

(5) ~~A disclosure of appropriate alternative methods or procedures;~~

(6) ~~An offer to answer any inquiries concerning methods or procedures; and~~

(7) ~~An instruction that the person is free either to decline commencement of any method or procedure or to withdraw consent to a method or procedure at any reasonable time.~~

Subd. 8. **Coercion; penalty.** ~~Any person who receives compensation for services under any program receiving financial assistance under this section, who coerces or endeavors to coerce any person to undergo an abortion or sterilization procedure by threatening the person with the loss of or disqualification for the receipt of any benefit or service under a program receiving state or federal financial assistance shall be guilty of a misdemeanor.~~

Subd. 9. **Amount of grant; rules.** ~~Notwithstanding any rules to the contrary, including rules proposed in the State Register on April 1, 1991, the commissioner, in allocating grant funds for family planning special projects, shall not limit the total amount of funds that can be allocated to an organization. The commissioner shall allocate to~~

~~an organization receiving grant funds on July 1, 1997, at least the same amount of grant funds for the 1998 to 1999 grant cycle as the organization received for the 1996 to 1997 grant cycle, provided the organization submits an application that meets grant funding criteria. This subdivision does not affect any procedure established in rule for allocating special project money to the different regions. The commissioner shall revise the rules for family planning special project grants so that they conform to the requirements of this subdivision. In adopting these revisions, the commissioner is not subject to the rulemaking provisions of chapter 14, but is bound by section 14.386, paragraph (a), clauses (1) and (3). Section 14.386, paragraph (b), does not apply to these rules.~~

Sec. 123. [145.9257] COMMUNITY SOLUTIONS FOR HEALTHY CHILD DEVELOPMENT GRANT PROGRAM.

Subdivision 1. **Establishment.** The commissioner of health shall establish a grant program to improve child development outcomes and the well-being of children of color and American Indian children from prenatal to grade 3 and their families. The purposes of the program are to:

(1) improve child development outcomes related to the well-being of children of color and American Indian children from prenatal to grade 3 and their families, including but not limited to the goals outlined by the Department of Human Services' early childhood systems reform effort: early learning; health and well-being; economic security; and safe, stable, nurturing relationships and environments by funding community-based solutions for challenges that are identified by the affected community;

(2) reduce racial disparities in children's health and development from prenatal to grade 3; and

(3) promote racial and geographic equity.

Subd. 2. **Commissioner's duties.** The commissioner of health shall:

(1) develop a request for proposals for the community solutions healthy child development grant program in consultation with the community solutions advisory council;

(2) provide outreach, technical assistance, and program development support to increase capacity for new and existing service providers in order to better meet statewide needs, particularly in greater Minnesota and areas where services to reduce health disparities have not been established;

(3) review responses to requests for proposals, in consultation with the community solutions advisory council, and award grants under this section;

(4) ensure communication with the ethnic councils, Minnesota Indian Affairs Council, and the State Advisory Council on Early Childhood Education and Care on the request for proposal process;

(5) establish a transparent and objective accountability process, in consultation with the community solutions advisory council, focused on outcomes that grantees agree to achieve;

(6) provide grantees with access to data to assist grantees in establishing and implementing effective community-led solutions;

(7) maintain data on outcomes reported by grantees; and

(8) contract with an independent third-party entity to evaluate the success of the grant program and to build the evidence base for effective community solutions in reducing health disparities of children of color and American Indian children from prenatal to grade 3.

Subd. 3. **Community solutions advisory council; establishment; duties; compensation.** (a) No later than October 1, 2023, the commissioner shall have convened a 12-member community solutions advisory council as follows:

(1) two members representing the African Heritage community;

(2) two members representing the Latino community;

(3) two members representing the Asian-Pacific Islander community;

(4) two members representing the American Indian community;

(5) two parents of children who are under nine years of age and are Black, nonwhite people of color, or American Indian;

(6) one member with research or academic expertise in racial equity and healthy child development; and

(7) one member representing an organization that advocates on behalf of communities of color or American Indians.

(b) At least three of the 12 members of the advisory council must come from outside the seven-county metropolitan area.

(c) The community solutions advisory council shall:

(1) advise the commissioner on the development of the request for proposals for community solutions healthy child development grants. In advising the commissioner, the council must consider how to build on the capacity of communities to promote child and family well-being and address social determinants of healthy child development;

(2) review responses to requests for proposals and advise the commissioner on the selection of grantees and grant awards;

(3) advise the commissioner on the establishment of a transparent and objective accountability process focused on outcomes the grantees agree to achieve;

(4) advise the commissioner on ongoing oversight and necessary support in the implementation of the program; and

(5) support the commissioner on other racial equity and early childhood grant efforts.

(d) Each advisory council member shall be compensated in accordance with section 15.059, subdivision 3.

Subd. 4. **Eligible grantees.** Organizations eligible to receive grant funding under this section include: (1) organizations or entities that work with Black, non-white communities of color, and American Indian communities;

(2) Tribal nations and Tribal organizations as defined in section 658P of the Child Care and Development Block Grant Act of 1990; and

(3) organizations or entities focused on supporting healthy child development.

Subd. 5. **Strategic consideration and priority of proposals; eligible populations; grant awards.** (a) The commissioner, in consultation with the community solutions advisory council, shall develop a request for proposals for healthy child development grants. In developing the proposals and awarding the grants, the commissioner shall

consider building on the capacity of communities to promote child and family well-being and address social determinants of healthy child development. Proposals must focus on increasing racial equity and healthy child development and reducing health disparities experienced by children who are Black, nonwhite people of color, or American Indian from prenatal to grade 3 and their families.

(b) In awarding the grants, the commissioner shall provide strategic consideration and give priority to proposals from:

(1) organizations or entities led by Black and other nonwhite people of color and serving Black and nonwhite communities of color;

(2) organizations or entities led by American Indians and serving American Indians, including Tribal nations and Tribal organizations;

(3) organizations or entities with proposals focused on healthy development from prenatal to grade three;

(4) organizations or entities with proposals focusing on multigenerational solutions;

(5) organizations or entities located in or with proposals to serve communities located in counties that are moderate to high risk according to the Wilder Research Risk and Reach Report; and

(6) community-based organizations that have historically served communities of color and American Indians and have not traditionally had access to state grant funding.

The advisory council may recommend additional strategic considerations and priorities to the commissioner.

Subd. 6. **Geographic distribution of grants.** The commissioner and the advisory council shall ensure that grant funds are prioritized and awarded to organizations and entities that are within counties that have a higher proportion of Black, nonwhite communities of color, and American Indians than the state average, to the extent possible.

Subd. 7. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 124. [145.9272] LEAD REMEDIATION IN SCHOOL AND CHILD CARE SETTINGS GRANT PROGRAM.

Subdivision 1. **Establishment; purpose.** The commissioner of health shall develop a grant program for the purpose of remediating identified sources of lead in drinking water in schools and licensed child care settings.

Subd. 2. **Grants authorized.** The commissioner shall award grants through a request for proposals process to schools and licensed child care settings. Priority shall be given to schools and licensed child care settings with higher levels of lead detected in water samples, evidence of lead service lines, or lead plumbing materials and school districts that serve disadvantaged communities.

Subd. 3. **Grant allocation.** Grantees must use the funds to address sources of lead contamination in their facilities including but not limited to service connections and premise plumbing, and to implement best practices for water management within the building.

Sec. 125. **[145.9273] TESTING FOR LEAD IN DRINKING WATER IN CHILD CARE SETTINGS.**

Subdivision 1. Requirement to test. By July 1, 2024, licensed child care providers must develop a plan to accurately and efficiently test for the presence of lead in drinking water in child care facilities following either the Department of Health's document "Reducing Lead in Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities" or the Environmental Protection Agency's "3Ts: Training, Testing, Taking Action" guidance materials.

Subd. 2. Scope and frequency of testing. The plan under subdivision 1 must include testing every building serving children and all water fixtures used for consumption of water, including water used in food preparation. All taps must be tested at least once every five years. A licensed child care provider must begin testing in buildings by July 1, 2024, and complete testing in all buildings that serve students within five years.

Subd. 3. Remediation of lead in drinking water. The plan under subdivision 1 must include steps to remediate if lead is present in drinking water. A licensed child care provider that finds lead at concentrations at or exceeding five parts per billion at a specific location providing water to children within its facilities must take action to reduce lead exposure following guidance and verify the success of remediation by retesting the location for lead. Remediation actions are actions that reduce lead levels from the drinking water fixture as demonstrated by testing. This includes using certified filters, implementing, and documenting a building-wide flushing program, and replacing or removing fixtures with elevated lead levels.

Subd. 4. Reporting results. (a) A licensed child care provider that tested its buildings for the presence of lead shall make the results of the testing and any remediation steps taken available to parents and staff and notify them of the availability of results. Reporting shall occur no later than 30 days from receipt of results and annually thereafter.

(b) Beginning July 1, 2024, a licensed child care provider must report the provider's test results and remediation activities to the commissioner of health annually on or before July 1 of each year.

Sec. 126. **[145.987] HEALTH EQUITY ADVISORY AND LEADERSHIP (HEAL) COUNCIL.**

Subdivision 1. Establishment; composition of advisory council. The commissioner shall establish and appoint a health equity advisory and leadership (HEAL) council to provide guidance to the commissioner of health regarding strengthening and improving the health of communities most impacted by health inequities across the state. The council shall consist of 18 members who will provide representation from the following groups:

- (1) African American and African heritage communities;
- (2) Asian American and Pacific Islander communities;
- (3) Latina/o/x communities;
- (4) American Indian communities and Tribal governments and nations;
- (5) disability communities;
- (6) lesbian, gay, bisexual, transgender, and queer (LGBTQ) communities; and
- (7) representatives who reside outside the seven-county metropolitan area.

Subd. 2. **Organization and meetings.** The advisory council shall be organized and administered under section 15.059. Meetings shall be held at least quarterly and hosted by the department. Subcommittees may be convened as necessary. Advisory council meetings are subject to the open meeting law under chapter 13D.

Subd. 3. **Duties.** The advisory council shall:

(1) advise the commissioner on health equity issues and the health equity priorities and concerns of the populations specified in subdivision 1;

(2) assist the agency in efforts to advance health equity, including consulting on specific agency policies and programs, providing ideas and input about potential budget and policy proposals, and recommending review of agency policies, standards, or procedures that may create or perpetuate health inequities; and

(3) assist the agency in developing and monitoring meaningful performance measures related to advancing health equity.

Subd. 4. **Expiration.** The advisory council shall remain in existence until health inequities in the state are eliminated. Health inequities will be considered eliminated when race, ethnicity, income, gender, gender identity, geographic location, or other identity or social marker will no longer be predictors of health outcomes in the state. Section 145.928 describes nine health disparities that must be considered when determining whether health inequities have been eliminated in the state.

Sec. 127. Minnesota Statutes 2022, section 145A.131, subdivision 1, is amended to read:

Subdivision 1. **Funding formula for community health boards.** (a) Base funding for each community health board eligible for a local public health grant under section 145A.03, subdivision 7, shall be determined by each community health board's fiscal year 2003 allocations, prior to unallotment, for the following grant programs: community health services subsidy; state and federal maternal and child health special projects grants; family home visiting grants; TANF MN ENABL grants; TANF youth risk behavior grants; and available women, infants, and children grant funds in fiscal year 2003, prior to unallotment, distributed based on the proportion of WIC participants served in fiscal year 2003 within the CHS service area.

(b) Base funding for a community health board eligible for a local public health grant under section 145A.03, subdivision 7, as determined in paragraph (a), shall be adjusted by the percentage difference between the base, as calculated in paragraph (a), and the funding available for the local public health grant.

(c) Multicounty or multicounty community health boards shall receive a local partnership base of up to \$5,000 per year for each county or city in the case of a multicounty community health board included in the community health board.

(d) The State Community Health Advisory Committee may recommend a formula to the commissioner to use in distributing funds to community health boards.

(e) Notwithstanding any adjustment in paragraph (b), community health boards, all or a portion of which are located outside of the counties of Anoka, Chisago, Carver, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright, are eligible to receive an increase equal to ten percent of the grant award to the community health board under paragraph (a) starting July 1, 2015. The increase in calendar year 2015 shall be prorated for the last six months of the year. For calendar years beginning on or after January 1, 2016, the amount distributed under this paragraph shall be adjusted each year based on available funding and the number of eligible community health boards.

(f) Funding for foundational public health responsibilities must be distributed based on a formula determined by the commissioner in consultation with the State Community Health Services Advisory Committee. A portion of these funds may be used to fund new organizational models, including multijurisdictional and regional partnerships. These funds shall be used in accordance with subdivision 5.

Sec. 128. Minnesota Statutes 2022, section 145A.131, subdivision 5, is amended to read:

Subd. 5. **Use of funds.** (a) Community health boards may use the base funding of their local public health grant funds as outlined in subdivision 1, paragraphs (a) to (e), to address the areas of public health responsibility and local priorities developed through the community health assessment and community health improvement planning process.

(b) Funding for foundational public health responsibilities as outlined in subdivision 1, paragraph (f), must be used to fulfill foundational public health responsibilities as defined by the commissioner in consultation with the State Community Health Services Advisory Committee unless a community health board can demonstrate fulfillment of foundational public health responsibilities. If a community health board can demonstrate foundational public health responsibilities are fulfilled, funds may be used for local priorities developed through the community health assessment and community health improvement planning process.

(c) By July 1, 2028, all local public health grant funds must be used first to fulfill foundational public health responsibilities. Once a community health board can demonstrate foundational public health responsibilities are fulfilled, funds can be used for local priorities developed through the community health assessment and community health improvement planning process.

Sec. 129. Minnesota Statutes 2022, section 145A.14, is amended by adding a subdivision to read:

Subd. 2b. **Grants to Tribes.** The commissioner shall distribute grants to Tribal governments for foundational public health responsibilities as defined by each Tribal government.

Sec. 130. Minnesota Statutes 2022, section 147A.08, is amended to read:

147A.08 EXEMPTIONS.

(a) This chapter does not apply to, control, prevent, or restrict the practice, service, or activities of persons listed in section 147.09, clauses (1) to (6) and (8) to (13); persons regulated under section 214.01, subdivision 2; or ~~persons~~ midlevel practitioners, nurses, or nurse-midwives as defined in section 144.1501, subdivision 1, paragraphs (i), (k), and (l).

(b) Nothing in this chapter shall be construed to require licensure of:

(1) a physician assistant student enrolled in a physician assistant educational program accredited by the Accreditation Review Commission on Education for the Physician Assistant or by its successor agency approved by the board;

(2) a physician assistant employed in the service of the federal government while performing duties incident to that employment; or

(3) technicians, other assistants, or employees of physicians who perform delegated tasks in the office of a physician but who do not identify themselves as a physician assistant.

Sec. 131. Minnesota Statutes 2022, section 148.261, subdivision 1, is amended to read:

Subdivision 1. **Grounds listed.** The board may deny, revoke, suspend, limit, or condition the license and registration of any person to practice advanced practice, professional, or practical nursing under sections 148.171 to 148.285, or to otherwise discipline a licensee or applicant as described in section 148.262. The following are grounds for disciplinary action:

(1) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in sections 148.171 to 148.285 or rules of the board. In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements.

(2) Employing fraud or deceit in procuring or attempting to procure a permit, license, or registration certificate to practice advanced practice, professional, or practical nursing or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to:

(i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or

(iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(3) Conviction of a felony or gross misdemeanor reasonably related to the practice of professional, advanced practice registered, or practical nursing. Conviction as used in this subdivision includes a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(4) Revocation, suspension, limitation, conditioning, or other disciplinary action against the person's professional or practical nursing license or advanced practice registered nursing credential, in another state, territory, or country; failure to report to the board that charges regarding the person's nursing license or other credential are pending in another state, territory, or country; or having been refused a license or other credential by another state, territory, or country.

(5) Failure to or inability to perform professional or practical nursing as defined in section 148.171, subdivision 14 or 15, with reasonable skill and safety, including failure of a registered nurse to supervise or a licensed practical nurse to monitor adequately the performance of acts by any person working at the nurse's direction.

(6) Engaging in unprofessional conduct, including, but not limited to, a departure from or failure to conform to board rules of professional or practical nursing practice that interpret the statutory definition of professional or practical nursing as well as provide criteria for violations of the statutes, or, if no rule exists, to the minimal standards of acceptable and prevailing professional or practical nursing practice, or any nursing practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause.

(7) Failure of an advanced practice registered nurse to practice with reasonable skill and safety or departure from or failure to conform to standards of acceptable and prevailing advanced practice registered nursing.

(8) Delegating or accepting the delegation of a nursing function or a prescribed health care function when the delegation or acceptance could reasonably be expected to result in unsafe or ineffective patient care.

(9) Actual or potential inability to practice nursing with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition.

(10) Adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or without this state.

(11) Engaging in any unethical conduct, including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause.

(12) Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient, or engaging in sexual exploitation of a patient or former patient.

(13) Obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud.

(14) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(15) Engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws.

(16) Improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to sections 144.291 to 144.298, or to furnish a patient record or report required by law.

(17) Knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of advanced practice, professional, or practical nursing.

(18) Violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of advanced practice, professional, or practical nursing, or a state or federal narcotics or controlled substance law.

(19) Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

(20) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

(21) Practicing outside the scope of practice authorized by section 148.171, subdivision 5, 10, 11, 13, 14, 15, or 21.

(22) Making a false statement or knowingly providing false information to the board, failing to make reports as required by section 148.263, or failing to cooperate with an investigation of the board as required by section 148.265.

(23) Engaging in false, fraudulent, deceptive, or misleading advertising.

(24) Failure to inform the board of the person's certification or recertification status as a certified registered nurse anesthetist, certified nurse-midwife, certified nurse practitioner, or certified clinical nurse specialist.

(25) Engaging in clinical nurse specialist practice, nurse-midwife practice, nurse practitioner practice, or registered nurse anesthetist practice without a license and current certification or recertification by a national nurse certification organization acceptable to the board.

~~(26) Engaging in conduct that is prohibited under section 145.412.~~

~~(27)~~ (26) Failing to report employment to the board as required by section 148.211, subdivision 2a, or knowingly aiding, assisting, advising, or allowing a person to fail to report as required by section 148.211, subdivision 2a.

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

Sec. 132. Minnesota Statutes 2022, section 148.512, subdivision 10a, is amended to read:

Subd. 10a. **Hearing aid.** "Hearing aid" means ~~an instrument~~ a prescribed aid, or any of its parts, worn in the ear canal and designed to or represented as being able to aid or enhance human hearing. "Hearing aid" includes the aid's parts, attachments, or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold. Batteries and cords are not parts, attachments, or accessories of a hearing aid. Surgically implanted hearing aids, and assistive listening devices not worn within the ear canal, are not hearing aids.

Sec. 133. Minnesota Statutes 2022, section 148.512, subdivision 10b, is amended to read:

Subd. 10b. **Hearing aid dispensing.** "Hearing aid dispensing" means making ear mold impressions, prescribing, ~~or recommending~~ a hearing aid, assisting the consumer in prescription aid selection, ~~selling hearing aids at retail~~, or testing human hearing in connection with these activities regardless of whether the person conducting these activities has a monetary interest in the dispensing of prescription hearing aids to the consumer. Hearing aid dispensing does not include selling over-the-counter hearing aids.

Sec. 134. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision to read:

Subd. 10c. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter hearing aid" or "OTC hearing aid" has the meaning given to that term in Code of Federal Regulations, title 21, section 800.30(b).

Sec. 135. Minnesota Statutes 2022, section 148.512, is amended by adding a subdivision to read:

Subd. 13a. **Prescription hearing aid.** "Prescription hearing aid" means a hearing aid requiring a prescription from a certified hearing aid dispenser or licensed audiologist that is not an OTC hearing aid.

Sec. 136. Minnesota Statutes 2022, section 148.513, is amended by adding a subdivision to read:

Subd. 4. **Over-the-counter hearing aids.** Nothing in sections 148.511 to 148.5198 shall preclude licensed audiologists from dispensing or selling over-the-counter hearing aids.

Sec. 137. Minnesota Statutes 2022, section 148.515, subdivision 6, is amended to read:

Subd. 6. **Dispensing audiologist examination requirements.** (a) Audiologists are exempt from the written examination requirement in section 153A.14, subdivision 2h, paragraph (a), clause (1).

(b) After July 31, 2005, all applicants for audiologist licensure under sections 148.512 to 148.5198 must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c).

(c) In order to dispense prescription hearing aids as a sole proprietor, member of a partnership, or for a limited liability company, corporation, or any other entity organized for profit, a licensee who obtained audiologist licensure under sections 148.512 to 148.5198, before August 1, 2005, and who is not certified to dispense prescription hearing aids under chapter 153A, must achieve a passing score on the practical tests of proficiency described in section 153A.14, subdivision 2h, paragraph (a), clause (2), within the time period described in section 153A.14, subdivision 2h, paragraph (c). All other audiologist licensees who obtained licensure before August 1, 2005, are exempt from the practical tests.

(d) An applicant for an audiology license who obtains a temporary license under section 148.5175 may dispense prescription hearing aids only under supervision of a licensed audiologist who dispenses prescription hearing aids.

Sec. 138. Minnesota Statutes 2022, section 148.5175, is amended to read:

148.5175 TEMPORARY LICENSURE.

(a) The commissioner shall issue temporary licensure as a speech-language pathologist, an audiologist, or both, to an applicant who:

(1) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 148.5195, subdivision 3; and

(2) either:

(i) provides a copy of a current credential as a speech-language pathologist, an audiologist, or both, held in the District of Columbia or a state or territory of the United States; or

(ii) provides a copy of a current certificate of clinical competence issued by the American Speech-Language-Hearing Association or board certification in audiology by the American Board of Audiology.

(b) A temporary license issued to a person under this subdivision expires 90 days after it is issued or on the date the commissioner grants or denies licensure, whichever occurs first.

(c) Upon application, a temporary license shall be renewed twice to a person who is able to demonstrate good cause for failure to meet the requirements for licensure within the initial temporary licensure period and who is not the subject of a disciplinary action or disqualified on the basis of section 148.5195, subdivision 3. Good cause includes but is not limited to inability to take and complete the required practical exam for dispensing prescription hearing ~~instruments~~ aids.

(d) Upon application, a temporary license shall be issued to a person who meets the requirements of section 148.515, subdivisions 2a and 4, but has not completed the requirement in section 148.515, subdivision 6.

Sec. 139. Minnesota Statutes 2022, section 148.5195, subdivision 3, is amended to read:

Subd. 3. **Grounds for disciplinary action by commissioner.** The commissioner may take any of the disciplinary actions listed in subdivision 4 on proof that the individual has:

- (1) intentionally submitted false or misleading information to the commissioner or the advisory council;
- (2) failed, within 30 days, to provide information in response to a written request by the commissioner or advisory council;
- (3) performed services of a speech-language pathologist or audiologist in an incompetent or negligent manner;
- (4) violated sections 148.511 to 148.5198;
- (5) failed to perform services with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;
- (6) violated any state or federal law, rule, or regulation, and the violation is a felony or misdemeanor, an essential element of which is dishonesty, or which relates directly or indirectly to the practice of speech-language pathology or audiology. Conviction for violating any state or federal law which relates to speech-language pathology or audiology is necessarily considered to constitute a violation, except as provided in chapter 364;
- (7) aided or abetted another person in violating any provision of sections 148.511 to 148.5198;
- (8) been or is being disciplined by another jurisdiction, if any of the grounds for the discipline is the same or substantially equivalent to those under sections 148.511 to 148.5198;
- (9) not cooperated with the commissioner or advisory council in an investigation conducted according to subdivision 1;
- (10) advertised in a manner that is false or misleading;
- (11) engaged in conduct likely to deceive, defraud, or harm the public; or demonstrated a willful or careless disregard for the health, welfare, or safety of a client;
- (12) failed to disclose to the consumer any fee splitting or any promise to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;
- (13) engaged in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;
- (14) obtained money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;
- (15) performed services for a client who had no possibility of benefiting from the services;
- (16) failed to refer a client for medical evaluation or to other health care professionals when appropriate or when a client indicated symptoms associated with diseases that could be medically or surgically treated;

(17) had the certification required by chapter 153A denied, suspended, or revoked according to chapter 153A;

(18) used the term doctor of audiology, doctor of speech-language pathology, AuD, or SLPD without having obtained the degree from an institution accredited by the North Central Association of Colleges and Secondary Schools, the Council on Academic Accreditation in Audiology and Speech-Language Pathology, the United States Department of Education, or an equivalent;

(19) failed to comply with the requirements of section 148.5192 regarding supervision of speech-language pathology assistants; or

(20) if the individual is an audiologist or certified hearing ~~instrument aid~~ dispenser:

(i) prescribed ~~or otherwise recommended~~ to a consumer or potential consumer the use of a prescription hearing ~~instrument aid~~, unless the prescription from a physician ~~or recommendation from~~ an audiologist, or a certified dispenser is in writing, is based on an audiogram that is delivered to the consumer or potential consumer when the prescription ~~or recommendation~~ is made, and bears the following information in all capital letters of 12-point or larger boldface type: "THIS PRESCRIPTION ~~OR RECOMMENDATION~~ MAY BE FILLED BY, AND PRESCRIPTION HEARING ~~INSTRUMENTS~~ AIDS MAY BE PURCHASED FROM, THE LICENSED AUDIOLOGIST OR CERTIFIED DISPENSER OF YOUR CHOICE";

(ii) failed to give a copy of the audiogram, upon which the prescription ~~or recommendation~~ is based, to the consumer when the consumer requests a copy;

(iii) failed to provide the consumer rights brochure required by section 148.5197, subdivision 3;

(iv) failed to comply with restrictions on sales of prescription hearing ~~instruments~~ aids in sections 148.5197, subdivision 3, and 148.5198;

(v) failed to return a consumer's prescription hearing ~~instrument aid~~ used as a trade-in or for a discount in the price of a new prescription hearing ~~instrument aid~~ when requested by the consumer upon cancellation of the purchase agreement;

(vi) failed to follow Food and Drug Administration or Federal Trade Commission regulations relating to dispensing prescription hearing ~~instruments~~ aids;

(vii) failed to dispense a prescription hearing ~~instrument aid~~ in a competent manner or without appropriate training;

(viii) delegated prescription hearing ~~instrument aid~~ dispensing authority to a person not authorized to dispense a prescription hearing ~~instrument aid~~ under this chapter or chapter 153A;

(ix) failed to comply with the requirements of an employer or supervisor of a hearing ~~instrument aid~~ dispenser trainee;

(x) violated a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the individual's prescription hearing ~~instrument aid~~ dispensing; or

(xi) failed to include on the audiogram the practitioner's printed name, credential type, credential number, signature, and date.

Sec. 140. Minnesota Statutes 2022, section 148.5196, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The commissioner shall appoint 12 persons to a Speech-Language Pathologist and Audiologist Advisory Council. The 12 persons must include:

(1) three public members, as defined in section 214.02. Two of the public members shall be either persons receiving services of a speech-language pathologist or audiologist, or family members of or caregivers to such persons, and at least one of the public members shall be either a hearing ~~instrument~~ aid user or an advocate of one;

(2) three speech-language pathologists licensed under sections 148.511 to 148.5198, one of whom is currently and has been, for the five years immediately preceding the appointment, engaged in the practice of speech-language pathology in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, and government agencies;

(3) one speech-language pathologist licensed under sections 148.511 to 148.5198, who is currently and has been, for the five years immediately preceding the appointment, employed by a Minnesota public school district or a Minnesota public school district consortium that is authorized by Minnesota Statutes and who is licensed in speech-language pathology by the Professional Educator Licensing and Standards Board;

(4) three audiologists licensed under sections 148.511 to 148.5198, two of whom are currently and have been, for the five years immediately preceding the appointment, engaged in the practice of audiology and the dispensing of prescription hearing ~~instruments~~ aids in Minnesota and each of whom is employed in a different employment setting including, but not limited to, private practice, hospitals, rehabilitation settings, educational settings, industry, and government agencies;

(5) one nonaudiologist hearing ~~instrument~~ aid dispenser recommended by a professional association representing hearing ~~instrument~~ aid dispensers; and

(6) one physician licensed under chapter 147 and certified by the American Board of Otolaryngology, Head and Neck Surgery.

Sec. 141. Minnesota Statutes 2022, section 148.5197, is amended to read:

148.5197 HEARING AID DISPENSING.

Subdivision 1. **Content of contracts.** Oral statements made by an audiologist or certified dispenser regarding the provision of warranties, refunds, and service on the prescription hearing aid or aids dispensed must be written on, and become part of, the contract of sale, specify the item or items covered, and indicate the person or business entity obligated to provide the warranty, refund, or service.

Subd. 2. **Required use of license number.** The audiologist's license number or certified dispenser's certificate number must appear on all contracts, bills of sale, and receipts used in the sale of prescription hearing aids.

Subd. 3. **Consumer rights information.** An audiologist or certified dispenser shall, at the time of the ~~recommendation or~~ prescription, give a consumer rights brochure, prepared by the commissioner and containing information about legal requirements pertaining to dispensing of prescription hearing aids, to each potential consumer of a prescription hearing aid. The brochure must contain information about the consumer information center described in section 153A.18. A contract for a prescription hearing aid must note the receipt of the brochure by the consumer, along with the consumer's signature or initials.

Subd. 4. **Liability for contracts.** Owners of entities in the business of dispensing prescription hearing aids, employers of audiologists or persons who dispense prescription hearing aids, supervisors of trainees or audiology students, and hearing aid dispensers conducting the transaction at issue are liable for satisfying all terms of contracts, written or oral, made by their agents, employees, assignees, affiliates, or trainees, including terms relating to products, repairs, warranties, service, and refunds. The commissioner may enforce the terms of prescription hearing aid contracts against the principal, employer, supervisor, or dispenser who conducted the transaction and may impose any remedy provided for in this chapter.

Sec. 142. Minnesota Statutes 2022, section 148.5198, is amended to read:

148.5198 RESTRICTION ON SALE OF PRESCRIPTION HEARING AIDS.

Subdivision 1. **45-calendar-day guarantee and buyer right to cancel.** (a) An audiologist or certified dispenser dispensing a prescription hearing aid in this state must comply with paragraphs (b) and (c).

(b) The audiologist or certified dispenser must provide the buyer with a 45-calendar-day written money-back guarantee. The guarantee must permit the buyer to cancel the purchase for any reason within 45 calendar days after receiving the prescription hearing aid by giving or mailing written notice of cancellation to the audiologist or certified dispenser. If the buyer mails the notice of cancellation, the 45-calendar-day period is counted using the postmark date, to the date of receipt by the audiologist or certified dispenser. If the prescription hearing aid must be repaired, remade, or adjusted during the 45-calendar-day money-back guarantee period, the running of the 45-calendar-day period is suspended one day for each 24-hour period that the prescription hearing aid is not in the buyer's possession. A repaired, remade, or adjusted prescription hearing aid must be claimed by the buyer within three business days after notification of availability, after which time the running of the 45-calendar-day period resumes. The guarantee must entitle the buyer, upon cancellation, to receive a refund of payment within 30 days of return of the prescription hearing aid to the audiologist or certified dispenser. The audiologist or certified dispenser may retain as a cancellation fee no more than \$250 of the buyer's total purchase price of the prescription hearing aid.

(c) The audiologist or certified dispenser shall provide the buyer with a contract written in plain English, that contains uniform language and provisions that meet the requirements under the Plain Language Contract Act, sections 325G.29 to 325G.36. The contract must include, but is not limited to, the following: in immediate proximity to the space reserved for the signature of the buyer, or on the first page if there is no space reserved for the signature of the buyer, a clear and conspicuous disclosure of the following specific statement in all capital letters of no less than 12-point boldface type: "MINNESOTA STATE LAW GIVES THE BUYER THE RIGHT TO CANCEL THIS PURCHASE FOR ANY REASON AT ANY TIME PRIOR TO MIDNIGHT OF THE 45TH CALENDAR DAY AFTER RECEIPT OF THE PRESCRIPTION HEARING AID(S). THIS CANCELLATION MUST BE IN WRITING AND MUST BE GIVEN OR MAILED TO THE AUDIOLOGIST OR CERTIFIED DISPENSER. IF THE BUYER DECIDES TO RETURN THE PRESCRIPTION HEARING AID(S) WITHIN THIS 45-CALENDAR-DAY PERIOD, THE BUYER WILL RECEIVE A REFUND OF THE TOTAL PURCHASE PRICE OF THE AID(S) FROM WHICH THE AUDIOLOGIST OR CERTIFIED DISPENSER MAY RETAIN AS A CANCELLATION FEE NO MORE THAN \$250."

Subd. 2. **Itemized repair bill.** Any audiologist, certified dispenser, or company who agrees to repair a prescription hearing aid must provide the owner of the prescription hearing aid, or the owner's representative, with a bill that describes the repair and services rendered. The bill must also include the repairing audiologist's, certified dispenser's, or company's name, address, and telephone number.

This subdivision does not apply to an audiologist, certified dispenser, or company that repairs a prescription hearing aid pursuant to an express warranty covering the entire prescription hearing aid and the warranty covers the entire cost, both parts and labor, of the repair.

Subd. 3. **Repair warranty.** Any guarantee of prescription hearing aid repairs must be in writing and delivered to the owner of the prescription hearing aid, or the owner's representative, stating the repairing audiologist's, certified dispenser's, or company's name, address, telephone number, length of guarantee, model, and serial number of the prescription hearing aid and all other terms and conditions of the guarantee.

Subd. 4. **Misdemeanor.** A person found to have violated this section is guilty of a misdemeanor.

Subd. 5. **Additional.** In addition to the penalty provided in subdivision 4, a person found to have violated this section is subject to the penalties and remedies provided in section 325F.69, subdivision 1.

Subd. 6. **Estimates.** Upon the request of the owner of a prescription hearing aid or the owner's representative for a written estimate and prior to the commencement of repairs, a repairing audiologist, certified dispenser, or company shall provide the customer with a written estimate of the price of repairs. If a repairing audiologist, certified dispenser, or company provides a written estimate of the price of repairs, it must not charge more than the total price stated in the estimate for the repairs. If the repairing audiologist, certified dispenser, or company after commencing repairs determines that additional work is necessary to accomplish repairs that are the subject of a written estimate and if the repairing audiologist, certified dispenser, or company did not unreasonably fail to disclose the possible need for the additional work when the estimate was made, the repairing audiologist, certified dispenser, or company may charge more than the estimate for the repairs if the repairing audiologist, certified dispenser, or company immediately provides the owner or owner's representative a revised written estimate pursuant to this section and receives authorization to continue with the repairs. If continuation of the repairs is not authorized, the repairing audiologist, certified dispenser, or company shall return the prescription hearing aid as close as possible to its former condition and shall release the prescription hearing aid to the owner or owner's representative upon payment of charges for repairs actually performed and not in excess of the original estimate.

Sec. 143. Minnesota Statutes 2022, section 151.37, subdivision 12, is amended to read:

Subd. 12. **Administration of opiate antagonists for drug overdose.** (a) A licensed physician, a licensed advanced practice registered nurse authorized to prescribe drugs pursuant to section 148.235, or a licensed physician assistant may authorize the following individuals to administer opiate antagonists, as defined in section 604A.04, subdivision 1:

- (1) an emergency medical responder registered pursuant to section 144E.27;
 - (2) a peace officer as defined in section 626.84, subdivision 1, paragraphs (c) and (d);
 - (3) correctional employees of a state or local political subdivision;
 - (4) staff of community-based health disease prevention or social service programs;
 - (5) a volunteer firefighter; and
 - (6) a ~~licensed school nurse or certified public health nurse~~ any other personnel employed by, or under contract with, a ~~school board under section 121A.21~~ charter, public, or private school.
- (b) For the purposes of this subdivision, opiate antagonists may be administered by one of these individuals only if:
- (1) the licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has issued a standing order to, or entered into a protocol with, the individual; and

(2) the individual has training in the recognition of signs of opiate overdose and the use of opiate antagonists as part of the emergency response to opiate overdose.

(c) Nothing in this section prohibits the possession and administration of naloxone pursuant to section 604A.04.

(d) Notwithstanding section 148.235, subdivisions 8 and 9, a licensed practical nurse is authorized to possess and administer according to this subdivision an opiate antagonist in a school setting.

Sec. 144. Minnesota Statutes 2022, section 153A.13, subdivision 3, is amended to read:

Subd. 3. **Hearing instrument aid.** "~~Hearing instrument aid~~" means an instrument, ~~or any of its parts, worn in the ear canal and designed to or represented as being able to aid or enhance human hearing.~~ "~~Hearing instrument~~" includes the instrument's parts, attachments, or accessories, including, but not limited to, ear molds and behind the ear (BTE) devices with or without an ear mold. ~~Batteries and cords are not parts, attachments, or accessories of a hearing instrument. Surgically implanted hearing instruments, and assistive listening devices not worn within the ear canal, are not hearing instruments.~~ as defined in section 148.512, subdivision 10a.

Sec. 145. Minnesota Statutes 2022, section 153A.13, subdivision 4, is amended to read:

Subd. 4. **Hearing instrument aid dispensing.** "~~Hearing instrument aid dispensing~~" means ~~making ear mold impressions, prescribing, or recommending a hearing instrument, assisting the consumer in instrument selection, selling hearing instruments at retail, or testing human hearing in connection with these activities regardless of whether the person conducting these activities has a monetary interest in the sale of hearing instruments to the consumer.~~ has the meaning given in section 148.512, subdivision 10b.

Sec. 146. Minnesota Statutes 2022, section 153A.13, subdivision 5, is amended to read:

Subd. 5. **Dispenser of hearing instruments aids.** "~~Dispenser of hearing instruments aids~~" means a natural person who engages in prescription hearing instrument aid dispensing, whether or not certified by the commissioner of health or licensed by an existing health-related board, except that a person described as follows is not a dispenser of hearing ~~instruments aids~~:

(1) a student participating in supervised field work that is necessary to meet requirements of an accredited educational program if the student is designated by a title which clearly indicates the student's status as a student trainee; or

(2) a person who helps a dispenser of hearing ~~instruments aids~~ in an administrative or clerical manner and does not engage in prescription hearing instrument aid dispensing.

A person who offers to dispense a prescription hearing instrument aid, or a person who advertises, holds out to the public, or otherwise represents that the person is authorized to dispense prescription hearing instruments aids, must be certified by the commissioner except when the person is an audiologist as defined in section 148.512.

Sec. 147. Minnesota Statutes 2022, section 153A.13, subdivision 6, is amended to read:

Subd. 6. **Advisory council.** "Advisory council" means the Minnesota Hearing ~~Instrument Aid~~ Dispenser Advisory Council, or a committee of ~~it~~ the council, established under section 153A.20.

Sec. 148. Minnesota Statutes 2022, section 153A.13, subdivision 7, is amended to read:

Subd. 7. **ANSI.** "ANSI" means ~~ANSI S3.6-1989~~, American National Standard Specification for Audiometers ~~from the American National Standards Institute. This document is available through the Minitex interlibrary loan system as defined in the United States Food and Drug Administration, Code of Federal Regulations, title 21, section 874.1050.~~

Sec. 149. Minnesota Statutes 2022, section 153A.13, subdivision 9, is amended to read:

Subd. 9. **Supervision.** "Supervision" means monitoring activities of, and accepting responsibility for, the prescription hearing instrument aid dispensing activities of a trainee.

Sec. 150. Minnesota Statutes 2022, section 153A.13, subdivision 10, is amended to read:

Subd. 10. **Direct supervision or directly supervised.** "Direct supervision" or "directly supervised" means the on-site and contemporaneous location of a supervisor and trainee, when the supervisor observes the trainee engaging in prescription hearing instrument aid dispensing with a consumer.

Sec. 151. Minnesota Statutes 2022, section 153A.13, subdivision 11, is amended to read:

Subd. 11. **Indirect supervision or indirectly supervised.** "Indirect supervision" or "indirectly supervised" means the remote and independent performance of prescription hearing instrument aid dispensing by a trainee when authorized under section 153A.14, subdivision 4a, paragraph (b).

Sec. 152. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision to read:

Subd. 12. **Over-the-counter hearing aid or OTC hearing aid.** "Over-the-counter hearing aid" or "OTC hearing aid" has the meaning given in section 148.512, subdivision 10c.

Sec. 153. Minnesota Statutes 2022, section 153A.13, is amended by adding a subdivision to read:

Subd. 13. **Prescription hearing aid.** "Prescription hearing aid" has the meaning given in section 148.512, subdivision 13a.

Sec. 154. Minnesota Statutes 2022, section 153A.14, subdivision 1, is amended to read:

Subdivision 1. **Application for certificate.** An applicant must:

- (1) be 21 years of age or older;
- (2) apply to the commissioner for a certificate to dispense prescription hearing instruments aids on application forms provided by the commissioner;
- (3) at a minimum, provide the applicant's name, Social Security number, business address and phone number, employer, and information about the applicant's education, training, and experience in testing human hearing and fitting prescription hearing instruments aids;
- (4) include with the application a statement that the statements in the application are true and correct to the best of the applicant's knowledge and belief;

(5) include with the application a written and signed authorization that authorizes the commissioner to make inquiries to appropriate regulatory agencies in this or any other state where the applicant has sold prescription hearing instruments aids;

(6) submit certification to the commissioner that the applicant's audiometric equipment has been calibrated to meet current ANSI standards within 12 months of the date of the application;

(7) submit evidence of continuing education credits, if required;

(8) submit all fees as required under section 153A.17; and

(9) consent to a fingerprint-based criminal history records check required under section 144.0572, pay all required fees, and cooperate with all requests for information. An applicant must complete a new criminal background check if more than one year has elapsed since the applicant last applied for a license.

Sec. 155. Minnesota Statutes 2022, section 153A.14, subdivision 2, is amended to read:

Subd. 2. **Issuance of certificate.** (a) The commissioner shall issue a certificate to each dispenser of hearing ~~instruments aids~~ who applies under subdivision 1 if the commissioner determines that the applicant is in compliance with this chapter, has passed an examination administered by the commissioner, has met the continuing education requirements, if required, and has paid the fee set by the commissioner. The commissioner may reject or deny an application for a certificate if there is evidence of a violation or failure to comply with this chapter.

(b) The commissioner shall not issue a certificate to an applicant who refuses to consent to a criminal history background check as required by section 144.0572 within 90 days after submission of an application or fails to submit fingerprints to the Department of Human Services. Any fees paid by the applicant to the Department of Health shall be forfeited if the applicant refuses to consent to the background study.

Sec. 156. Minnesota Statutes 2022, section 153A.14, subdivision 2h, is amended to read:

Subd. 2h. **Certification by examination.** An applicant must achieve a passing score, as determined by the commissioner, on an examination according to paragraphs (a) to (c).

(a) The examination must include, but is not limited to:

(1) A written examination approved by the commissioner covering the following areas as they pertain to prescription hearing instrument aid selling:

(i) basic physics of sound;

(ii) the anatomy and physiology of the ear;

(iii) the function of prescription hearing instruments aids; and

(iv) the principles of prescription hearing instrument aid selection.

(2) Practical tests of proficiency in the following techniques as they pertain to prescription hearing instrument aid selling:

(i) pure tone audiometry, including air conduction testing and bone conduction testing;

(ii) live voice or recorded voice speech audiometry including speech recognition (discrimination) testing, most comfortable loudness level, and uncomfortable loudness measurements of tolerance thresholds;

(iii) masking when indicated;

(iv) recording and evaluation of audiograms and speech audiometry to determine proper selection and fitting of a prescription hearing instrument aid;

(v) taking ear mold impressions;

(vi) using an otoscope for the visual observation of the entire ear canal; and

(vii) state and federal laws, rules, and regulations.

(b) The practical examination shall be administered by the commissioner at least twice a year.

(c) An applicant must achieve a passing score on all portions of the examination within a two-year period. An applicant who does not achieve a passing score on all portions of the examination within a two-year period must retake the entire examination and achieve a passing score on each portion of the examination. An applicant who does not apply for certification within one year of successful completion of the examination must retake the examination and achieve a passing score on each portion of the examination. An applicant may not take any part of the practical examination more than three times in a two-year period.

Sec. 157. Minnesota Statutes 2022, section 153A.14, subdivision 2i, is amended to read:

Subd. 2i. **Continuing education requirement.** On forms provided by the commissioner, each certified dispenser must submit with the application for renewal of certification evidence of completion of ten course hours of continuing education earned within the 12-month period of November 1 to October 31, between the effective and expiration dates of certification. Continuing education courses must be directly related to prescription hearing instrument aid dispensing and approved by the International Hearing Society, the American Speech-Language-Hearing Association, or the American Academy of Audiology. Evidence of completion of the ten course hours of continuing education must be submitted by December 1 of each year. This requirement does not apply to dispensers certified for less than one year.

Sec. 158. Minnesota Statutes 2022, section 153A.14, subdivision 2j, is amended to read:

Subd. 2j. **Required use of certification number.** The certification holder must use the certification number on all contracts, bills of sale, and receipts used in the sale of prescription hearing instruments aids.

Sec. 159. Minnesota Statutes 2022, section 153A.14, subdivision 4, is amended to read:

Subd. 4. **Dispensing of prescription hearing instruments aids without certificate.** Except as provided in subdivisions 4a and 4c, and in sections 148.512 to 148.5198, it is unlawful for any person not holding a valid certificate to dispense a prescription hearing instrument aid as defined in section 153A.13, subdivision 3. A person who dispenses a prescription hearing instrument aid without the certificate required by this section is guilty of a gross misdemeanor.

Sec. 160. Minnesota Statutes 2022, section 153A.14, subdivision 4a, is amended to read:

Subd. 4a. **Trainees.** (a) A person who is not certified under this section may dispense prescription hearing instruments aids as a trainee for a period not to exceed 12 months if the person:

(1) submits an application on forms provided by the commissioner;

- (2) is under the supervision of a certified dispenser meeting the requirements of this subdivision;
- (3) meets all requirements for certification except passage of the examination required by this section; and
- (4) uses the title "dispenser trainee" in contacts with the patients, clients, or consumers.

(b) A certified hearing ~~instrument aid~~ dispenser may not supervise more than two trainees at the same time and may not directly supervise more than one trainee at a time. The certified dispenser is responsible for all actions or omissions of a trainee in connection with the dispensing of prescription hearing ~~instruments aids~~. A certified dispenser may not supervise a trainee if there are any commissioner, court, or other orders, currently in effect or issued within the last five years, that were issued with respect to an action or omission of a certified dispenser or a trainee under the certified dispenser's supervision.

Until taking and passing the practical examination testing the techniques described in subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all areas described in subdivision 4b, and the activities tested by the practical examination. Thereafter, trainees may dispense prescription hearing ~~instruments aids~~ under indirect supervision until expiration of the trainee period. Under indirect supervision, the trainee must complete two monitored activities a week. Monitored activities may be executed by correspondence, telephone, or other telephonic devices, and include, but are not limited to, evaluation of audiograms, written reports, and contracts. The time spent in supervision must be recorded and the record retained by the supervisor.

Sec. 161. Minnesota Statutes 2022, section 153A.14, subdivision 4b, is amended to read:

Subd. 4b. **Prescription hearing testing protocol.** A dispenser when conducting a hearing test for the purpose of prescription hearing ~~instrument aid~~ dispensing must:

(1) comply with the United States Food and Drug Administration warning regarding potential medical conditions required by Code of Federal Regulations, title 21, section ~~801.420~~ 801.422;

(2) complete a case history of the client's hearing;

(3) inspect the client's ears with an otoscope; and

(4) conduct the following tests on both ears of the client and document the results, and if for any reason one of the following tests cannot be performed pursuant to the United States Food and Drug Administration guidelines, an audiologist shall evaluate the hearing and the need for a prescription hearing ~~instrument aid~~:

(i) air conduction at 250, 500, 1,000, 2,000, 4,000, and 8,000 Hertz. When a difference of 20 dB or more occurs between adjacent octave frequencies the interoctave frequency must be tested;

(ii) bone conduction at 500, 1,000, 2,000, and 4,000 Hertz for any frequency where the air conduction threshold is greater than 15 dB HL;

(iii) monaural word recognition (discrimination), with a minimum of 25 words presented for each ear; and

(iv) loudness discomfort level, monaural, for setting a prescription hearing ~~instrument's aid's~~ maximum power output; and

(5) include masking in all tests whenever necessary to ensure accurate results.

Sec. 162. Minnesota Statutes 2022, section 153A.14, subdivision 4c, is amended to read:

Subd. 4c. **Reciprocity.** (a) A person who has dispensed prescription hearing ~~instruments~~ aids in another jurisdiction may dispense prescription hearing ~~instruments~~ aids as a trainee under indirect supervision if the person:

(1) satisfies the provisions of subdivision 4a, paragraph (a);

(2) submits a signed and dated affidavit stating that the applicant is not the subject of a disciplinary action or past disciplinary action in this or another jurisdiction and is not disqualified on the basis of section 153A.15, subdivision 1; and

(3) provides a copy of a current credential as a hearing ~~instrument~~ aid dispenser held in the District of Columbia or a state or territory of the United States.

(b) A person becoming a trainee under this subdivision who fails to take and pass the practical examination described in subdivision 2h, paragraph (a), clause (2), when next offered must cease dispensing prescription hearing ~~instruments~~ aids unless under direct supervision.

Sec. 163. Minnesota Statutes 2022, section 153A.14, subdivision 4e, is amended to read:

Subd. 4e. **Prescription hearing aids; enforcement.** Costs incurred by the Minnesota Department of Health for conducting investigations of unlicensed prescription hearing aid ~~dispensers~~ dispensing shall be apportioned between all licensed or credentialed professions that dispense prescription hearing aids.

Sec. 164. Minnesota Statutes 2022, section 153A.14, subdivision 6, is amended to read:

Subd. 6. **Prescription hearing instruments aids to comply with federal and state requirements.** The commissioner shall ensure that prescription hearing ~~instruments~~ aids are dispensed in compliance with state requirements and the requirements of the United States Food and Drug Administration. Failure to comply with state or federal regulations may be grounds for enforcement actions under section 153A.15, subdivision 2.

Sec. 165. Minnesota Statutes 2022, section 153A.14, subdivision 9, is amended to read:

Subd. 9. **Consumer rights.** A hearing ~~instrument~~ aid dispenser shall comply with the requirements of sections 148.5195, subdivision 3, clause (20); 148.5197; and 148.5198.

Sec. 166. Minnesota Statutes 2022, section 153A.14, subdivision 11, is amended to read:

Subd. 11. **Requirement to maintain current information.** A dispenser must notify the commissioner in writing within 30 days of the occurrence of any of the following:

(1) a change of name, address, home or business telephone number, or business name;

(2) the occurrence of conduct prohibited by section 153A.15;

(3) a settlement, conciliation court judgment, or award based on negligence, intentional acts, or contractual violations committed in the dispensing of prescription hearing ~~instruments~~ aids by the dispenser; and

(4) the cessation of prescription hearing ~~instrument~~ aid dispensing activities as an individual or a business.

Sec. 167. Minnesota Statutes 2022, section 153A.14, is amended by adding a subdivision to read:

Subd. 12. **Over-the-counter hearing aids.** Nothing in this chapter shall preclude certified hearing aid dispensers from dispensing or selling over-the-counter hearing aids.

Sec. 168. Minnesota Statutes 2022, section 153A.15, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts.** The commissioner may take enforcement action as provided under subdivision 2 against a dispenser of prescription hearing instruments aids for the following acts and conduct:

(1) dispensing a prescription hearing instrument aid to a minor person 18 years or younger unless evaluated by an audiologist for hearing evaluation and prescription hearing aid evaluation;

(2) being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under this chapter;

(3) presenting advertising that is false or misleading;

(4) providing the commissioner with false or misleading statements of credentials, training, or experience;

(5) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

(6) splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(7) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(8) obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud;

(9) performing the services of a certified hearing instrument aid dispenser in an incompetent or negligent manner;

(10) failing to comply with the requirements of this chapter as an employer, supervisor, or trainee;

(11) failing to provide information in a timely manner in response to a request by the commissioner, commissioner's designee, or the advisory council;

(12) being convicted within the past five years of violating any laws of the United States, or any state or territory of the United States, and the violation is a felony, gross misdemeanor, or misdemeanor, an essential element of which relates to prescription hearing instrument aid dispensing, except as provided in chapter 364;

(13) failing to cooperate with the commissioner, the commissioner's designee, or the advisory council in any investigation;

(14) failing to perform prescription hearing instrument aid dispensing with reasonable judgment, skill, or safety due to the use of alcohol or drugs, or other physical or mental impairment;

(15) failing to fully disclose actions taken against the applicant or the applicant's legal authorization to dispense prescription hearing instruments aids in this or another state;

(16) violating a state or federal court order or judgment, including a conciliation court judgment, relating to the activities of the applicant in prescription hearing instrument aid dispensing;

(17) having been or being disciplined by the commissioner of the Department of Health, or other authority, in this or another jurisdiction, if any of the grounds for the discipline are the same or substantially equivalent to those in sections 153A.13 to 153A.18;

(18) misrepresenting the purpose of hearing tests, or in any way communicating that the hearing test or hearing test protocol required by section 153A.14, subdivision 4b, is a medical evaluation, a diagnostic hearing evaluation conducted by an audiologist, or is other than a test to select a prescription hearing instrument aid, except that the hearing instrument aid dispenser can determine the need for or recommend the consumer obtain a medical evaluation consistent with requirements of the United States Food and Drug Administration;

(19) violating any of the provisions of sections 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18; and

(20) aiding or abetting another person in violating any of the provisions of sections 148.5195, subdivision 3, clause (20); 148.5197; 148.5198; and 153A.13 to 153A.18.

Sec. 169. Minnesota Statutes 2022, section 153A.15, subdivision 2, is amended to read:

Subd. 2. **Enforcement actions.** When the commissioner finds that a dispenser of prescription hearing instruments aids has violated one or more provisions of this chapter, the commissioner may do one or more of the following:

(1) deny or reject the application for a certificate;

(2) revoke the certificate;

(3) suspend the certificate;

(4) impose, for each violation, a civil penalty that deprives the dispenser of any economic advantage gained by the violation and that reimburses the Department of Health for costs of the investigation and proceeding resulting in disciplinary action, including the amount paid for services of the Office of Administrative Hearings, the amount paid for services of the Office of the Attorney General, attorney fees, court reporters, witnesses, reproduction of records, advisory council members' per diem compensation, department staff time, and expenses incurred by advisory council members and department staff;

(5) censure or reprimand the dispenser;

(6) revoke or suspend the right to supervise trainees;

(7) revoke or suspend the right to be a trainee;

(8) impose a civil penalty not to exceed \$10,000 for each separate violation; or

(9) any other action reasonably justified by the individual case.

Sec. 170. Minnesota Statutes 2022, section 153A.15, subdivision 4, is amended to read:

Subd. 4. **Penalties.** Except as provided in section 153A.14, subdivision 4, a person violating this chapter is guilty of a misdemeanor. The commissioner may impose an automatic civil penalty equal to one-fourth the renewal fee on each hearing ~~instrument seller~~ aid dispenser who fails to renew the certificate required in section 153A.14 by the renewal deadline.

Sec. 171. Minnesota Statutes 2022, section 153A.17, is amended to read:

153A.17 EXPENSES; FEES.

(a) The expenses for administering the certification requirements, including the complaint handling system for hearing aid dispensers in sections 153A.14 and 153A.15, and the Consumer Information Center under section 153A.18, must be paid from initial application and examination fees, renewal fees, penalties, and fines. The commissioner shall only use fees collected under this section for the purposes of administering this chapter. The legislature must not transfer money generated by these fees from the state government special revenue fund to the general fund. ~~Surcharges collected by the commissioner of health under section 16E.22 are not subject to this paragraph.~~

(b) The fees are as follows:

(1) the initial certification application fee is \$772.50;

(2) the annual renewal certification application fee is \$750;

(3) the initial examination fee for the practical portion is \$1,200, and \$600 for each time it is taken, thereafter; for individuals meeting the requirements of section 148.515, subdivision 2, the fee for the practical portion of the prescription hearing ~~instrument~~ aid dispensing examination is \$600 each time it is taken;

(4) the trainee application fee is \$230;

(5) the penalty fee for late submission of a renewal application is \$260; and

(6) the fee for verification of certification to other jurisdictions or entities is \$25.

(c) The commissioner may prorate the certification fee for new applicants based on the number of quarters remaining in the annual certification period.

(d) All fees are nonrefundable. All fees, penalties, and fines received must be deposited in the state government special revenue fund.

(e) Hearing instrument dispensers who were certified before January 1, 2018, shall pay a onetime surcharge of \$22.50 to renew their certification when it expires after October 31, 2020. The surcharge shall cover the commissioner's costs associated with criminal background checks.

Sec. 172. Minnesota Statutes 2022, section 153A.175, is amended to read:

153A.175 PENALTY FEES.

(a) The penalty fee for holding oneself out as a hearing ~~instrument~~ aid dispenser without a current certificate after the credential has expired and before it is renewed is one-half the amount of the certificate renewal fee for any part of the first day, plus one-half the certificate renewal fee for any part of any subsequent days up to 30 days.

(b) The penalty fee for applicants who hold themselves out as hearing ~~instrument aid~~ dispensers after expiration of the trainee period and before being issued a certificate is one-half the amount of the certificate application fee for any part of the first day, plus one-half the certificate application fee for any part of any subsequent days up to 30 days. This paragraph does not apply to applicants not qualifying for a certificate who hold themselves out as hearing ~~instrument aid~~ dispensers.

(c) The penalty fee for practicing prescription hearing ~~instrument aid~~ dispensing and failing to submit a continuing education report by the due date with the correct number or type of hours in the correct time period is \$200 plus \$200 for each missing clock hour. "Missing" means not obtained between the effective and expiration dates of the certificate, the one-month period following the certificate expiration date, or the 30 days following notice of a penalty fee for failing to report all continuing education hours. The certificate holder must obtain the missing number of continuing education hours by the next reporting due date.

(d) Civil penalties and discipline incurred by certificate holders prior to August 1, 2005, for conduct described in paragraph (a), (b), or (c) shall be recorded as nondisciplinary penalty fees. Payment of a penalty fee does not preclude any disciplinary action reasonably justified by the individual case.

Sec. 173. Minnesota Statutes 2022, section 153A.18, is amended to read:

153A.18 CONSUMER INFORMATION CENTER.

The commissioner shall establish a Consumer Information Center to assist actual and potential purchasers of prescription hearing aids by providing them with information regarding prescription hearing ~~instrument aid~~ sales. The Consumer Information Center shall disseminate information about consumers' legal rights related to prescription hearing ~~instrument aid~~ sales, provide information relating to complaints about dispensers of prescription hearing ~~instruments aids~~, and provide information about outreach and advocacy services for consumers of prescription hearing ~~instruments aids~~. In establishing the center and developing the information, the commissioner shall consult with representatives of hearing ~~instrument aid~~ dispensers, audiologists, physicians, and consumers.

Sec. 174. Minnesota Statutes 2022, section 153A.20, is amended to read:

153A.20 HEARING ~~INSTRUMENT AID~~ DISPENSER ADVISORY COUNCIL.

Subdivision 1. **Membership.** (a) The commissioner shall appoint seven persons to a Hearing ~~Instrument Aid~~ Dispenser Advisory Council.

(b) The seven persons must include:

(1) three public members, as defined in section 214.02. At least one of the public members shall be a prescription hearing ~~instrument aid~~ user and one of the public members shall be either a prescription hearing ~~instrument aid~~ user or an advocate of one;

(2) three hearing ~~instrument aid~~ dispensers certified under sections 153A.14 to 153A.20, each of whom is currently, and has been for the five years immediately preceding their appointment, engaged in prescription hearing ~~instrument aid~~ dispensing in Minnesota and who represent the occupation of prescription hearing ~~instrument aid~~ dispensing and who are not audiologists; and

(3) one audiologist licensed as an audiologist under chapter 148 who dispenses prescription hearing ~~instruments aids~~, recommended by a professional association representing audiologists and speech-language pathologists.

(c) The factors the commissioner may consider when appointing advisory council members include, but are not limited to, professional affiliation, geographical location, and type of practice.

(d) No two members of the advisory council shall be employees of, or have binding contracts requiring sales exclusively for, the same prescription hearing ~~instrument~~ aid manufacturer or the same employer.

Subd. 2. **Organization.** The advisory council shall be organized and administered according to section 15.059. The council may form committees to carry out its duties.

Subd. 3. **Duties.** At the commissioner's request, the advisory council shall:

- (1) advise the commissioner regarding hearing ~~instrument~~ aid dispenser certification standards;
- (2) provide for distribution of information regarding hearing ~~instrument~~ aid dispenser certification standards;
- (3) review investigation summaries of competency violations and make recommendations to the commissioner as to whether the allegations of incompetency are substantiated; and
- (4) perform other duties as directed by the commissioner.

Sec. 175. Minnesota Statutes 2022, section 256B.434, subdivision 4f, is amended to read:

Subd. 4f. **Construction project rate adjustments effective October 1, 2006.** (a) Effective October 1, 2006, facilities reimbursed under this section may receive a property rate adjustment for construction projects exceeding the threshold in section 256B.431, subdivision 16, and below the threshold in section 144A.071, subdivision 2, ~~clause (a) paragraph (c), clause (1).~~ For these projects, capital assets purchased shall be counted as construction project costs for a rate adjustment request made by a facility if they are: (1) purchased within 24 months of the completion of the construction project; (2) purchased after the completion date of any prior construction project; and (3) are not purchased prior to July 14, 2005. Except as otherwise provided in this subdivision, the definitions, rate calculation methods, and principles in sections 144A.071 and 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, shall be used to calculate rate adjustments for allowable construction projects under this subdivision and section 144A.073. Facilities completing construction projects between October 1, 2005, and October 1, 2006, are eligible to have a property rate adjustment effective October 1, 2006. Facilities completing projects after October 1, 2006, are eligible for a property rate adjustment effective on the first day of the month following the completion date. Facilities completing projects after January 1, 2018, are eligible for a property rate adjustment effective on the first day of the month of January or July, whichever occurs immediately following the completion date.

(b) Notwithstanding subdivision 18, as of July 14, 2005, facilities with rates set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, that commenced a construction project on or after October 1, 2004, and do not have a contract under subdivision 3 by September 30, 2006, are eligible to request a rate adjustment under section 256B.431, subdivision 10, through September 30, 2006. If the request results in the commissioner determining a rate adjustment is allowable, the rate adjustment is effective on the first of the month following project completion. These facilities shall be allowed to accumulate construction project costs for the period October 1, 2004, to September 30, 2006.

(c) Facilities shall be allowed construction project rate adjustments no sooner than 12 months after completing a previous construction project. Facilities must request the rate adjustment according to section 256B.431, subdivision 10.

(d) Capacity days shall be computed according to Minnesota Rules, part 9549.0060, subpart 11. For rate calculations under this section, the number of licensed beds in the nursing facility shall be the number existing after the construction project is completed and the number of days in the nursing facility's reporting period shall be 365.

(e) The value of assets to be recognized for a total replacement project as defined in section 256B.431, subdivision 17d, shall be computed as described in clause (1). The value of assets to be recognized for all other projects shall be computed as described in clause (2).

(1) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation. If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be used in the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit under section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1). Applicable credits must be deducted from the cost of the construction project.

(2)(i) Replacement-cost-new limits under section 256B.431, subdivision 17e, and the number of beds allowed under section 256B.431, subdivision 3a, paragraph (c), shall be used to compute the maximum amount of assets allowable in a facility's property rate calculation.

(ii) The value of a facility's assets to be compared to the amount in item (i) begins with the total appraised value from the last rate notice a facility received when its rates were set under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080. This value shall be indexed by the factor in section 256B.431, subdivision 3f, paragraph (a), for each rate year the facility received an inflation factor on its property-related rate when its rates were set under this section. The value of assets listed as previous capital additions, capital additions, and special projects on the facility's base year rate notice and the value of assets related to a construction project for which the facility received a rate adjustment when its rates were determined under this section shall be added to the indexed appraised value.

(iii) The maximum amount of assets to be recognized in computing a facility's rate adjustment after a project is completed is the lesser of the aggregate replacement-cost-new limit computed in (i) minus the assets recognized in (ii) or the actual allowable costs of the construction project.

(iv) If a facility's current request for a rate adjustment results from the completion of a construction project that was previously approved under section 144A.073, the assets to be added to the rate calculation cannot exceed the lesser of the amount determined under sections 144A.071, subdivision 2, and 144A.073, subdivision 3b, or the actual allowable costs of the construction project. A current request that is not the result of a project under section 144A.073 cannot exceed the limit stated in section 144A.071, subdivision 2, paragraph ~~(a)~~ (c), clause (1). Assets disposed of as a result of a construction project and applicable credits must be deducted from the cost of the construction project.

(f) For construction projects approved under section 144A.073, allowable debt may never exceed the lesser of the cost of the assets purchased, the threshold limit in section 144A.071, subdivision 2, or the replacement-cost-new limit less previously existing capital debt.

(g) For construction projects that were not approved under section 144A.073, allowable debt is limited to the lesser of the threshold in section 144A.071, subdivision 2, for such construction projects or the applicable limit in paragraph (e), clause (1) or (2), less previously existing capital debt. Amounts of debt taken out that exceed the costs of a construction project shall not be allowed regardless of the use of the funds.

For all construction projects being recognized, interest expense and average debt shall be computed based on the first 12 months following project completion. "Previously existing capital debt" means capital debt recognized on the last rate determined under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, and the amount of debt recognized for a construction project for which the facility received a rate adjustment when its rates were determined under this section.

For a total replacement project as defined in section 256B.431, subdivision 17d, the value of previously existing capital debt shall be zero.

(h) In addition to the interest expense allowed from the application of paragraph (f), the amounts allowed under section 256B.431, subdivision 17a, paragraph (a), clauses (2) and (3), will be added to interest expense.

(i) The equity portion of the construction project shall be computed as the allowable assets in paragraph (e), less the average debt in paragraph (f). The equity portion must be multiplied by 5.66 percent and the allowable interest expense in paragraph (f) must be added. This sum must be divided by 95 percent of capacity days to compute the construction project rate adjustment.

(j) For projects that are not a total replacement of a nursing facility, the amount in paragraph (i) is adjusted for nonreimbursable areas and then added to the current property payment rate of the facility.

(k) For projects that are a total replacement of a nursing facility, the amount in paragraph (i) becomes the new property payment rate after being adjusted for nonreimbursable areas. Any amounts existing in a facility's rate before the effective date of the construction project for equity incentives under section 256B.431, subdivision 16; capital repairs and replacements under section 256B.431, subdivision 15; or refinancing incentives under section 256B.431, subdivision 19, shall be removed from the facility's rates.

(l) No additional equipment allowance is allowed under Minnesota Rules, part 9549.0060, subpart 10, as the result of construction projects under this section. Allowable equipment shall be included in the construction project costs.

(m) Capital assets purchased after the completion date of a construction project shall be counted as construction project costs for any future rate adjustment request made by a facility under section 144A.071, subdivision 2, ~~clause~~ ~~(a)~~ paragraph (c), clause (1), if they are purchased within 24 months of the completion of the future construction project.

(n) In subsequent rate years, the property payment rate for a facility that results from the application of this subdivision shall be the amount inflated in subdivision 4.

(o) Construction projects are eligible for an equity incentive under section 256B.431, subdivision 16. When computing the equity incentive for a construction project under this subdivision, only the allowable costs and allowable debt related to the construction project shall be used. The equity incentive shall not be a part of the property payment rate and not inflated under subdivision 4. Effective October 1, 2006, all equity incentives for nursing facilities reimbursed under this section shall be allowed for a duration determined under section 256B.431, subdivision 16, paragraph (c).

Sec. 176. Minnesota Statutes 2022, section 256B.692, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance in return for a fixed sum without regard to the frequency or extent of services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and fiscal solvency of chapter 62D, applicable to health maintenance organizations will be met according to the following schedule:

(1) for a county-based purchasing plan approved on or before June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D as of January 1, 2010;

(ii) at least 75 percent of the minimum amount required under chapter 62D as of January 1, 2011;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D as of January 1, 2012; and

(iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and

(2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;

(ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year; and

(iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. A county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; ~~62Q.145~~; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

(f) The commissioner shall collect from a county-based purchasing plan under this section the following fees:

(1) fees attributable to the costs of audits and other examinations of plan financial operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 1, item F; and

(2) an annual fee of \$21,500, to be paid by June 15 of each calendar year.

All fees collected under this paragraph shall be deposited in the state government special revenue fund.

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

Sec. 177. Minnesota Statutes 2022, section 403.161, is amended to read:

403.161 PREPAID WIRELESS FEES IMPOSED; COLLECTION; REMITTANCE.

Subdivision 1. **Fees imposed.** (a) A prepaid wireless E911 fee of 80 cents per retail transaction is imposed on prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 7.

(b) A prepaid wireless telecommunications access Minnesota fee, in the amount of the monthly charge provided for in section 237.52, subdivision 2, is imposed on each retail transaction for prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 7.

(c) A prepaid wireless 988 fee, in the amount of the monthly charge, is imposed on each retail transaction for prepaid wireless telecommunications service until the fee is adjusted as an amount per retail transaction under subdivision 7.

Subd. 2. **Exemption.** The fees established under subdivision 1 are not imposed on a minimal amount of prepaid wireless telecommunications service that is sold with a prepaid wireless device and is charged a single nonitemized price, and a seller may not apply the fees to such a transaction. For purposes of this subdivision, a minimal amount of service means an amount of service denominated as either ten minutes or less or \$5 or less.

Subd. 3. **Fee collected.** The prepaid wireless E911 ~~and~~ telecommunications access Minnesota, ~~and~~ 988 fees must be collected by the seller from the consumer for each retail transaction occurring in this state. The amount of each fee must be combined into one amount, which must be separately stated on an invoice, receipt, or other similar document that is provided to the consumer by the seller.

Subd. 4. **Sales and use tax treatment.** For purposes of this section, a retail transaction conducted in person by a consumer at a business location of the seller must be treated as occurring in this state if that business location is in this state, and any other retail transaction must be treated as occurring in this state if the retail transaction is treated as occurring in this state for purposes of the sales and use tax as specified in section 297A.669, subdivision 3, paragraph (c).

Subd. 5. **Remittance.** The prepaid wireless E911 ~~and~~ telecommunications access Minnesota, ~~and~~ 988 fees are the liability of the consumer and not of the seller or of any provider, except that the seller is liable to remit all fees as provided in section 403.162.

Subd. 6. **Exclusion for calculating other charges.** The combined amount of the prepaid wireless E911 ~~and~~ telecommunications access Minnesota, ~~and~~ 988 fees collected by a seller from a consumer must not be included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by this state, any political subdivision of this state, or any intergovernmental agency.

Subd. 7. **Fee changes.** (a) The prepaid wireless E911 ~~and~~ telecommunications access Minnesota ~~fee, and~~ 988 ~~fees~~ must be proportionately increased or reduced upon any change to the fee imposed under section 403.11, subdivision 1, paragraph (c), after July 1, 2013, ~~or~~ the fee imposed under section 237.52, subdivision 2, or the fee imposed under section 145.561, subdivision 4, as applicable.

(b) The department shall post notice of any fee changes on its website at least 30 days in advance of the effective date of the fee changes. It is the responsibility of sellers to monitor the department's website for notice of fee changes.

(c) Fee changes are effective 60 days after the first day of the first calendar month after the commissioner of public safety or the Public Utilities Commission, as applicable, changes the fee.

Sec. 178. Minnesota Statutes 2022, section 403.162, is amended to read:

403.162 ADMINISTRATION OF PREPAID WIRELESS E911 FEES.

Subdivision 1. **Remittance.** Prepaid wireless E911 ~~and~~ telecommunications access Minnesota, ~~and 988~~ fees collected by sellers must be remitted to the commissioner of revenue at the times and in the manner provided by chapter 297A with respect to the general sales and use tax. The commissioner of revenue shall establish registration and payment procedures that substantially coincide with the registration and payment procedures that apply in chapter 297A.

Subd. 2. **Seller's fee retention.** A seller may deduct and retain three percent of prepaid wireless E911 ~~and~~ telecommunications access Minnesota, ~~and 988~~ fees collected by the seller from consumers.

Subd. 3. **Department of Revenue provisions.** The audit, assessment, appeal, collection, refund, penalty, interest, enforcement, and administrative provisions of chapters 270C and 289A that are applicable to the taxes imposed by chapter 297A apply to any fee imposed under section 403.161.

Subd. 4. **Procedures for resale transactions.** The commissioner of revenue shall establish procedures by which a seller of prepaid wireless telecommunications service may document that a sale is not a retail transaction. These procedures must substantially coincide with the procedures for documenting sale for resale transactions as provided in chapter 297A.

Subd. 5. **Fees deposited.** (a) The commissioner of revenue shall, based on the relative proportion of the prepaid wireless E911 fee ~~and~~ the prepaid wireless telecommunications access Minnesota fee, ~~and the prepaid wireless 988 fee~~, imposed per retail transaction, divide the fees collected in corresponding proportions. Within 30 days of receipt of the collected fees, the commissioner shall:

(1) deposit the proportion of the collected fees attributable to the prepaid wireless E911 fee in the 911 emergency telecommunications service account in the special revenue fund; ~~and~~

(2) deposit the proportion of collected fees attributable to the prepaid wireless telecommunications access Minnesota fee in the telecommunications access fund established in section 237.52, subdivision 1-; ~~and~~

(3) deposit the proportion of the collected fees attributable to the prepaid wireless 988 fee in the 988 special revenue account established.

(b) The commissioner of revenue may deduct and deposit in a special revenue account an amount not to exceed two percent of collected fees. Money in the account is annually appropriated to the commissioner of revenue to reimburse its direct costs of administering the collection and remittance of prepaid wireless E911 fees, ~~and prepaid wireless telecommunications access Minnesota fees, and prepaid wireless 988 fees.~~

Sec. 179. Minnesota Statutes 2022, section 518A.39, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to ~~256B.40~~ 256B.39, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not provided for under section 518A.41; (6) a change in the availability of appropriate health care coverage or a substantial increase or decrease in health care coverage

costs; (7) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (8) upon the emancipation of the child, as provided in subdivision 5.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518A.35, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$75 per month higher or lower than the current support order or, if the current support order is less than \$75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518A.41 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518A.41 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount;

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party; or

(6) a deviation was granted based on the factor in section 518A.43, subdivision 1, clause (4), and the child no longer resides in a foreign country or the factor is otherwise no longer applicable.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518A.33 shall be considered if other grounds are alleged which allow a modification of support.

(d) If child support was established by applying a parenting expense adjustment or presumed equal parenting time calculation under previously existing child support guidelines and there is no parenting plan or order from which overnights or overnight equivalents can be determined, there is a rebuttable presumption that the established adjustment or calculation will continue after modification so long as the modification is not based on a change in parenting time. In determining an obligation under previously existing child support guidelines, it is presumed that the court shall:

(1) if a 12 percent parenting expense adjustment was applied, multiply the obligor's share of the combined basic support obligation calculated under section 518A.34, paragraph (b), clause (5), by 0.88; or

(2) if the parenting time was presumed equal but the parents' parental incomes for determining child support were not equal:

(i) multiply the combined basic support obligation under section 518A.34, paragraph (b), clause (5), by 0.75;

(ii) prorate the amount under item (i) between the parents based on each parent's proportionate share of the combined PICS; and

(iii) subtract the lower amount from the higher amount.

(e) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518A.35, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(f) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record, unless the court adopts an alternative effective date under paragraph (l). The court's adoption of an alternative effective date under paragraph (l) shall not be considered a retroactive modification of maintenance or support.

(g) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518A.71.

(h) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(i) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions brought under this subdivision.

(j) An enactment, amendment, or repeal of law constitutes a substantial change in the circumstances for purposes of modifying a child support order when it meets the standards for modification in this section.

(k) On the first modification following implementation of amended child support guidelines, the modification of basic support may be limited if the amount of the full variance would create hardship for either the obligor or the obligee. Hardship includes, but is not limited to, eligibility for assistance under chapter 256J.

(l) The court may select an alternative effective date for a maintenance or support order if the parties enter into a binding agreement for an alternative effective date.

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

Sec. 180. Laws 2017, First Special Session chapter 6, article 5, section 11, as amended by Laws 2019, First Special Session chapter 9, article 8, section 20, is amended to read:

Sec. 11. **MORATORIUM ON CONVERSION TRANSACTIONS.**

(a) Notwithstanding Laws 2017, chapter 2, article 2, a nonprofit ~~health~~ service plan corporation operating under Minnesota Statutes, chapter 62C, or a nonprofit health maintenance organization operating under Minnesota Statutes, chapter 62D, as of January 1, 2017, may only merge or consolidate with; convert; or transfer, as part of a single transaction or a series of transactions within a 24-month period, all or a material amount of its assets to an entity that is a corporation organized under Minnesota Statutes, chapter 317A; or to a Minnesota nonprofit hospital within the same integrated health system as the health maintenance organization. For purposes of this section, "material amount" means the lesser of ten percent of such an entity's total admitted net assets as of December 31 of the previous year, or \$50,000,000.

(b) Paragraph (a) does not apply if the nonprofit service plan corporation or nonprofit health maintenance organization files an intent to dissolve due to insolvency of the corporation in accordance with Minnesota Statutes, chapter 317A, or insolvency proceedings are commenced under Minnesota Statutes, chapter 60B.

(c) Nothing in this section shall be construed to authorize a nonprofit health maintenance organization or a nonprofit service plan corporation to engage in any transaction or activities not otherwise permitted under state law.

(d) This section expires July 1, ~~2023~~ 2026.

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

Sec. 181. Laws 2022, chapter 99, article 1, section 46, is amended to read:

Sec. 46. **MENTAL HEALTH GRANTS FOR HEALTH CARE PROFESSIONALS.**

Subdivision 1. **Grants authorized.** (a) The commissioner of health shall develop a grant program to award grants to health care entities, including but not limited to health care systems, hospitals, nursing facilities, community health clinics or consortium of clinics, federally qualified health centers, rural health clinics, or health professional associations for the purpose of establishing or expanding programs focused on improving the mental health of health care professionals.

(b) Grants shall be awarded for programs that are evidenced-based or evidenced-informed and are focused on addressing the mental health of health care professionals by:

(1) identifying and addressing the barriers to and stigma among health care professionals associated with seeking self-care, including mental health and substance use disorder services;

(2) encouraging health care professionals to seek support and care for mental health and substance use disorder concerns;

(3) identifying risk factors associated with suicide and other mental health conditions; ~~or~~

(4) developing and making available resources to support health care professionals with self-care and resiliency; ~~or~~

(5) identifying and modifying structural barriers in health care delivery that create unnecessary stress in the workplace.

Subd. 2. **Allocation of grants.** (a) To receive a grant, a health care entity must submit an application to the commissioner by the deadline established by the commissioner. An application must be on a form and contain information as specified by the commissioner and at a minimum must contain:

- (1) a description of the purpose of the program for which the grant funds will be used;
 - (2) a description of the achievable objectives of the program and how these objectives will be met; and
 - (3) a process for documenting and evaluating the results of the program.
- (b) The commissioner shall give priority to programs that involve peer-to-peer support.

Subd. 2a. **Grant term.** Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, encumbrances for grants under this section issued by June 30 of each year may be certified for a period of up to three years beyond the year in which the funds were originally appropriated.

Subd. 3. **Evaluation.** The commissioner shall evaluate the overall effectiveness of the grant program by conducting a periodic evaluation of the impact and outcomes of the grant program on health care professional burnout and retention. The commissioner shall submit the results of the evaluation and any recommendations for improving the grant program to the chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance by October 15, 2024.

Sec. 182. Laws 2022, chapter 99, article 3, section 9, is amended to read:

Sec. 9. **APPROPRIATION; MENTAL HEALTH GRANTS FOR HEALTH CARE PROFESSIONALS.**

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of health for the health care professionals mental health grant program. This is a onetime appropriation and is available until June 30, 2027.

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

Sec. 183. **ADOLESCENT MENTAL HEALTH PROMOTION; GRANTS AUTHORIZED.**

Subdivision 1. **Goal and establishment.** (a) It is the goal of the state to increase protective factors for mental well-being and decrease disparities in rates of mental health issues among adolescent populations. The commissioner of health shall administer grants to community-based organizations to facilitate mental health promotion programs for adolescents, particularly those from populations that report higher rates of specific mental health needs.

(b) The commissioner of health shall coordinate with other efforts at the local, state, or national level to avoid duplication and promote complementary efforts in mental health promotion among adolescents.

Subd. 2. **Grants authorized.** (a) The commissioner of health shall award grants to eligible community organizations, including nonprofit organizations, community health boards, and Tribal public health entities, to implement community-based mental health promotion programs for adolescents in community settings to improve adolescent mental health and reduce disparities between adolescent populations in reported rates of mental health needs.

(b) The commissioner of health, in collaboration with community and professional stakeholders, shall establish criteria for review of applications received under this subdivision to ensure funded programs operate using best practices such as trauma-informed care and positive youth development principles.

(c) Grant funds distributed under this subdivision shall be used to support new or existing community-based mental health promotion programs that include but are not limited to:

(1) training community-based members to facilitate discussions or courses on adolescent mental health promotion skills;

(2) training trusted community members to model positive mental health skills and practices in their existing roles;

(3) training and supporting adolescents to provide peer support; and

(4) supporting community dialogue on mental health promotion and collective stress or trauma.

Subd. 3. **Evaluation.** The commissioner shall conduct an evaluation of the community-based grant programs funded under this section. Grant recipients shall cooperate with the commissioner in the evaluation, and at the direction of the commissioner, shall provide the commissioner with the information needed to conduct the evaluation.

Sec. 184. **ADVANCING HEALTH EQUITY THROUGH CAPACITY BUILDING AND RESOURCE ALLOCATION.**

Subdivision 1. **Establishment of grant program.** The commissioner of health shall:

(1) establish an annual grant program to award infrastructure capacity building grants to help metro and rural community and faith-based organizations serving populations of color, American Indians, LGBTQIA+ communities, and those with disabilities in Minnesota who have been disproportionately impacted by health and other inequities to be better equipped and prepared for success in procuring grants and contracts at the department and addressing inequities; and

(2) create a framework at the department to maintain equitable practices in grantmaking to ensure that internal grantmaking and procurement policies and practices prioritize equity, transparency, and accessibility to include:

(i) a tracking system for the department to better monitor and evaluate equitable procurement and grantmaking processes and their impacts; and

(ii) technical assistance and coaching to department leadership in grantmaking and procurement processes and programs and providing tools and guidance to ensure equitable and transparent competitive grantmaking processes and award distribution across communities most impacted by inequities and develop measures to track progress over time.

Subd. 2. **Commissioner's duties.** The commissioner of health shall:

(1) in consultation with community stakeholders, community health boards, and Tribal nations, develop a request for proposals for an infrastructure capacity building grant program to help community-based organizations, including faith-based organizations, to be better equipped and prepared for success in procuring grants and contracts at the department and beyond;

(2) provide outreach, technical assistance, and program development support to increase capacity for new and existing community-based organizations and other service providers in order to better meet statewide needs particularly in greater Minnesota and areas where services to reduce health disparities have not been established;

(3) in consultation with community stakeholders, review responses to requests for proposals and award grants under this section;

(4) ensure communication with the ethnic councils; Minnesota Indian Affairs Council; Minnesota Council on Disability; Minnesota Commission of the Deaf, Deafblind, and Hard of Hearing; and the governor's office on the request for proposal process;

(5) in consultation with community stakeholders, establish a transparent and objective accountability process focused on outcomes that grantees agree to achieve;

(6) maintain data on outcomes reported by grantees; and

(7) establish a process or mechanism to evaluate the success of the capacity building grant program and to build the evidence base for effective community-based organizational capacity building in reducing disparities.

Subd. 3. **Eligible grantees.** Organizations eligible to receive grant funding under this section include: organizations or entities that work with diverse communities such as populations of color, American Indians, LGBTQIA+ communities, and those with disabilities in metro and rural communities.

Subd. 4. **Strategic consideration and priority of proposals; eligible populations; grant awards.** (a) The commissioner, in consultation with community stakeholders, shall develop a request for proposals for equity in procurement and grantmaking capacity building grant program to help community-based organizations, including faith-based organizations to be better equipped and prepared for success in procuring grants and contracts at the department and addressing inequities.

(b) In awarding the grants, the commissioner shall provide strategic consideration and give priority to proposals from organizations or entities led by populations of color or American Indians, and those serving communities of color, American Indians, LGBTQIA+ communities, and disability communities.

Subd. 5. **Geographic distribution of grants.** The commissioner shall ensure that grant funds are prioritized and awarded to organizations and entities that are within counties that have a higher proportion of Black or African American, nonwhite Latino(a), LGBTQIA+, and disability communities to the extent possible.

Subd. 6. **Report.** Grantees must report grant program outcomes to the commissioner on the forms and according to the timelines established by the commissioner.

Sec. 185. **CLIMATE RESILIENCY.**

Subdivision 1. **Climate resiliency program.** The commissioner of health shall implement a climate resiliency program to:

(1) increase awareness of climate change;

(2) track the public health impacts of climate change and extreme weather events;

(3) provide technical assistance and tools that support climate resiliency to local public health departments, Tribal health departments, soil and water conservation districts, and other local governmental and nongovernmental organizations; and

(4) coordinate with the commissioners of the Pollution Control Agency, natural resources, and agriculture and other state agencies in climate resiliency related planning and implementation.

Subd. 2. **Grants authorized; allocation.** (a) The commissioner of health shall manage a grant program for the purpose of climate resiliency planning. The commissioner shall award grants through a request for proposals process to local public health departments, Tribal health departments, soil and water conservation districts, or other local organizations for planning for the health impacts of extreme weather events and developing adaptation actions. Priority shall be given to organizations that serve communities that are disproportionately impacted by climate change.

(b) Grantees must use the funds to develop a plan or implement strategies that will reduce the risk of health impacts from extreme weather events. The grant application must include:

- (1) a description of the plan or project for which the grant funds will be used;
- (2) a description of the pathway between the plan or project and its impacts on health;
- (3) a description of the objectives, a work plan, and a timeline for implementation; and
- (4) the community or group on which the grant proposes to focus.

Sec. 186. **CRITICAL ACCESS DENTAL INFRASTRUCTURE PROGRAM.**

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

(b) "Commissioner" means the commissioner of health.

(c) "Critical access dental provider" means a critical access dental provider as defined in Minnesota Statutes, section 256B.76, subdivision 4.

(d) "Dental infrastructure" means:

(1) physical infrastructure of a dental setting, including but not limited to the operations and clinical spaces in a dental clinic; associated heating, ventilation, and air conditioning infrastructure and other mechanical infrastructure; and dental equipment needed to operate a dental clinic; or

(2) mobile dental equipment or other equipment needed to provide dental services via a hub-and-spoke service delivery model or via teledentistry.

Subd. 2. **Grant and loan program established.** The commissioner shall make grants and forgivable loans to critical access dental providers for eligible dental infrastructure projects.

Subd. 3. **Eligible projects.** In order to be eligible for a grant or forgivable loan under this section, a dental infrastructure project must be proposed by a critical access dental provider and must allow the provider to maintain or expand the provider's capacity to serve Minnesota health care program enrollees.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants and forgivable loans under this section and for awarding grants and forgivable loans. Critical access dental providers seeking a grant or forgivable loan under this section must apply to the commissioner in a time and manner specified by the commissioner. In evaluating applications for grants or forgivable loans for eligible projects, the commissioner must review applications for completeness and must determine the extent to which:

(1) the project would ensure that the critical access dental provider is able to continue to serve Minnesota health care program enrollees in a manner that would not be possible but for the project; or

(2) the project would increase the number of Minnesota health care program enrollees served by the provider or the clinical complexity of the Minnesota health care program enrollees served by the provider.

(b) The commissioner must award grants and forgivable loans based on the information provided in the grant application.

Subd. 5. **Program oversight.** The commissioner may require and collect from grant and loan recipients any information needed to evaluate the program.

Sec. 187. DIRECTION TO COMMISSIONER OF HEALTH; DEVELOPMENT OF ANALYTICAL TOOLS.

(a) The commissioner of health, in consultation with the Minnesota Nurses Association and other professional nursing organizations, must develop a means of analyzing available adverse event data, available staffing data, and available data from concern for safe staffing forms to examine potential causal links between adverse events and understaffing.

(b) The commissioner must develop an initial means of conducting the analysis described in paragraph (a) by January 1, 2025, and publish a public report on the commissioner's initial findings by January 1, 2026.

(c) By January 1, 2024, the commissioner must submit to the chairs and ranking minority members of the house and senate committees with jurisdiction over the regulation of hospitals a report on the available data, potential sources of additional useful data, and any additional statutory authority the commissioner requires to collect additional useful information from hospitals.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 188. DIRECTION TO COMMISSIONER OF HEALTH; NURSING WORKFORCE REPORT.

(a) The commissioner of health must publish a public report on the current status of the state's nursing workforce employed by hospitals. In preparing the report, the commissioner shall utilize information collected in collaboration with the Board of Nursing as directed under Minnesota Statutes, sections 144.051 and 144.052, on Minnesota's supply of active licensed nurses and reasons licensed nurses are leaving direct care positions at hospitals; information collected and shared by the Minnesota Hospital Association on retention by hospitals of licensed nurses; information collected through an independent study on reasons licensed nurses are choosing not to renew their licenses and leaving the profession; and other publicly available data the commissioner deems useful.

(b) The commissioner must publish the report by January 1, 2026.

Sec. 189. EMMETT LOUIS TILL VICTIMS RECOVERY PROGRAM.

Subdivision 1. **Short title.** This section shall be known as the Emmett Louis Till Victims Recovery Program.

Subd. 2. **Program established; grants.** (a) The commissioner of health shall establish the Emmett Louis Till Victims Recovery Program to address the health and wellness needs of:

(1) victims who experienced trauma, including historical trauma, resulting from events such as assault or another violent physical act, intimidation, false accusations, wrongful conviction, a hate crime, the violent death of a family member, or experiences of discrimination or oppression based on the victim's race, ethnicity, or national origin; and

(2) the families and heirs of victims described in clause (1), who experienced trauma, including historical trauma, because of their proximity or connection to the victim.

(b) The commissioner, in consultation with victims, families, and heirs described in paragraph (a), shall award competitive grants to applicants for projects to provide the following services to victims, families, and heirs described in paragraph (a):

(1) health and wellness services, which may include services and support to address physical health, mental health, and cultural needs;

(2) remembrance and legacy preservation activities;

(3) cultural awareness services; and

(4) community resources and services to promote healing for victims, families, and heirs described in paragraph (a).

(c) In awarding grants under this section, the commissioner must prioritize grant awards to community-based organizations experienced in providing support and services to victims, families, and heirs described in paragraph (a).

Subd. 3. **Evaluation.** Grant recipients must provide the commissioner with information required by the commissioner to evaluate the grant program, in a time and manner specified by the commissioner.

Subd. 4. **Reports.** The commissioner must submit a status report by January 15, 2024, and an additional report by January 15, 2025, on the operation and results of the grant program, to the extent available. These reports must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over health care. The report due January 15, 2024, must include information on grant program activities to date and an assessment of the need to continue to offer services provided by grant recipients to victims, families, and heirs who experienced trauma resulting from government-sponsored activities. The report due January 15, 2025, must include a summary of the services offered by grant recipients; an assessment of the need to continue to offer services provided by grant recipients to victims, families, and heirs described in subdivision 2, paragraph (a); and an evaluation of the grant program's goals and outcomes.

Sec. 190. **HEALTHY BEGINNINGS, HEALTHY FAMILIES ACT.**

Subdivision 1. **Purpose.** The purpose of the Healthy Beginnings, Healthy Families Act is to build equitable, inclusive, and culturally and linguistically responsive systems that ensure the health and well-being of young children and their families by supporting the Minnesota perinatal quality collaborative, establishing the Minnesota partnership to prevent infant mortality, increasing access to culturally relevant developmental and social-emotional screening with follow-up, and sustaining and expanding the model jail practices for children of incarcerated parents in Minnesota jails.

Subd. 2. **Minnesota perinatal quality collaborative.** The Minnesota perinatal quality collaborative is established to improve pregnancy outcomes for pregnant people and newborns through efforts to:

(1) advance evidence-based and evidence-informed clinics and other health service practices and processes through quality care review, chart audits, and continuous quality improvement initiatives that enable equitable outcomes;

(2) review current data, trends, and research on best practices to inform and prioritize quality improvement initiatives;

(3) identify methods that incorporate antiracism into individual practice and organizational guidelines in the delivery of perinatal health services;

(4) support quality improvement initiatives to address substance use disorders in pregnant people and infants with neonatal abstinence syndrome or other effects of substance use;

(5) provide a forum to discuss state-specific system and policy issues to guide quality improvement efforts that improve population-level perinatal outcomes;

(6) reach providers and institutions in a multidisciplinary, collaborative, and coordinated effort across system organizations to reinforce a continuum of care model; and

(7) support health care facilities in monitoring interventions through rapid data collection and applying system changes to provide improved care in perinatal health.

Subd. 3. **Eligible organizations.** The commissioner of health shall make a grant to a nonprofit organization to create or sustain a multidisciplinary network of representatives of health care systems, health care providers, academic institutions, local and state agencies, and community partners that will collaboratively improve pregnancy and infant outcomes through evidence-based, population-level quality improvement initiatives.

Subd. 4. **Grants authorized.** The commissioner shall award one grant to a nonprofit organization to support efforts that improve maternal and infant health outcomes aligned with the purpose outlined in subdivision 2. The commissioner shall give preference to a nonprofit organization that has the ability to provide these services throughout the state. The commissioner shall provide content expertise to the grant recipient to further the accomplishment of the purpose.

Subd. 5. **Minnesota partnership to prevent infant mortality program.** (a) The commissioner of health shall establish the Minnesota partnership to prevent infant mortality program that is a statewide partnership program to engage communities, exchange best practices, share summary data on infant health, and promote policies to improve birth outcomes and eliminate preventable infant mortality.

(b) The goals of the Minnesota partnership to prevent infant mortality program are to:

(1) build a statewide multisectoral partnership including the state government, local public health agencies, Tribes, private sector, and community nonprofit organizations with the shared goal of decreasing infant mortality rates among populations with significant disparities, including among Black, American Indian, and other nonwhite communities, and rural populations;

(2) address the leading causes of poor infant health outcomes such as premature birth, infant sleep-related deaths, and congenital anomalies through strategies to change social and environmental determinants of health; and

(3) promote the development, availability, and use of data-informed, community-driven strategies to improve infant health outcomes.

Subd. 5a. **Grants authorized.** (a) The commissioner of health shall award grants to eligible applicants to convene, coordinate, and implement data-driven strategies and culturally relevant activities to improve infant health by reducing preterm births, sleep-related infant deaths, and congenital malformations and address social and environmental determinants of health. Grants shall be awarded to support community nonprofit organizations, Tribal governments, and community health boards. In accordance with available funding, grants shall be noncompetitively awarded to the eleven sovereign Tribal governments if their respective proposals demonstrate the ability to implement programs designed to achieve the purposes in subdivision 5 and meet other requirements of this

section. An eligible applicant must submit a complete application to the commissioner of health by the deadline established by the commissioner. The commissioner shall award all other grants competitively to eligible applicants in metropolitan and rural areas of the state and may consider geographic representation in grant awards.

(b) Grantee activities shall:

(1) address the leading cause or causes of infant mortality;

(2) be based on community input;

(3) focus on policy, systems, and environmental changes that support infant health; and

(4) address the health disparities and inequities that are experienced in the grantee's community.

(c) The commissioner shall review each application to determine whether the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications according to subdivision 5, the commissioner shall establish criteria including but not limited to: the eligibility of the applicant's project under this section; the applicant's thoroughness and clarity in describing the infant health issues grant funds are intended to address; a description of the applicant's proposed project; the project's likelihood to achieve the grant's purposes as described in this section; a description of the population demographics and service area of the proposed project; and evidence of efficiencies and effectiveness gained through collaborative efforts.

(d) Grant recipients shall report their activities to the commissioner in a format and at a time specified by the commissioner.

Subd. 5b. Technical assistance. (a) The commissioner shall provide content expertise, technical expertise, training to grant recipients, and advice on data-driven strategies.

(b) For the purposes of carrying out the grant program under subdivision 5, including for administrative purposes, the commissioner shall award contracts to appropriate entities to assist in training and provide technical assistance to grantees.

(c) Contracts awarded under paragraph (b) may be used to provide technical assistance and training in the areas of:

(1) partnership development and capacity building;

(2) Tribal support;

(3) implementation support for specific infant health strategies;

(4) communications by convening and sharing lessons learned; and

(5) health equity.

Subd. 6. Developmental and social-emotional screening with follow-up. The goal of the developmental and social-emotional screening is to identify young children at risk for developmental and behavioral concerns and provide follow-up services to connect families and young children to appropriate community-based resources and programs. The commissioner of health shall work with the commissioners of human services and education to implement this section and promote interagency coordination with other early childhood programs including those that provide screening and assessment.

Subd. 6a. **Duties.** The commissioner shall:

(1) increase the awareness of developmental and social-emotional screening with follow-up in coordination with community and state partners;

(2) expand existing electronic screening systems to administer developmental and social-emotional screening to children birth to kindergarten entrance;

(3) provide screening for developmental and social-emotional delays based on current recommended best practices;

(4) review and share the results of the screening with the parent or guardian. Support families in their role as caregivers by providing anticipatory guidance around typical growth and development;

(5) ensure children and families are referred to and linked with appropriate community-based services and resources when any developmental or social-emotional concerns are identified through screening; and

(6) establish performance measures and collect, analyze, and share program data regarding population-level outcomes of developmental and social-emotional screening, referrals to community-based services, and follow-up services.

Subd. 6b. **Grants authorized.** The commissioner shall award grants to community-based organizations, community health boards, and Tribal nations to support follow-up services for children with developmental or social-emotional concerns identified through screening in order to link children and their families to appropriate community-based services and resources. Grants shall also be awarded to community-based organizations to train and utilize cultural liaisons to help families navigate the screening and follow-up process in a culturally and linguistically responsive manner. The commissioner shall provide technical assistance, content expertise, and training to grant recipients to ensure that follow-up services are effectively provided.

Subd. 7. **Model jail practices for incarcerated parents.** (a) The commissioner of health may make special grants to counties and groups of counties to implement model jail practices and to county governments, Tribal governments, or nonprofit organizations in corresponding geographic areas to build partnerships with county jails to support children of incarcerated parents and their caregivers.

(b) "Model jail practices" means a set of practices that correctional administrators can implement to remove barriers that may prevent children from cultivating or maintaining relationships with their incarcerated parents during and immediately after incarceration without compromising safety or security of the correctional facility.

Subd. 7a. **Grants authorized; model jail practices.** (a) The commissioner of health shall award grants to eligible county jails to implement model jail practices and separate grants to county governments, Tribal governments, or nonprofit organizations in corresponding geographic areas to build partnerships with county jails to support children of incarcerated parents and their caregivers.

(b) Grantee activities include but are not limited to:

(1) parenting classes or groups;

(2) family-centered intake and assessment of inmate programs;

(3) family notification, information, and communication strategies;

(4) correctional staff training;

(5) policies and practices for family visits; and

(6) family-focused reentry planning.

(c) Grant recipients shall report their activities to the commissioner in a format and at a time specified by the commissioner.

Subd. 7b. **Technical assistance and oversight; model jail practices.** (a) The commissioner shall provide content expertise, training to grant recipients, and advice on evidence-based strategies, including evidence-based training to support incarcerated parents.

(b) For the purposes of carrying out the grant program under subdivision 7a, including for administrative purposes, the commissioner shall award contracts to appropriate entities to assist in training and provide technical assistance to grantees.

(c) Contracts awarded under paragraph (b) may be used to provide technical assistance and training in the areas of:

(1) evidence-based training for incarcerated parents;

(2) partnership building and community engagement;

(3) evaluation of process and outcomes of model jail practices; and

(4) expert guidance on reducing the harm caused to children of incarcerated parents and application of model jail practices.

Sec. 191. **HELP ME CONNECT RESOURCE AND REFERRAL SYSTEM FOR CHILDREN.**

Subdivision 1. **Establishment; purpose.** The commissioner shall establish the Help Me Connect resource and referral system for children as a comprehensive, collaborative resource and referral system for children from the prenatal stage through age eight, and their families. The commissioner of health shall work collaboratively with the commissioners of human services and education to implement this section.

Subd. 2. **Duties.** (a) The Help Me Connect system shall facilitate collaboration across sectors, including child health, early learning and education, child welfare, and family supports by:

(1) providing early childhood provider outreach to support knowledge of and access to local resources that provide early detection and intervention services;

(2) identifying and providing access to early childhood and family support navigation specialists that can support families and their children's needs; and

(3) linking children and families to appropriate community-based services.

(b) The Help Me Connect system shall provide community outreach that includes support for, and participation in, the Help Me Connect system, including disseminating information on the system and compiling and maintaining a current resource directory that includes but is not limited to primary and specialty medical care providers, early childhood education and child care programs, developmental disabilities assessment and intervention programs, mental health services, family and social support programs, child advocacy and legal services, public health services and resources, and other appropriate early childhood information.

(c) The Help Me Connect system shall maintain a centralized access point for parents and professionals to obtain information, resources, and other support services.

(d) The Help Me Connect system shall collect data to increase understanding of the current and ongoing system of support and resources for expectant families and children through age eight and their families, including identification of gaps in service, barriers to finding and receiving appropriate services, and lack of resources.

Sec. 192. **INITIAL IMPLEMENTATION OF THE KEEPING NURSES AT THE BEDSIDE ACT.**

(a) By October 1, 2024, each hospital must establish and convene a hospital nurse staffing committee as described under Minnesota Statutes, section 144.7053, and a hospital nurse workload committee as described under Minnesota Statutes, section 144.7054.

(b) By October 1, 2025, each hospital must implement core staffing plans developed by its hospital nurse staffing committee and satisfy the plan posting requirements under Minnesota Statutes, section 144.7056.

(c) By October 1, 2025, each hospital must submit to the commissioner of health core staffing plans meeting the requirements of Minnesota Statutes, section 144.7055.

(d) By October 1, 2025, the commissioner of health must develop a standard concern for safe staffing form and provide an electronic means of submitting the form to the relevant hospital nurse staffing committee. The commissioner must base the form on the existing concern for safe staffing form maintained by the Minnesota Nurses' Association.

(e) By January 1, 2026, the commissioner of health must provide electronic access to the uniform format or standard form for nurse staffing reporting described under Minnesota Statutes, section 144.7057, subdivision 4.

Sec. 193. **LONG COVID.**

Subdivision 1. **Definition.** For the purpose of this section, "long COVID" means health problems that people experience four or more weeks after being infected with SARS-CoV-2, the virus that causes COVID-19. Long COVID is also called post COVID conditions, long-haul COVID, chronic COVID, post-acute COVID, or post-acute sequelae of COVID-19 (PASC).

Subd. 2. **Establishment.** The commissioner of health shall establish a program to conduct community assessments and epidemiologic investigations to monitor and address impacts of long COVID. The purposes of these activities are to:

(1) monitor trends in: incidence, prevalence, mortality, and health outcomes; care management and costs; changes in disability status, employment, and quality of life; and service needs of individuals with long COVID and to detect potential public health problems, predict risks, and assist in investigating long COVID health inequities;

(2) more accurately target information and resources for communities and patients and their families;

(3) inform health professionals and citizens about risks and early detection of long COVID known to be elevated in their communities; and

(4) promote evidence-based practices around long COVID prevention and management and to address public concerns and questions about long COVID.

Subd. 3. **Partnerships.** The commissioner of health shall, in consultation with health care professionals, the Department of Human Services, local public health, health insurers, employers, schools, long COVID survivors, and community organizations serving people at high risk of long COVID, identify priority actions and activities to address the needs for communication, services, resources, tools, strategies, and policies to support long COVID survivors and their families.

Subd. 4. **Grants and contracts.** The commissioner of health shall coordinate and collaborate with community and organizational partners to implement evidence-informed priority actions through community-based grants and contracts. The commissioner of health shall award contracts and grants to organizations that serve communities disproportionately impacted by COVID-19 and long COVID, including but not limited to rural and low-income areas, Black and African Americans, African immigrants, American Indians, Asian American-Pacific Islanders, Latino(a) communities, LGBTQ+ communities, and persons with disabilities. Organizations may also address intersectionality within the groups. The commissioner shall award grants and contracts to eligible organizations to plan, construct, and disseminate resources and information to support survivors of long COVID, including caregivers, health care providers, ancillary health care workers, workplaces, schools, communities, and local and Tribal public health.

Sec. 194. **MEMBERSHIP TERMS; PALLIATIVE CARE ADVISORY COUNCIL.**

Notwithstanding the terms of office specified to the members upon their appointment, the terms for members appointed to the Palliative Care Advisory Council under Minnesota Statutes, section 144.059, on or after February 1, 2022, shall be three years, as provided in Minnesota Statutes, section 144.059, subdivision 3.

Sec. 195. **PSYCHEDELIC MEDICINE TASK FORCE.**

Subdivision 1. **Establishment; purpose.** The Psychedelic Medicine Task Force is established to advise the legislature on the legal, medical, and policy issues associated with the legalization of psychedelic medicine in the state. For purposes of this section, "psychedelic medicine" means 3,4-methylenedioxymethamphetamine (MDMA), psilocybin, and LSD.

Subd. 2. **Membership; compensation.** (a) The Psychedelic Medicine Task Force shall consist of:

(1) the governor or a designee;

(2) two members of the house of representatives appointed by the speaker of the house and two senators appointed by the president of the senate;

(3) the commissioner of health or a designee;

(4) the commissioner of public safety or a designee;

(5) the commissioner of human services or a designee;

(6) the attorney general or a designee;

(7) the executive director of the Board of Pharmacy or a designee;

(8) the commissioner of commerce or a designee; and

(9) members of the public, appointed by the governor, who have relevant knowledge and expertise, including:

(i) two members representing Indian Tribes within the boundaries of Minnesota, one representing the Ojibwe Tribes and one representing the Dakota Tribes;

(ii) one member with expertise in the treatment of substance use disorders;

(iii) one member with experience working in public health policy;

(iv) two veterans with treatment-resistant mental health conditions;

(v) two patients with treatment-resistant mental health conditions;

(vi) one physician with experience treating treatment-resistant mental health conditions, including post-traumatic stress disorder;

(vii) one health care practitioner with experience in integrative medicine;

(viii) one psychologist with experience treating treatment-resistant mental health conditions, including post-traumatic stress disorder; and

(ix) one member with demonstrable experience in the medical use of psychedelic medicine.

(b) Members listed in paragraph (a), clauses (1) and (3) to (8), and members appointed under paragraph (a), clause (9), may be reimbursed for expenses under Minnesota Statutes, section 15.059, subdivision 6. Members appointed under paragraph (a), clause (2), may receive per diem compensation from their respective bodies according to the rules of their respective bodies.

(c) Members shall be designated or appointed to the task force by July 15, 2023.

Subd. 3. Organization. (a) The commissioner of health or the commissioner's designee shall convene the first meeting of the task force.

(b) At the first meeting, the members of the task force shall elect a chairperson and other officers as the members deem necessary.

(c) The first meeting of the task force shall occur by August 1, 2023. The task force shall meet monthly or as determined by the chairperson.

Subd. 4. Staff. The commissioner of health shall provide support staff, office and meeting space, and administrative services for the task force.

Subd. 5. Duties. The task force shall:

(1) survey existing studies in the scientific literature on the therapeutic efficacy of psychedelic medicine in the treatment of mental health conditions, including depression, anxiety, post-traumatic stress disorder, bipolar disorder, and any other mental health conditions and medical conditions for which a psychedelic medicine may provide an effective treatment option;

(2) compare the efficacy of psychedelic medicine in treating the conditions described in clause (1) with the efficacy of treatments currently used for these conditions; and

(3) develop a comprehensive plan that covers:

(i) statutory changes necessary for the legalization of psychedelic medicine;

(ii) state and local regulation of psychedelic medicine;

(iii) federal law, policy, and regulation of psychedelic medicine, with a focus on retaining state autonomy to act without conflicting with federal law, including methods to resolve conflicts such as seeking an administrative exemption to the federal Controlled Substances Act under United States Code, title 21, section 822(d), and Code of Federal Regulations, title 21, part 1307.03; seeking a judicially created exemption to the federal Controlled Substances Act; petitioning the United States Attorney General to establish a research program under United States Code, title 21, section 872(e); using the Food and Drug Administration's expanded access program; and using authority under the federal Right to Try Act; and

(iv) education of the public on recommendations made to the legislature and others about necessary and appropriate actions related to the legalization of psychedelic medicine in the state.

Subd. 6. **Reports.** The task force shall submit two reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services that detail the task force's findings regarding the legalization of psychedelic medicine in the state, including the comprehensive plan developed under subdivision 5. The first report must be submitted by February 1, 2024, and the second report must be submitted by January 1, 2025.

Sec. 196. **REPORT ON TRANSPARENCY OF HEALTH CARE PAYMENTS.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of health.

(c) "Nonclaims-based payments" means payments to health care providers designed to support and reward value of health care services over volume of health care services and includes alternative payment models or incentives, payments for infrastructure expenditures or investments, and payments for workforce expenditures or investments.

(d) "Nonpublic data" has the meaning given in Minnesota Statutes, section 13.02, subdivision 9.

(e) "Primary care services" means integrated, accessible health care services provided by clinicians who are accountable for addressing a large majority of personal health care needs, developing a sustained partnership with patients, and practicing in the context of family and community. Primary care services include but are not limited to preventive services, office visits, administration of vaccines, annual physicals, pre-operative physicals, assessments, care coordination, development of treatment plans, management of chronic conditions, and diagnostic tests.

Subd. 2. **Report.** (a) To provide the legislature with information needed to meet the evolving health care needs of Minnesotans, the commissioner shall report to the legislature by February 15, 2024, on the volume and distribution of health care spending across payment models used by health plan companies and third-party administrators, with a particular focus on value-based care models and primary care spending.

(b) The report must include specific health plan and third-party administrator estimates of health care spending for claims-based payments and nonclaims-based payments for the most recent available year, reported separately for Minnesotans enrolled in state health care programs, Medicare Advantage, and commercial health insurance. The report must also include recommendations on changes needed to gather better data from health plan companies and third-party administrators on the use of value-based payments that pay for value of health care services provided over volume of services provided, promote the health of all Minnesotans, reduce health disparities, and support the provision of primary care services and preventive services.

(c) In preparing the report, the commissioner shall:

(1) describe the form, manner, and timeline for submission of data by health plan companies and third-party administrators to produce estimates as specified in paragraph (b);

(2) collect summary data that permits the computation of:

(i) the percentage of total payments that are nonclaims-based payments; and

(ii) the percentage of payments in item (i) that are for primary care services;

(3) where data was not directly derived, specify the methods used to estimate data elements;

(4) notwithstanding Minnesota Statutes, section 62U.04, subdivision 11, conduct analyses of the magnitude of primary care payments using data collected by the commissioner under Minnesota Statutes, section 62U.04; and

(5) conduct interviews with health plan companies and third-party administrators to better understand the types of nonclaims-based payments and models in use, the purposes or goals of each, the criteria for health care providers to qualify for these payments, and the timing and structure of health plan companies or third-party administrators making these payments to health care provider organizations.

(d) Health plan companies and third-party administrators must comply with data requests from the commissioner under this section within 60 days after receiving the request.

(e) Data collected under this section is nonpublic data. Notwithstanding the definition of summary data in Minnesota Statutes, section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data maintained by the commissioner.

Sec. 197. **RETURN OF CHARITABLE ASSETS.**

If a health system that is organized as a charitable organization, and that includes M Health Fairview University of Minnesota Medical Center, sells or transfers control to an out-of-state nonprofit entity or to any for-profit entity, the health system must return to the general fund any charitable assets the health system received from the state.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to transactions completed on or after that date.

Sec. 198. **STUDY AND RECOMMENDATIONS; NONPROFIT HEALTH MAINTENANCE ORGANIZATION CONVERSIONS AND OTHER TRANSACTIONS.**

(a) The commissioner of health shall study and develop recommendations on the regulation of conversions, mergers, transfers of assets, and other transactions affecting Minnesota-domiciled nonprofit health maintenance organizations and for-profit health maintenance organizations. The recommendations must at least address:

(1) monitoring and regulation of Minnesota-domiciled for-profit health maintenance organizations;

(2) issues related to public benefit assets held by a nonprofit health maintenance organization, including identifying the portion of the organization's assets that are considered public benefit assets to be protected, establishing a fair and independent process to value the assets, and how public benefit assets should be stewarded for the public good;

(3) designating a state agency or executive branch office with authority to review and approve or deny a nonprofit health maintenance organization's plan to convert to a for-profit organization; and

(4) establishing a process for the public to learn about and provide input on a nonprofit health maintenance organization's proposed conversion to a for-profit organization.

(b) To fulfill the requirements under this section, the commissioner:

(1) may consult with the commissioners of human services and commerce;

(2) may enter into one or more contracts for professional or technical services;

(3) notwithstanding any law to the contrary, may use data submitted under Minnesota Statutes, sections 62U.04 and 144.695 to 144.705, and other data held by the commissioner for purposes of regulating health maintenance organizations or already submitted to the commissioner by health carriers; and

(4) may collect from health maintenance organizations and their parent or affiliated companies, financial data and other information, including nonpublic data and trade secret data, that are deemed necessary by the commissioner to conduct the study and develop the recommendations under this section. Health maintenance organizations must provide the commissioner with any information requested by the commissioner under this clause, in the form and manner specified by the commissioner. Any data collected by the commissioner under this clause is classified as confidential data as defined in Minnesota Statutes, section 13.02, subdivision 3 or protected nonpublic data as defined in Minnesota Statutes, section 13.02, subdivision 13.

(c) No later than October 1, 2023, the commissioner must seek public comments on the regulation of conversion transactions involving nonprofit health maintenance organizations.

(d) The commissioner may use the enforcement authority in Minnesota Statutes, section 62D.17, if a health maintenance organization fails to comply with a request for information under paragraph (b), clause (4).

(e) The commissioner shall submit preliminary findings from this study to the chairs of the legislative committees with jurisdiction over health and human services by January 15, 2024, and shall submit a final report and recommendations to the legislature by June 30, 2024.

Sec. 199. STUDY OF THE DEVELOPMENT OF A STATEWIDE REGISTRY FOR PROVIDER ORDERS FOR LIFE-SUSTAINING TREATMENT.

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

(b) "Commissioner" means the commissioner of health.

(c) "Life-sustaining treatment" means any medical procedure, pharmaceutical drug, medical device, or medical intervention that maintains life by sustaining, restoring, or supplanting a vital function. Life-sustaining treatment does not include routine care necessary to sustain patient cleanliness and comfort.

(d) "POLST" means a provider order for life-sustaining treatment, signed by a physician, advanced practice registered nurse, or physician assistant, to ensure that the medical treatment preferences of a patient with an advanced serious illness who is nearing the end of their life are honored.

(e) "POLST form" means a portable medical form used to communicate a physician's order to help ensure that a patient's medical treatment preferences are conveyed to emergency medical service personnel and other health care providers.

Subd. 2. **Establishment.** (a) The commissioner, in consultation with the advisory committee established in paragraph (c), shall develop recommendations for a statewide registry of POLST forms to ensure that a patient's medical treatment preferences are followed by all health care providers. The registry must allow for the submission of completed POLST forms and for the forms to be accessed by health care providers and emergency medical service personnel in a timely manner for the provision of care or services.

(b) The commissioner shall develop recommendations on the following:

(1) electronic capture, storage, and security of information in the registry;

(2) procedures to protect the accuracy and confidentiality of information submitted to the registry;

(3) limits as to who can access the registry;

(4) where the registry should be housed;

(5) ongoing funding models for the registry; and

(6) any other action needed to ensure that patients' rights are protected and that their health care decisions are followed.

(c) The commissioner shall create an advisory committee with members representing physicians, physician assistants, advanced practice registered nurses, nursing homes, emergency medical system providers, hospice and palliative care providers, the disability community, attorneys, medical ethicists, and the religious community.

Subd. 3. **Report.** The commissioner shall submit recommendations on establishing a statewide registry of POLST forms to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by February 1, 2024, and implement the registry no later than December 1, 2024.

Sec. 200. **VACCINES FOR UNINSURED AND UNDERINSURED ADULTS.**

The commissioner of health shall administer a program to provide vaccines to uninsured and underinsured adults. The commissioner shall determine adult eligibility for free or low-cost vaccines under this program and shall enroll clinics to participate in the program and administer vaccines recommended by the Centers for Disease Control and Prevention. In administering the program, the commissioner shall address racial and ethnic disparities in vaccine coverage rates. State money appropriated for purposes of this section shall be used to supplement, but not supplant, available federal funding for purposes of this section.

Sec. 201. **WORKPLACE SAFETY GRANTS; HEALTH CARE ENTITIES AND HUMAN SERVICES PROVIDERS.**

Subdivision 1. **Grant program established.** The commissioner of health shall administer a program to award workplace safety grants to health care entities and human services providers to increase safety measures at health care settings and at human services workplaces providing behavioral health care; services for children, families, and vulnerable adults; services for older adults and people with disabilities; and other social services or related care.

Subd. 2. **Eligible applicants; application.** (a) Entities eligible for a grant under this section shall include health systems, hospitals, medical clinics, dental clinics, ambulance services, community health clinics, county human services agencies, Tribal human services agencies, and other human services provider organizations.

(b) An entity seeking a grant under this section must submit an application to the commissioner in a form and manner prescribed by the commissioner. An application must include information about:

(1) the type of entity or organization seeking grant funding;

(2) the specific safety measures or activities for which the applicant will use the grant funding;

(3) the specific policies that will be implemented or upheld to ensure that individuals' rights to privacy and data protection are protected during the use of safety equipment obtained or operated through grant funding;

(4) a proposed budget for each of the specific activities for which the applicant will use the grant funding;

(5) an outline of efforts to enhance or improve existing safety measures or proposed new measures to improve the safety of staff at the entity, agency, or organization;

(6) sample consent forms for any safety equipment that has capacity to record, store, or share audio or video that will be collected from patients or clients prior to implementation of grant-funded safety measures, excluding equipment located in public spaces in provider-controlled, licensed settings;

(7) how the grant-funded measures will lead to long-term improvements in safety and stability for staff and for patients and clients accessing health care or services from the applicant; and

(8) methods the applicant will use to evaluate effectiveness of the safety measures and changes that will be made if the measures are deemed ineffective.

Subd. 3. Grant awards. Grants must be awarded to eligible applicants that meet application requirements on a first-come, first-served basis. Forty percent of grant funds must be awarded to eligible applicants located outside of the seven-county metropolitan area. Each grant award must be for at least \$5,000, but no more than \$100,000.

Subd. 4. Allowable uses of grant funds. (a) Grant funds may be used for one or more of the following:

(1) the procurement and installation of safety equipment, including but not limited to cellular telephones; personal radios; wearable tracking devices for staff to share their location with supervisors, subject to the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) data privacy requirements outlined in Code of Federal Regulations, title 45, parts 160 and 164, subparts A and E; security systems and cameras in public spaces of provider-controlled, licensed settings or of health care settings; and panic buttons;

(2) training for staff, which may include:

(i) sessions and exercises for crisis management, strategies for de-escalating conflict situations, safety planning, and self-defense in accordance with positive support strategies under Minnesota Rules, chapter 9544, and person-centered planning and service delivery according to Minnesota Statutes, section 245D.07, subdivision 1a;

(ii) training in culturally informed and culturally affirming practices, including linguistic training;

(iii) training in trauma-informed social, emotional, and behavioral support; and

(iv) other training topics, sessions, and exercises the commissioner determines to be appropriate;

(3) facility safety improvements, including but not limited to a threat and vulnerability review and barrier protection;

(4) support services, counseling, and additional resources for staff who have experienced safety concerns or trauma-related incidents in the workplace;

(5) installation and implementation of an internal data incident tracking system to track and prevent workplace safety incidents; and

(6) other prevention and mitigation measures and safety training, resources, and support services the commissioner determines to be appropriate.

(b) The following restrictions apply to the eligible uses of grant funds under paragraph (a):

(1) safety equipment must not include:

(i) tools or devices that facilitate physical or chemical restraint;

(ii) barriers, environmental modifications, or other tools or devices that facilitate individual seclusion, except plexiglass barriers in office settings are allowed;

(iii) wearable body cameras; or

(iv) wearable tracking devices that have the capacity to store location data;

(2) security cameras must only be used in staff spaces and entry points of buildings and may not be used in common areas, bedrooms, and bathrooms;

(3) in settings that are required to comply with the positive supports rule, all safety equipment or measures must comply with Minnesota Rules, chapter 9544;

(4) settings licensed under Minnesota Statutes, section 245D, must follow person-centered practices according to Minnesota Statutes, section 245D.07;

(5) any safety equipment purchased with grant funding that has electronic monitoring capacity must be used according to Minnesota Statutes, section 144.6502, or the brain injury, community alternative care, community access for disability inclusion, and developmental disabilities federal waiver plan language that outlines monitoring technology use;

(6) prior to the use of safety equipment that has capacity to record, store, and share audio, video, or a combination thereof, the grant recipient must:

(i) provide patients or clients with information about electronic monitoring in a way that is most accessible to the patients or clients, including the definition of electronic monitoring, the type of device that will be in use, how the footage captured will be used, with whom the footage captured will be shared, and a statement that a patient or client has the right to decline use of safety equipment that has capacity to record, store, and share audio, video, or a combination thereof;

(ii) provide notice every time electronic monitoring devices are in use; and

(iii) obtain written consent from anyone whose audio or video may be recorded during the time the device is in use and, if applicable, from guardians of individuals whose audio or video may be recorded during the time the device is in use; and

(7) in settings that provide home and community-based services, if at any point a client or their guardian declines the use of safety equipment that has capacity to record, store, or share audio, video, or a combination thereof or revokes prior consent to such use, the provider must cease using the safety equipment immediately and indefinitely. A provider may not deny or delay the provision of services as a result of an individual's decision to decline the use of safety equipment that has capacity to record, store, or share audio, video, or a combination thereof.

(c) All video, audio, or other personally identifiable information collected through safety equipment paid for by grant funds under this section must:

(1) be treated consistently with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements outlined in Code of Federal Regulations, title 45, parts 160 and 164, subparts A and E;

(2) be subject to applicable rules of evidence and procedure if admitted into evidence in a civil, criminal, or administrative proceeding; and

(3) not result in the denial or delay of services provided to an individual.

Subd. 5. **Report.** Within two years after receiving grant funds under this section, each grant recipient must submit a report to the commissioner. The commissioner must submit a compilation of the reports to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services, the Office of Ombudsman for Long-Term Care, and Office of Ombudsman for Mental Health and Developmental Disabilities. Grant recipient reports to the commissioner must include:

(1) the number of workplace safety incidents that occurred over the course of the grant period;

(2) the number and type of safety measures funded by the grants, and how those safety measures helped alleviate or de-escalate workplace safety incidents;

(3) the number of staff benefiting from safety measures implemented through grant funding;

(4) the number of patients or clients benefiting from safety measures implemented through grant funding;

(5) practices implemented concurrently with the use of safety equipment that ensured that the rights of patients or clients served were upheld;

(6) the number of patients or clients who declined to consent to the use of any safety equipment that had capacity to record, store, or share audio, video, or a combination thereof;

(7) an evaluation of the effectiveness of the safety measures, including assessment of whether and how the grant funding has led or will lead to improved safety and service provisions for staff, patients, and clients; and

(8) changes to policy or practice that were made if safety measures implemented using grant funds were deemed ineffective.

Subd. 6. **Technical assistance.** The commissioner must provide technical assistance to grant applicants throughout the application process and to applicants and grant recipients regarding grant distribution and required grant recipient reporting

Sec. 202. **TASK FORCE ON PREGNANCY HEALTH AND SUBSTANCE USE DISORDERS.**

Subdivision 1. **Establishment.** The Task Force on Pregnancy Health and Substance Use Disorders is established to recommend protocols for when physicians, advanced practice registered nurses, and physician assistants should administer a toxicology test and requirements for reporting for prenatal exposure to a controlled substance.

Subd. 2. **Membership.** (a) The task force shall consist of the following members:

(1) a physician licensed in Minnesota to practice obstetrics and gynecology who provides care primarily to medical assistance enrollees during pregnancy appointed by the American College of Obstetricians and Gynecologists;

(2) a physician licensed in Minnesota to practice pediatrics or family medicine who provides care primarily to medical assistance enrollees with substance use disorders or who provides addiction medicine care during pregnancy appointed by the Minnesota Medical Association;

(3) a certified nurse-midwife licensed as an advanced practice registered nurse in Minnesota who provides care primarily to medical assistance enrollees with substance use disorders or provides addiction medicine care during pregnancy appointed by the Minnesota Advanced Practice Registered Nurses Coalition;

(4) two representatives of county social services agencies, one from a county outside the seven-county metropolitan area and one from a county within the seven-county metropolitan area, appointed by the Minnesota Association of County Social Service Administrators;

(5) one representative from the Board of Social Work;

(6) two Tribal representatives appointed by the Minnesota Indian Affairs Council;

(7) two members who identify as Black or African American and who have lived experience with the child welfare system and substance use disorders appointed by the Cultural and Ethnic Communities Leadership Council;

(8) two members who are licensed substance use disorder treatment providers appointed by the Minnesota Association of Resources for Recovery and Chemical Health;

(9) one member representing hospitals appointed by the Minnesota Hospital Association;

(10) one designee of the commissioner of health with expertise in substance use disorders and treatment;

(11) two members who identify as Native American or American Indian and who have lived experience with the child welfare system and substance use disorders appointed by the Minnesota Indian Affairs Council;

(12) two members from the Council for Minnesotans of African Heritage; and

(13) one member of the Minnesota Perinatal Quality Collaborative.

(b) Appointments to the task force must be made by October 1, 2023.

Subd. 3. **Chairs; meetings.** (a) The task force shall elect a chair and cochair at the first meeting, which shall be convened no later than October 15, 2023.

(b) Task force meetings are subject to the Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

Subd. 4. **Administrative support.** The Department of Health must provide administrative support and meeting space for the task force.

Subd. 5. **Duties; reports.** (a) The task force shall develop recommended protocols for when a toxicology test for prenatal exposure to a controlled substance should be administered to a birthing parent and a newborn infant. The task force must also recommend protocols for providing notice or reporting of prenatal exposure to a controlled substance to local welfare agencies under Minnesota Statutes, chapter 260E.

(b) No later than December 1, 2024, the task force must submit a written report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services on the task force's activities and recommendations on the protocols developed under paragraph (a).

Subd. 6. **Expiration.** The task force shall expire upon submission of the report required under subdivision 5, paragraph (b), or December 1, 2024, whichever is later.

Sec. 203. **REVISOR INSTRUCTION.**

(a) The revisor of statutes shall change the term "cancer surveillance system" to "cancer reporting system" wherever it appears in the next edition of Minnesota Statutes and Minnesota Rules and in the online publication.

(b) The revisor of statutes shall amend the headnote for Minnesota Statutes, section 145.423, to read "RECOGNITION OF INFANT WHO IS BORN ALIVE."

(c) In Minnesota Statutes, section 144.7055, the revisor shall renumber paragraphs (b) to (e) alphabetically as individual subdivisions under Minnesota Statutes, section 144.7051. The revisor shall make any necessary changes to sentence structure for this renumbering while preserving the meaning of the text. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

Sec. 204. **REPEALER.**

(a) Minnesota Rules, parts 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900; 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600; 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300; 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000; 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400; 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900; 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600; 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300; 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000; 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700; 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300; 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; and 4645.5200, are repealed effective January 1, 2024.

(b) Minnesota Statutes 2022, sections 62J.84, subdivision 5; 62U.10, subdivisions 6, 7, and 8; 144.059, subdivision 10; 144.9505, subdivision 3; 145.4235; and 153A.14, subdivision 5, are repealed.

(c) Minnesota Rules, part 4615.3600, is repealed effective the day following final enactment.

(d) Minnesota Rules, parts 4700.1900; 4700.2000; 4700.2100; 4700.2210; 4700.2300, subparts 1, 3, 4, 4a, and 5; 4700.2410; 4700.2420; and 4700.2500, are repealed.

(e) Minnesota Statutes 2022, sections 62Q.145; 145.1621; 145.411, subdivisions 2 and 4; 145.412; 145.413, subdivisions 2 and 3; 145.4131; 145.4132; 145.4133; 145.4134; 145.4135; 145.4136; 145.415; 145.416; 145.423, subdivisions 2, 3, 4, 5, 6, 7, 8, and 9; 145.4241; 145.4242; 145.4243; 145.4244; 145.4245; 145.4246; 145.4247; 145.4248; 145.4249; 256B.011; 256B.40; 261.28; and 393.07, subdivision 11, are repealed effective the day following final enactment.

ARTICLE 4
MEDICAL EDUCATION AND RESEARCH COSTS

Section 1. Minnesota Statutes 2022, section 62J.692, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply:

(b) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body who reviews the accrediting organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health.

(c) "Commissioner" means the commissioner of health.

(d) "Clinical medical education program" means the accredited clinical training of physicians (medical students and residents), doctor of pharmacy practitioners (pharmacy students and residents), doctors of chiropractic, dentists (dental students and residents), advanced practice registered nurses (clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, and certified nurse midwives), physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, and community health workers.

(e) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota that sponsors and maintains primary organizational and financial responsibility for a clinical medical education program in Minnesota and which is accountable to the accrediting body.

(f) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota.

(g) "Trainee" means a student or resident involved in a clinical medical education program.

(h) "Eligible trainee FTE's" means the number of trainees, as measured by full-time equivalent counts, that are at training sites located in Minnesota with currently active medical assistance enrollment status and a National Provider Identification (NPI) number where training occurs in either an inpatient or ambulatory patient care setting and where the training is funded, in part, by patient care revenues. Training that occurs in nursing facility settings is not eligible for funding under this section.

Sec. 2. Minnesota Statutes 2022, section 62J.692, subdivision 3, is amended to read:

Subd. 3. **Application process.** (a) A clinical medical education program conducted in Minnesota by a teaching institution to train physicians, doctor of pharmacy practitioners, dentists, chiropractors, physician assistants, dental therapists and advanced dental therapists, psychologists, clinical social workers, community paramedics, or community health workers is eligible for funds under subdivision 4 if the program:

(1) is funded, in part, by patient care revenues;

(2) occurs in patient care settings that face increased financial pressure as a result of competition with nonteaching patient care entities; and

(3) emphasizes primary care or specialties that are in undersupply in Minnesota.

(b) A clinical medical education program for advanced practice nursing is eligible for funds under subdivision 4 if the program meets the eligibility requirements in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or institutions that are part of the Minnesota State Colleges and Universities system or members of the Minnesota Private College Council.

(c) Applications must be submitted to the commissioner by a sponsoring institution on behalf of an eligible clinical medical education program ~~and must be received by October 31 of each year for distribution in the following year on a timeline determined by the commissioner.~~ An application for funds must contain ~~the following information:~~ information the commissioner deems necessary to determine program eligibility based on the criteria in paragraphs (a) and (b) and to ensure the equitable distribution of funds.

~~(1) the official name and address of the sponsoring institution and the official name and site address of the clinical medical education programs on whose behalf the sponsoring institution is applying;~~

~~(2) the name, title, and business address of those persons responsible for administering the funds;~~

~~(3) for each clinical medical education program for which funds are being sought; the type and specialty orientation of trainees in the program; the name, site address, and medical assistance provider number and national provider identification number of each training site used in the program; the federal tax identification number of each training site used in the program, where available; the total number of trainees at each training site; and the total number of eligible trainee FTEs at each site; and~~

~~(4) other supporting information the commissioner deems necessary to determine program eligibility based on the criteria in paragraphs (a) and (b) and to ensure the equitable distribution of funds.~~

~~(d) An application must include the information specified in clauses (1) to (3) for each clinical medical education program on an annual basis for three consecutive years. After that time, an application must include the information specified in clauses (1) to (3) when requested, at the discretion of the commissioner:~~

~~(1) audited clinical training costs per trainee for each clinical medical education program when available or estimates of clinical training costs based on audited financial data;~~

~~(2) a description of current sources of funding for clinical medical education costs, including a description and dollar amount of all state and federal financial support, including Medicare direct and indirect payments; and~~

~~(3) other revenue received for the purposes of clinical training.~~

~~(e) (d)~~ An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the ~~current~~ applicable funding cycle.

Sec. 3. Minnesota Statutes 2022, section 62J.692, subdivision 4, is amended to read:

Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute ~~the available medical education funds revenue credited or money transferred to the medical education and research costs account under subdivision 8 and section 297F.10, subdivision 1, clause (2),~~ to all qualifying applicants based on a public program volume factor, which is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool.

Public program revenue for the distribution formula includes revenue from medical assistance and prepaid medical assistance. Training sites that receive no public program revenue are ineligible for funds available under this subdivision. ~~For purposes of determining training site level grants to be distributed under this paragraph, total~~

~~statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students.~~

Training sites whose training site level grant is less than \$5,000, based on the ~~formula~~ formulas described in this ~~paragraph subdivision~~, or that train fewer than 0.1 FTE eligible trainees, are ineligible for funds available under this subdivision. No training sites shall receive a grant per FTE trainee that is in excess of the 95th percentile grant per FTE across all eligible training sites; grants in excess of this amount will be redistributed to other eligible sites based on the ~~formula~~ formulas described in this ~~paragraph subdivision~~.

~~(b) For funds distributed in fiscal years 2014 and 2015, the distribution formula shall include a supplemental public program volume factor, which is determined by providing a supplemental payment to training sites whose public program revenue accounted for at least 0.98 percent of the total public program revenue received by all eligible training sites. The supplemental public program volume factor shall be equal to ten percent of each training site's grant for funds distributed in fiscal year 2014 and for funds distributed in fiscal year 2015. Grants to training sites whose public program revenue accounted for less than 0.98 percent of the total public program revenue received by all eligible training sites shall be reduced by an amount equal to the total value of the supplemental payment. For fiscal year 2016 and beyond, the distribution of funds shall be based solely on the public program volume factor as described in paragraph (a). Money appropriated through the state general fund, the health care access fund, and any additional fund for the purpose of funding medical education and research costs and that does not require federal approval must be awarded only to eligible training sites that do not qualify for a medical education and research cost rate factor under sections 256.969, subdivision 2b, paragraph (k), or 256B.75, paragraph (b). The commissioner shall distribute the available medical education money appropriated to eligible training sites that do not qualify for a medical education and research cost rate factor based on a distribution formula determined by the commissioner. The distribution formula under this paragraph must consider clinical training costs, public program revenues, and other factors identified by the commissioner that address the objective of supporting clinical training.~~

(c) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

(d) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraphs (a) and (b) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:

(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include ~~the withholding of payments~~ disqualifying the training site under this section or the removal of students from the site.

(e) Use of funds is limited to expenses related to eligible clinical training program costs for eligible programs. The commissioner shall develop a methodology for determining eligible costs.

(f) Any funds ~~not that cannot be~~ distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. ~~The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter. When appropriate, the commissioner shall include the undistributed money in the subsequent distribution cycle using the applicable methodology described in this subdivision.~~

~~(g) A maximum of \$150,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative expenses associated with implementing this section.~~

Sec. 4. Minnesota Statutes 2022, section 62J.692, subdivision 5, is amended to read:

Subd. 5. **Report.** (a) Sponsoring institutions receiving funds under this section must ~~sign and~~ submit a medical education grant verification report (GVR) to verify that the correct grant amount was forwarded to each eligible training site. ~~If the sponsoring institution fails to submit the GVR by the stated deadline, or to request and meet the deadline for an extension, the sponsoring institution is required to return the full amount of funds received to the commissioner within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.~~

(b) The reports must provide verification of the distribution of the funds and must include:

~~(1) the total number of eligible trainee FTEs in each clinical medical education program;~~

~~(2) the name of each funded program and, for each program, the dollar amount distributed to each training site and a training site expenditure report;~~

~~(3) (1) documentation of any discrepancies between the ~~initial~~ grant distribution notice included in the commissioner's approval letter and the actual distribution;~~

~~(4) (2) a statement by the sponsoring institution stating that the completed grant verification report is valid and accurate; and~~

~~(5) (3) other information the commissioner deems appropriate to evaluate the effectiveness of the use of funds for medical education.~~

~~(e) Each year, the commissioner shall provide an annual summary report to the legislature on the implementation of this section. This report is exempt from section 144.05, subdivision 7.~~

Sec. 5. Minnesota Statutes 2022, section 62J.692, subdivision 8, is amended to read:

Subd. 8. **Federal financial participation.** The commissioner of human services shall seek ~~to maximize~~ federal financial participation ~~in payments for the dedicated revenue~~ for medical education and research costs provided under section 297F.10, subdivision 1, clause (2).

~~The commissioner shall use physician clinic rates where possible to maximize federal financial participation. Any additional funds that become available must be distributed under subdivision 4, paragraph (a).~~

Sec. 6. **[144.1913] CLINICAL DENTAL EDUCATION INNOVATION GRANTS.**

(a) The commissioner shall award clinical dental education innovation grants to teaching institutions and clinical training sites for projects that increase dental access for underserved populations and promote innovative clinical training of dental professionals. In awarding the grants, the commissioner shall consider the following:

(1) the potential to successfully increase access to dental services for an underserved population;

(2) the long-term viability of the project to improve access to dental services beyond the period of initial funding;

(3) the evidence of collaboration between the applicant and local communities;

(4) the efficiency in the use of grant funding; and

(5) the priority level of the project in relation to state education, access, and workforce goals.

(b) The commissioner shall periodically evaluate the priorities in awarding innovations grants under this section to ensure that the priorities meet the changing workforce needs of the state.

Sec. 7. Minnesota Statutes 2022, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. **Hospital payment rates.** (a) For discharges occurring on or after November 1, 2014, hospital inpatient services for hospitals located in Minnesota shall be paid according to the following:

(1) critical access hospitals as defined by Medicare shall be paid using a cost-based methodology;

(2) long-term hospitals as defined by Medicare shall be paid on a per diem methodology under subdivision 25;

(3) rehabilitation hospitals or units of hospitals that are recognized as rehabilitation distinct parts as defined by Medicare shall be paid according to the methodology under subdivision 12; and

(4) all other hospitals shall be paid on a diagnosis-related group (DRG) methodology.

(b) For the period beginning January 1, 2011, through October 31, 2014, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For rate setting periods after November 1, 2014, in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals.

(c) Effective for discharges occurring on and after November 1, 2014, payment rates for hospital inpatient services provided by hospitals located in Minnesota or the local trade area, except for the hospitals paid under the methodologies described in paragraph (a), clauses (2) and (3), shall be rebased, incorporating cost and payment methodologies in a manner similar to Medicare. The base year or years for the rates effective November 1, 2014, shall be calendar year 2012. The rebasing under this paragraph shall be budget neutral, ensuring that the total aggregate payments under the rebased system are equal to the total aggregate payments that were made for the same number and types of services in the base year. Separate budget neutrality calculations shall be determined for payments made to critical access hospitals and payments made to hospitals paid under the DRG system. Only the rate increases or decreases under subdivision 3a or 3c that applied to the hospitals being rebased during the entire base period shall be incorporated into the budget neutrality calculation.

(d) For discharges occurring on or after November 1, 2014, through the next rebasing that occurs, the rebased rates under paragraph (c) that apply to hospitals under paragraph (a), clause (4), shall include adjustments to the projected rates that result in no greater than a five percent increase or decrease from the base year payments for any hospital. Any adjustments to the rates made by the commissioner under this paragraph and paragraph (e) shall maintain budget neutrality as described in paragraph (c).

(e) For discharges occurring on or after November 1, 2014, the commissioner may make additional adjustments to the rebased rates, and when evaluating whether additional adjustments should be made, the commissioner shall consider the impact of the rates on the following:

(1) pediatric services;

- (2) behavioral health services;
 - (3) trauma services as defined by the National Uniform Billing Committee;
 - (4) transplant services;
 - (5) obstetric services, newborn services, and behavioral health services provided by hospitals outside the seven-county metropolitan area;
 - (6) outlier admissions;
 - (7) low-volume providers; and
 - (8) services provided by small rural hospitals that are not critical access hospitals.
- (f) Hospital payment rates established under paragraph (c) must incorporate the following:
- (1) for hospitals paid under the DRG methodology, the base year payment rate per admission is standardized by the applicable Medicare wage index and adjusted by the hospital's disproportionate population adjustment;
 - (2) for critical access hospitals, payment rates for discharges between November 1, 2014, and June 30, 2015, shall be set to the same rate of payment that applied for discharges on October 31, 2014;
 - (3) the cost and charge data used to establish hospital payment rates must only reflect inpatient services covered by medical assistance; and
 - (4) in determining hospital payment rates for discharges occurring on or after the rate year beginning January 1, 2011, through December 31, 2012, the hospital payment rate per discharge shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years. In determining hospital payment rates for discharges in subsequent base years, the per discharge rates shall be based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year or years.
- (g) The commissioner shall validate the rates effective November 1, 2014, by applying the rates established under paragraph (c), and any adjustments made to the rates under paragraph (d) or (e), to hospital claims paid in calendar year 2013 to determine whether the total aggregate payments for the same number and types of services under the rebased rates are equal to the total aggregate payments made during calendar year 2013.
- (h) Effective for discharges occurring on or after July 1, 2017, and every two years thereafter, payment rates under this section shall be rebased to reflect only those changes in hospital costs between the existing base year or years and the next base year or years. In any year that inpatient claims volume falls below the threshold required to ensure a statistically valid sample of claims, the commissioner may combine claims data from two consecutive years to serve as the base year. Years in which inpatient claims volume is reduced or altered due to a pandemic or other public health emergency shall not be used as a base year or part of a base year if the base year includes more than one year. Changes in costs between base years shall be measured using the lower of the hospital cost index defined in subdivision 1, paragraph (a), or the percentage change in the case mix adjusted cost per claim. The commissioner shall establish the base year for each rebasing period considering the most recent year or years for which filed Medicare cost reports are available. The estimated change in the average payment per hospital discharge resulting from a scheduled rebasing must be calculated and made available to the legislature by January 15 of each year in which rebasing is scheduled to occur, and must include by hospital the differential in payment rates compared to the individual hospital's costs.

(i) Effective for discharges occurring on or after July 1, 2015, inpatient payment rates for critical access hospitals located in Minnesota or the local trade area shall be determined using a new cost-based methodology. The commissioner shall establish within the methodology tiers of payment designed to promote efficiency and cost-effectiveness. Payment rates for hospitals under this paragraph shall be set at a level that does not exceed the total cost for critical access hospitals as reflected in base year cost reports. Until the next rebasing that occurs, the new methodology shall result in no greater than a five percent decrease from the base year payments for any hospital, except a hospital that had payments that were greater than 100 percent of the hospital's costs in the base year shall have their rate set equal to 100 percent of costs in the base year. The rates paid for discharges on and after July 1, 2016, covered under this paragraph shall be increased by the inflation factor in subdivision 1, paragraph (a). The new cost-based rate shall be the final rate and shall not be settled to actual incurred costs. Hospitals shall be assigned a payment tier based on the following criteria:

(1) hospitals that had payments at or below 80 percent of their costs in the base year shall have a rate set that equals 85 percent of their base year costs;

(2) hospitals that had payments that were above 80 percent, up to and including 90 percent of their costs in the base year shall have a rate set that equals 95 percent of their base year costs; and

(3) hospitals that had payments that were above 90 percent of their costs in the base year shall have a rate set that equals 100 percent of their base year costs.

(j) The commissioner may refine the payment tiers and criteria for critical access hospitals to coincide with the next rebasing under paragraph (h). The factors used to develop the new methodology may include, but are not limited to:

(1) the ratio between the hospital's costs for treating medical assistance patients and the hospital's charges to the medical assistance program;

(2) the ratio between the hospital's costs for treating medical assistance patients and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(3) the ratio between the hospital's charges to the medical assistance program and the hospital's payments received from the medical assistance program for the care of medical assistance patients;

(4) the statewide average increases in the ratios identified in clauses (1), (2), and (3);

(5) the proportion of that hospital's costs that are administrative and trends in administrative costs; and

(6) geographic location.

(k) Effective for discharges occurring on or after January 1, 2024, the rates paid to hospitals described in paragraph (a), clauses (2) to (4), must include a rate factor specific to each hospital that qualifies for a medical education and research cost distribution under section 62J.692 subdivision 4, paragraph (a).

Sec. 8. Minnesota Statutes 2022, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment.

Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under this paragraph for the applicable payment year shall be the final payment and shall not be settled to actual costs. Effective for services delivered on or after the first day of the hospital's fiscal year ending in 2017, the rate for outpatient hospital services shall be computed using information from each hospital's Medicare cost report as filed with Medicare for the year that is two years before the year that the rate is being computed. Rates shall be computed using information from Worksheet C series until the department finalizes the medical assistance cost reporting process for critical access hospitals. After the cost reporting process is finalized, rates shall be computed using information from Title XIX Worksheet D series. The outpatient rate shall be equal to ancillary cost plus outpatient cost, excluding costs related to rural health clinics and federally qualified health clinics, divided by ancillary charges plus outpatient charges, excluding charges related to rural health clinics and federally qualified health clinics. Effective for services delivered on or after January 1, 2024, the rates paid to critical access hospitals under this section must be adjusted to include the amount of any distributions under section 62J.692, subdivision 4, paragraph (a), that were not included in the rate adjustment described under section 256.969, subdivision 2b, paragraph (k).

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision. When implementing prospective payment methodologies, the commissioner shall use general methods and rate calculation parameters similar to the applicable Medicare prospective payment systems for services delivered in outpatient hospital and ambulatory surgical center settings unless other payment methodologies for these services are specified in this chapter.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

Sec. 9. Minnesota Statutes 2022, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(1) \$22,250,000 each year must be credited to the Academic Health Center special revenue fund hereby created and is annually appropriated to the Board of Regents at the University of Minnesota for Academic Health Center funding at the University of Minnesota; and

(2) ~~\$3,937,000~~ \$3,788,000 each year must be credited to the medical education and research costs account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for distribution under section 62J.692, subdivision 4, paragraph (a); and

(3) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 10. **REPEALER.**

Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, and 7a; 137.38, subdivision 1; and 256B.69, subdivision 5c, are repealed.

ARTICLE 5 HEALTH-RELATED LICENSING BOARDS

Section 1. Minnesota Statutes 2022, section 144E.001, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For the purposes of ~~sections 144E.001 to 144E.52~~ this chapter, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2022, section 144E.001, is amended by adding a subdivision to read:

Subd. 8b. **Medical resource communication center.** "Medical resource communication center" means an entity that:

(1) facilitates hospital-to-ambulance communications for ambulance services, the regional emergency medical services systems, and the board by coordinating patient care and transportation for ground and air operations;

(2) is integrated with the state's Allied Radio Matrix for Emergency Response (ARMER) radio system; and

(3) is the point of contact and a communication resource for statewide public safety entities, hospitals, and communities.

Sec. 3. Minnesota Statutes 2022, section 144E.101, subdivision 6, is amended to read:

Subd. 6. **Basic life support.** (a) Except as provided in paragraph (e), a basic life-support ambulance shall be staffed by at least two EMTs, one of whom must accompany the patient and provide a level of care so as to ensure that:

(1) life-threatening situations and potentially serious injuries are recognized;

(2) patients are protected from additional hazards;

- (3) basic treatment to reduce the seriousness of emergency situations is administered; and
- (4) patients are transported to an appropriate medical facility for treatment.
- (b) A basic life-support service shall provide basic airway management.
- (c) A basic life-support service shall provide automatic defibrillation.

(d) A basic life-support service licensee's medical director may authorize ambulance service personnel to perform intravenous infusion and use equipment that is within the licensure level of the ambulance service, ~~including~~. A basic life-support licensee's medical director must authorize ambulance service personnel to perform administration of an opiate antagonist. Ambulance service personnel must be properly trained. Documentation of authorization for use, guidelines for use, continuing education, and skill verification must be maintained in the licensee's files.

(e) For emergency ambulance calls and interfacility transfers, an ambulance service may staff its basic life-support ambulances with one EMT, who must accompany the patient, and one registered emergency medical responder driver. For purposes of this paragraph, "ambulance service" means either an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or an ambulance service based in a community with a population of less than 2,500.

Sec. 4. Minnesota Statutes 2022, section 144E.101, subdivision 7, is amended to read:

Subd. 7. **Advanced life support.** (a) Except as provided in paragraphs (f) and (g), an advanced life-support ambulance shall be staffed by at least:

- (1) one EMT or one AEMT and one paramedic;
- (2) one EMT or one AEMT and one registered nurse who is an EMT or an AEMT, is currently practicing nursing, and has passed a paramedic practical skills test approved by the board and administered by an education program; or
- (3) one EMT or one AEMT and one physician assistant who is an EMT or an AEMT, is currently practicing as a physician assistant, and has passed a paramedic practical skills test approved by the board and administered by an education program.

(b) An advanced life-support service shall provide basic life support, as specified under subdivision 6, paragraph (a), advanced airway management, manual defibrillation, ~~and~~ administration of intravenous fluids and pharmaceuticals, and administration of opiate antagonists.

(c) In addition to providing advanced life support, an advanced life-support service may staff additional ambulances to provide basic life support according to subdivision 6 and section 144E.103, subdivision 1.

(d) An ambulance service providing advanced life support shall have a written agreement with its medical director to ensure medical control for patient care 24 hours a day, seven days a week. The terms of the agreement shall include a written policy on the administration of medical control for the service. The policy shall address the following issues:

- (1) two-way communication for physician direction of ambulance service personnel;
- (2) patient triage, treatment, and transport;

(3) use of standing orders; and

(4) the means by which medical control will be provided 24 hours a day.

The agreement shall be signed by the licensee's medical director and the licensee or the licensee's designee and maintained in the files of the licensee.

(e) When an ambulance service provides advanced life support, the authority of a paramedic, Minnesota registered nurse-EMT, or Minnesota registered physician assistant-EMT to determine the delivery of patient care prevails over the authority of an EMT.

(f) Upon application from an ambulance service that includes evidence demonstrating hardship, the board may grant a variance from the staff requirements in paragraph (a), clause (1), and may authorize an advanced life-support ambulance to be staffed by a registered emergency medical responder driver with a paramedic for all emergency calls and interfacility transfers. The variance shall apply to advanced life-support ambulance services until the ambulance service renews its license. When the variance expires, an ambulance service may apply for a new variance under this paragraph. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a population of less than 1,000 persons.

(g) After an initial emergency ambulance call, each subsequent emergency ambulance response, until the initial ambulance is again available, and interfacility transfers, may be staffed by one registered emergency medical responder driver and an EMT or paramedic. This paragraph applies only to an ambulance service whose primary service area is mainly located outside the metropolitan counties listed in section 473.121, subdivision 4, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud, or an ambulance based in a community with a population of less than 1,000 persons.

Sec. 5. Minnesota Statutes 2022, section 144E.103, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** Every ambulance in service for patient care shall carry, at a minimum:

(1) oxygen;

(2) airway maintenance equipment in various sizes to accommodate all age groups;

(3) splinting equipment in various sizes to accommodate all age groups;

(4) dressings, bandages, commercially manufactured tourniquets, and bandaging equipment;

(5) an emergency obstetric kit;

(6) equipment to determine vital signs in various sizes to accommodate all age groups;

(7) a stretcher;

(8) a defibrillator; ~~and~~

(9) a fire extinguisher; and

(10) opiate antagonists.

Sec. 6. Minnesota Statutes 2022, section 144E.35, is amended to read:

144E.35 REIMBURSEMENT TO ~~NONPROFIT~~ AMBULANCE SERVICES FOR VOLUNTEER EDUCATION COSTS.

Subdivision 1. **Repayment for volunteer education.** A licensed ambulance service shall be reimbursed by the board for the necessary expense of the initial education of a volunteer ambulance attendant upon successful completion by the attendant of an EMT education course, or a continuing education course for EMT care, or both, which has been approved by the board, pursuant to section 144E.285. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the education course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~\$600~~ \$900 for successful completion of an initial education course, and ~~\$275~~ \$375 for successful completion of a continuing education course.

Subd. 2. **Reimbursement provisions.** Reimbursement ~~will~~ must be paid under provisions of this section when documentation is provided to the board that the individual has served for one year from the date of the final certification exam as an active member of a Minnesota licensed ambulance service.

Sec. 7. **[144E.53] MEDICAL RESOURCE COMMUNICATION CENTER GRANTS.**

The board shall distribute medical resource communication center grants annually to the two medical resource communication centers that were in operation in the state prior to January 1, 2000.

Sec. 8. Minnesota Statutes 2022, section 147.02, subdivision 1, is amended to read:

Subdivision 1. **United States or Canadian medical school graduates.** The board shall issue a license to practice medicine to a person not currently licensed in another state or Canada and who meets the requirements in paragraphs (a) to (i).

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic medical school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed an examination as described in clause (1) or (2).

(1) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the National Board of Medical Examiners, the Federation of State Medical Boards, the Medical Council of Canada, the National Board of Osteopathic Examiners, or the appropriate state board that the board determines acceptable. The board shall by rule determine what constitutes a passing score in the examination.

(2) The applicant taking the United States Medical Licensing Examination (USMLE) or Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA) must have passed steps or levels one, two, and three. Step or level three must be passed within five years of passing step or level two, or before the end of residency training. The applicant must pass each of steps or levels one, two, and three with passing scores as recommended by the USMLE program or National Board of Osteopathic Medical Examiners within three attempts. The applicant taking combinations of Federation of State Medical Boards, National Board of Medical Examiners, and USMLE may be accepted only if the combination is approved by the board as comparable to existing comparable examination sequences and all examinations are completed prior to the year 2000.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board ~~or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.~~

(e) The applicant may make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a nonrefundable fee established by the board. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

- (1) state the dollar amount of the additional costs; and
- (2) clearly identify to the applicant the payment schedule of additional costs.

(g) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(h) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

(i) If the examination in paragraph (c) was passed more than ten years ago, the applicant must either:

(1) pass the special purpose examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(2) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada.

Sec. 9. Minnesota Statutes 2022, section 147.03, subdivision 1, is amended to read:

Subdivision 1. **Endorsement; reciprocity.** (a) The board may issue a license to practice medicine to any person who satisfies the requirements in paragraphs (b) to (e).

(b) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (b), (d), (e), and (f), or section 147.037, subdivision 1, paragraphs (a) to (e).

(c) The applicant shall:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the National Board of Medical Examiners, or the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2); the National Board of Osteopathic Medical Examiners; or the Medical Council of Canada; and

(2) have a current license from the equivalent licensing agency in another state or Canada and, if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards ~~with a score of 75 or better (SPEX)~~ within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or of the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three attempts each of steps or levels one, two, and three of the USMLE ~~within the required three attempts~~ or the Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA), the applicant may be granted a license provided the applicant:

(i) has passed each of steps or levels one, two, and three within no more than four attempts for any of the three steps or levels with passing scores as recommended by the USMLE or COMLEX-USA program ~~within no more than four attempts for any of the three steps~~;

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association ~~Bureau of Professional Education~~, the Royal College of Physicians and Surgeons of Canada, or the College of Family Physicians of Canada.

(d) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(e) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (d). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

(f) Upon the request of an applicant, the board may conduct the final interview of the applicant by teleconference.

Sec. 10. Minnesota Statutes 2022, section 147.037, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The board shall issue a license to practice medicine to any person who satisfies the requirements in paragraphs (a) to (g).

(a) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (e), (f), (g), and (h).

(b) The applicant shall present evidence satisfactory to the board that the applicant is a graduate of a medical or osteopathic school approved by the board as equivalent to accredited United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation, or other relevant data. If the applicant is a graduate of a medical or osteopathic program that is not accredited by the Liaison Committee for Medical Education or the American Osteopathic Association, the applicant may use the Federation of State Medical Boards' Federation Credentials Verification Service (FCVS) or its successor. If the applicant uses this service as allowed under this paragraph, the physician application fee may be less than \$200 but must not exceed the cost of administering this paragraph.

(c) The applicant shall present evidence satisfactory to the board that the applicant has been awarded a certificate by the Educational Council for Foreign Medical Graduates, and the applicant has a working ability in the English language sufficient to communicate with patients and physicians and to engage in the practice of medicine.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board ~~or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization~~. This requirement does not apply to an applicant who is admitted pursuant to the rules of the United States Department of Labor and:

(1) ~~to an applicant who is~~ was admitted as a permanent immigrant to the United States on or before October 1, 1991, as a person of exceptional ability in the sciences according to Code of Federal Regulations, title 20, section 656.22(d); or

(2) ~~to an applicant holding~~ who holds a valid license to practice medicine in another country and was issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability in the field of science or as an outstanding professor or researcher according to Code of Federal Regulations, title 8, section 204.5(h) and (i), or a temporary nonimmigrant visa as a person of extraordinary ability in the field of science according to Code of Federal Regulations, title 8, section 214.2(o);

~~provided that a person under clause (1) or (2) is admitted pursuant to rules of the United States Department of Labor.~~

(e) The applicant must:

(1) have passed an examination prepared and graded by the Federation of State Medical Boards, the United States Medical Licensing Examination (USMLE) program in accordance with section 147.02, subdivision 1, paragraph (c), clause (2), or the Medical Council of Canada; and

(2) if the examination in clause (1) was passed more than ten years ago, either:

(i) pass the Special Purpose Examination of the Federation of State Medical Boards ~~with a score of 75 or better within three attempts~~ (SPEX) or the Comprehensive Osteopathic Medical Variable-Purpose Examination of the National Board of Osteopathic Medical Examiners (COMVEX). The applicant must pass the SPEX or COMVEX within no more than three attempts of taking the SPEX, COMVEX, or a combination of the SPEX and COMVEX; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, ~~of~~ the American Osteopathic Association, ~~of~~ the Royal College of Physicians and Surgeons of Canada, or ~~of~~ the College of Family Physicians of Canada; or

(3) if the applicant fails to meet the requirement established in section 147.02, subdivision 1, paragraph (c), clause (2), because the applicant failed to pass within the permitted three attempts each of steps or levels one, two, and three of the USMLE ~~within the required three attempts~~ or the Comprehensive Osteopathic Medical Licensing Examination (COMLEX-USA), the applicant may be granted a license provided the applicant:

(i) has passed each of steps or levels one, two, and three within no more than four attempts for any of the three steps or levels with passing scores as recommended by the USMLE or COMLEX-USA program ~~within no more than four attempts for any of the three steps;~~

(ii) is currently licensed in another state; and

(iii) has current certification by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association, the Royal College of Physicians and Surgeons of Canada, or the College of Family Physicians of Canada.

(f) The applicant must not be under license suspension or revocation by the licensing board of the state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate.

Sec. 11. Minnesota Statutes 2022, section 147.141, is amended to read:

147.141 FORMS OF DISCIPLINARY ACTION.

When the board finds that a licensed physician or a physician registered under section 147.032 has violated a provision or provisions of sections 147.01 to 147.22, it may do one or more of the following:

- (1) revoke the license;
- (2) suspend the license;
- (3) revoke or suspend registration to perform interstate telehealth;
- (4) impose limitations or conditions on the physician's practice of medicine, including limiting the ~~limitation of~~ scope of practice to designated field specialties; ~~the imposition of~~ imposing retraining or rehabilitation requirements; ~~the requirement of~~ requiring practice under supervision; or ~~the conditioning of~~ continued practice on demonstration of knowledge or skills by appropriate examination or other review of skill and competence;
- (5) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed ~~so as~~ to deprive the physician of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding;
- (6) order the physician to provide unremunerated professional service under supervision at a designated public hospital, clinic, or other health care institution; or
- (7) censure or reprimand the licensed physician.

Sec. 12. Minnesota Statutes 2022, section 147A.16, is amended to read:

147A.16 FORMS OF DISCIPLINARY ACTION.

(a) When the board finds that a licensed physician assistant has violated a provision of this chapter, it may do one or more of the following:

- (1) revoke the license;
- (2) suspend the license;

(3) impose limitations or conditions on the physician assistant's practice, including limiting the scope of practice to designated field specialties; imposing retraining or rehabilitation requirements; or limiting practice until demonstration of knowledge or skills by appropriate examination or other review of skill and competence;

(4) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the physician assistant of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding; or

(5) censure or reprimand the licensed physician assistant.

(b) Upon judicial review of any board disciplinary action taken under this chapter, the reviewing court shall seal the administrative record, except for the board's final decision, and shall not make the administrative record available to the public.

Sec. 13. Minnesota Statutes 2022, section 147B.02, subdivision 4, is amended to read:

Subd. 4. **Exceptions.** (a) The following persons may practice acupuncture within the scope of their practice without an acupuncture license:

(1) a physician licensed under chapter 147;

(2) an osteopathic physician licensed under chapter 147;

(3) a chiropractor licensed under chapter 148;

~~(4) a person who is studying in a formal course of study or tutorial intern program approved by the acupuncture advisory council established in section 147B.05 so long as the person's acupuncture practice is supervised by a licensed acupuncturist or a person who is exempt under clause (5);~~

(4) a person who is studying in a formal course of study so long as the person's acupuncture practice is supervised by a licensed acupuncturist or a person who is exempt under clause (5);

(5) a visiting acupuncturist practicing acupuncture within an instructional setting for the sole purpose of teaching at a school registered with the Minnesota Office of Higher Education, who may practice without a license for a period of one year, with two one-year extensions permitted; and

(6) a visiting acupuncturist who is in the state for the sole purpose of providing a tutorial or workshop not to exceed 30 days in one calendar year.

(b) This chapter does not prohibit a person who does not have an acupuncturist license from practicing specific noninvasive techniques, such as acupressure, that are within the scope of practice as set forth in section 147B.06, subdivision 4.

Sec. 14. Minnesota Statutes 2022, section 147B.02, subdivision 7, is amended to read:

Subd. 7. **Licensure requirements.** (a) ~~After June 30, 1997,~~ An applicant for licensure must:

(1) submit a completed application for licensure on forms provided by the board, which must include the applicant's name and address of record, which shall be public;

(2) unless licensed under subdivision 5 or 6, submit ~~a notarized copy of a~~ evidence satisfactory to the board of current NCCAOM certification;

(3) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(4) submit with the application all fees required; and

(5) sign a waiver authorizing the board to obtain access to the applicant's records in this state or any state in which the applicant has engaged in the practice of acupuncture.

(b) The board may ask the applicant to provide any additional information necessary to ensure that the applicant is able to practice with reasonable skill and safety to the public.

(c) The board may investigate information provided by an applicant to determine whether the information is accurate and complete. The board shall notify an applicant of action taken on the application and the reasons for denying licensure if licensure is denied.

Sec. 15. **[148.635] FEE.**

Subdivision 1. **Nonrefundable fee.** The fee in this section is nonrefundable.

Subd. 2. **Licensure verification fee.** The fee for verification of licensure is \$20.

Sec. 16. Minnesota Statutes 2022, section 148B.392, subdivision 2, is amended to read:

Subd. 2. **Licensure and application fees.** Licensure and application fees established by the board shall not exceed the following amounts:

(1) application fee for national examination is ~~\$140~~ \$150;

(2) application fee for Licensed Marriage and Family Therapist (LMFT) state examination is ~~\$140~~ \$150;

(3) initial LMFT license fee is prorated, but cannot exceed \$125;

(4) annual renewal fee for LMFT license is ~~\$125~~ \$225;

(5) late fee for LMFT license renewal is ~~\$50~~ \$100;

(6) application fee for LMFT licensure by reciprocity is ~~\$220~~ \$300;

(7) fee for initial Licensed Associate Marriage and Family Therapist (LAMFT) license is ~~\$75~~ \$100;

(8) annual renewal fee for LAMFT license is ~~\$75~~ \$100;

(9) late fee for LAMFT renewal is ~~\$25~~ \$50;

(10) fee for reinstatement of license is \$150;

(11) fee for emeritus status is ~~\$125~~ \$225; and

(12) fee for temporary license for members of the military is \$100.

Sec. 17. Minnesota Statutes 2022, section 148F.11, is amended by adding a subdivision to read:

Subd. 2a. **Former students.** (a) A former student may practice alcohol and drug counseling for 90 days from the former student's degree conferral date from an accredited school or educational program or from the last date the former student received credit for an alcohol and drug counseling course from an accredited school or educational program. The former student's practice must be supervised by an alcohol and drug counselor or an alcohol and drug counselor supervisor, as defined in section 245G.11. The former student's practice is limited to the site where the student completed their internship or practicum. A former student must be paid for work performed during the 90-day period.

(b) The former student's right to practice automatically expires after 90 days from the former student's degree conferral date or date of last course credit for an alcohol and drug counseling course, whichever occurs last.

Sec. 18. Minnesota Statutes 2022, section 150A.08, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The board may refuse or by order suspend or revoke, limit or modify by imposing conditions it deems necessary, the license of a dentist, dental therapist, dental hygienist, or dental ~~assistant~~ assistant upon any of the following grounds:

- (1) fraud or deception in connection with the practice of dentistry or the securing of a license certificate;
- (2) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice of dentistry as evidenced by a certified copy of the conviction;
- (3) conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of an offense involving moral turpitude as evidenced by a certified copy of the conviction;
- (4) habitual overindulgence in the use of intoxicating liquors;
- (5) improper or unauthorized prescription, dispensing, administering, or personal or other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter 151, or of any controlled substance as defined in chapter 152;
- (6) conduct unbecoming a person licensed to practice dentistry, dental therapy, dental hygiene, or dental assisting, or conduct contrary to the best interest of the public, as such conduct is defined by the rules of the board;
- (7) gross immorality;
- (8) any physical, mental, emotional, or other disability which adversely affects a dentist's, dental therapist's, dental hygienist's, or dental assistant's ability to perform the service for which the person is licensed;
- (9) revocation or suspension of a license or equivalent authority to practice, or other disciplinary action or denial of a license application taken by a licensing or credentialing authority of another state, territory, or country as evidenced by a certified copy of the licensing authority's order, if the disciplinary action or application denial was based on facts that would provide a basis for disciplinary action under this chapter and if the action was taken only after affording the credentialed person or applicant notice and opportunity to refute the allegations or pursuant to stipulation or other agreement;
- (10) failure to maintain adequate safety and sanitary conditions for a dental office in accordance with the standards established by the rules of the board;

(11) employing, assisting, or enabling in any manner an unlicensed person to practice dentistry;

(12) failure or refusal to attend, testify, and produce records as directed by the board under subdivision 7;

(13) violation of, or failure to comply with, any other provisions of sections 150A.01 to 150A.12, the rules of the Board of Dentistry, or any disciplinary order issued by the board, sections 144.291 to 144.298 or 595.02, subdivision 1, paragraph (d), or for any other just cause related to the practice of dentistry. Suspension, revocation, modification or limitation of any license shall not be based upon any judgment as to therapeutic or monetary value of any individual drug prescribed or any individual treatment rendered, but only upon a repeated pattern of conduct;

(14) knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo; or

(15) aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 19. Minnesota Statutes 2022, section 150A.08, subdivision 5, is amended to read:

Subd. 5. **Medical examinations.** If the board has probable cause to believe that a dentist, dental therapist, dental hygienist, dental assistant, or applicant engages in acts described in subdivision 1, clause (4) or (5), or has a condition described in subdivision 1, clause (8), it shall direct the dentist, dental therapist, dental hygienist, dental assistant, or applicant to submit to a mental or physical examination or a substance use disorder assessment. For the purpose of this subdivision, every dentist, dental therapist, dental hygienist, or dental assistant licensed under this chapter or person submitting an application for a license is deemed to have given consent to submit to a mental or physical examination when directed in writing by the board and to have waived all objections in any proceeding under this section to the admissibility of the examining physician's testimony or examination reports on the ground that they constitute a privileged communication. Failure to submit to an examination without just cause may result in an application being denied or a default and final order being entered without the taking of testimony or presentation of evidence, other than evidence which may be submitted by affidavit, that the licensee or applicant did not submit to the examination. A dentist, dental therapist, dental hygienist, dental assistant, or applicant affected under this section shall at reasonable intervals be afforded an opportunity to demonstrate ability to start or resume the competent practice of dentistry or perform the duties of a dental therapist, dental hygienist, or dental assistant with reasonable skill and safety to patients. In any proceeding under this subdivision, neither the record of proceedings nor the orders entered by the board is admissible, is subject to subpoena, or may be used against the dentist, dental therapist, dental hygienist, dental assistant, or applicant in any proceeding not commenced by the board. Information obtained under this subdivision shall be classified as private pursuant to the Minnesota Government Data Practices Act.

Sec. 20. Minnesota Statutes 2022, section 150A.091, is amended by adding a subdivision to read:

Subd. 23. **Mailing list services.** Each licensee must submit a nonrefundable \$5 fee to request a mailing address list.

Sec. 21. Minnesota Statutes 2022, section 150A.13, subdivision 10, is amended to read:

Subd. 10. **Failure to report.** ~~On or after August 1, 2012,~~ Any person, institution, insurer, or organization that fails to report as required under subdivisions 2 to 6 shall be subject to civil penalties for failing to report as required by law.

Sec. 22. Minnesota Statutes 2022, section 151.01, subdivision 27, is amended to read:

Subd. 27. **Practice of pharmacy.** (a) "Practice of pharmacy" means:

- (1) interpretation and evaluation of prescription drug orders;
- (2) compounding, labeling, and dispensing drugs and devices (except labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices);
- (3) participation in clinical interpretations and monitoring of drug therapy for assurance of safe and effective use of drugs, including the performance of laboratory tests that are waived under the federal Clinical Laboratory Improvement Act of 1988, United States Code, title 42, section 263a et seq., provided that a pharmacist may interpret the results of laboratory tests but may modify drug therapy only pursuant to a protocol or collaborative practice agreement;
- (4) participation in drug and therapeutic device selection; drug administration for first dosage and medical emergencies; intramuscular and subcutaneous drug administration under a prescription drug order; drug regimen reviews; and drug or drug-related research;
- (5) drug administration, through intramuscular and subcutaneous administration used to treat mental illnesses as permitted under the following conditions:
 - (i) upon the order of a prescriber and the prescriber is notified after administration is complete; or
 - (ii) pursuant to a protocol or collaborative practice agreement as defined by section 151.01, subdivisions 27b and 27c, and participation in the initiation, management, modification, administration, and discontinuation of drug therapy is according to the protocol or collaborative practice agreement between the pharmacist and a dentist, optometrist, physician, physician assistant, podiatrist, or veterinarian, or an advanced practice registered nurse authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy or medication administration made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;
- (6) participation in administration of influenza vaccines and vaccines authorized or approved by the United States Food and Drug Administration related to COVID-19 or SARS-CoV-2 to all eligible individuals six years of age and older and all other vaccines to patients 13 years of age and older by written protocol with a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that:

(i) the protocol includes, at a minimum:

(A) the name, dose, and route of each vaccine that may be given;

- (B) the patient population for whom the vaccine may be given;
 - (C) contraindications and precautions to the vaccine;
 - (D) the procedure for handling an adverse reaction;
 - (E) the name, signature, and address of the physician, physician assistant, or advanced practice registered nurse;
 - (F) a telephone number at which the physician, physician assistant, or advanced practice registered nurse can be contacted; and
 - (G) the date and time period for which the protocol is valid;
- (ii) the pharmacist has successfully completed a program approved by the Accreditation Council for Pharmacy Education (ACPE) specifically for the administration of immunizations or a program approved by the board;
 - (iii) the pharmacist utilizes the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;
 - (iv) the pharmacist reports the administration of the immunization to the Minnesota Immunization Information Connection; ~~and~~
 - (v) the pharmacist complies with guidelines for vaccines and immunizations established by the federal Advisory Committee on Immunization Practices, except that a pharmacist does not need to comply with those portions of the guidelines that establish immunization schedules when administering a vaccine pursuant to a valid, patient-specific order issued by a physician licensed under chapter 147, a physician assistant authorized to prescribe drugs under chapter 147A, or an advanced practice registered nurse authorized to prescribe drugs under section 148.235, provided that the order is consistent with the United States Food and Drug Administration approved labeling of the vaccine; and
 - (vi) the pharmacist has a current certificate in cardiopulmonary resuscitation;
- (7) participation in the initiation, management, modification, and discontinuation of drug therapy according to a written protocol or collaborative practice agreement between: (i) one or more pharmacists and one or more dentists, optometrists, physicians, physician assistants, podiatrists, or veterinarians; or (ii) one or more pharmacists and one or more physician assistants authorized to prescribe, dispense, and administer under chapter 147A, or advanced practice registered nurses authorized to prescribe, dispense, and administer under section 148.235. Any changes in drug therapy made pursuant to a protocol or collaborative practice agreement must be documented by the pharmacist in the patient's medical record or reported by the pharmacist to a practitioner responsible for the patient's care;
- (8) participation in the storage of drugs and the maintenance of records;
 - (9) patient counseling on therapeutic values, content, hazards, and uses of drugs and devices;
 - (10) offering or performing those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy;
 - (11) participation in the initiation, management, modification, and discontinuation of therapy with opiate antagonists, as defined in section 604A.04, subdivision 1, pursuant to:
 - (i) a written protocol as allowed under clause (7); or

(ii) a written protocol with a community health board medical consultant or a practitioner designated by the commissioner of health, as allowed under section 151.37, subdivision 13;

(12) prescribing self-administered hormonal contraceptives; nicotine replacement medications; and opiate antagonists for the treatment of an acute opiate overdose pursuant to section 151.37, subdivision 14, 15, or 16; and

(13) participation in the placement of drug monitoring devices according to a prescription, protocol, or collaborative practice agreement.

(b) A pharmacist may delegate the authority to administer vaccines under paragraph (a), clause (6), to a pharmacy technician or pharmacist intern who has completed training in vaccine administration if:

(1) the pharmacy technician or pharmacist intern has successfully completed a program approved by the ACPE specifically for the administration of immunizations or a program approved by the board;

(2) the pharmacy technician or pharmacist intern has a current certificate in cardiopulmonary resuscitation;

(3) the pharmacist intern has the ability, under the direct supervision of a pharmacist, to utilize the Minnesota Immunization Information Connection to assess the immunization status of individuals prior to the administration of vaccines, except when administering influenza vaccines to individuals age nine and older;

(4) the pharmacy technician has completed a minimum of two hours of ACPE-approved, immunization-related continuing pharmacy education as part of the pharmacy technician's two-year continuing education schedule;

(5) the pharmacy technician has completed one of the training programs listed under Minnesota Rules, part 6800.3850, subpart 1h, item B; and

(6) the pharmacy technician or pharmacist intern administering vaccinations is supervised by a licensed pharmacist according to the following requirements:

(i) the supervising pharmacist is readily and immediately available to the immunizing pharmacy technician or pharmacist intern; and

(ii) direct supervision under this clause is provided in person and not through telehealth, as defined under section 62A.673, subdivision 2.

Sec. 23. Minnesota Statutes 2022, section 151.065, subdivision 1, is amended to read:

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

(1) pharmacist licensed by examination, ~~\$175~~ \$210;

(2) pharmacist licensed by reciprocity, ~~\$275~~ \$300;

(3) pharmacy intern, ~~\$50~~ \$75;

(4) pharmacy technician, ~~\$50~~ \$60;

(5) pharmacy, ~~\$260~~ \$300;

(6) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,300;

- (7) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,300;
 - (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,300;
 - (9) drug wholesaler, medical gases, ~~\$5,260~~ \$5,300 for the first facility and ~~\$260~~ \$300 for each additional facility;
 - (10) third-party logistics provider, ~~\$260~~ \$300;
 - (11) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,300;
 - (12) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,300;
 - (13) drug manufacturer, nonlegend or veterinary legend drugs, ~~\$5,260~~ \$5,300;
 - (14) drug manufacturer, medical gases, ~~\$5,260~~ \$5,300 for the first facility and ~~\$260~~ \$300 for each additional facility;
 - (15) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,300;
 - (16) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,300;
 - (17) medical gas dispenser, \$260;
 - (18) controlled substance researcher, ~~\$75~~ \$150; and
 - (19) pharmacy professional corporation, \$150.
- Sec. 24. Minnesota Statutes 2022, section 151.065, subdivision 2, is amended to read:
- Subd. 2. **Original license fee.** The pharmacist original licensure fee, ~~\$175~~ \$210.
- Sec. 25. Minnesota Statutes 2022, section 151.065, subdivision 3, is amended to read:
- Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:
- (1) pharmacist, ~~\$175~~ \$210;
 - (2) pharmacy technician, ~~\$50~~ \$60;
 - (3) pharmacy, ~~\$260~~ \$300;
 - (4) drug wholesaler, legend drugs only, ~~\$5,260~~ \$5,300;
 - (5) drug wholesaler, legend and nonlegend drugs, ~~\$5,260~~ \$5,300;
 - (6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, ~~\$5,260~~ \$5,300;
 - (7) drug wholesaler, medical gases, ~~\$5,260~~ \$5,300 for the first facility and ~~\$260~~ \$300 for each additional facility;
 - (8) third-party logistics provider, ~~\$260~~ \$300;

- (9) drug manufacturer, nonopiate legend drugs only, ~~\$5,260~~ \$5,300;
- (10) drug manufacturer, nonopiate legend and nonlegend drugs, ~~\$5,260~~ \$5,300;
- (11) drug manufacturer, nonlegend, veterinary legend drugs, or both, ~~\$5,260~~ \$5,300;
- (12) drug manufacturer, medical gases, ~~\$5,260~~ \$5,300 for the first facility and ~~\$260~~ \$300 for each additional facility;
- (13) drug manufacturer, also licensed as a pharmacy in Minnesota, ~~\$5,260~~ \$5,300;
- (14) drug manufacturer of opiate-containing controlled substances listed in section 152.02, subdivisions 3 to 5, ~~\$55,260~~ \$55,300;
- (15) medical gas dispenser, \$260;
- (16) controlled substance researcher, ~~\$75~~ \$150; and
- (17) pharmacy professional corporation, ~~\$100~~ \$150.

Sec. 26. Minnesota Statutes 2022, section 151.065, subdivision 4, is amended to read:

Subd. 4. **Miscellaneous fees.** Fees for issuance of affidavits and duplicate licenses and certificates are as follows:

- (1) intern affidavit, ~~\$20~~ \$30;
- (2) duplicate small license, ~~\$20~~ \$30; and
- (3) duplicate large certificate, \$30.

Sec. 27. Minnesota Statutes 2022, section 151.065, subdivision 6, is amended to read:

Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$1,000.

(b) A pharmacy technician who has allowed the technician's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of ~~\$90~~ \$250.

(c) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, third-party logistics provider, or a medical gas dispenser who has allowed the license of the establishment to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears.

(d) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

(e) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 28. Minnesota Statutes 2022, section 151.555, is amended to read:

151.555 ~~PRESCRIPTION DRUG~~ MEDICATION REPOSITORY PROGRAM.

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

(b) "Central repository" means a wholesale distributor that meets the requirements under subdivision 3 and enters into a contract with the Board of Pharmacy in accordance with this section.

(c) "Distribute" means to deliver, other than by administering or dispensing.

(d) "Donor" means:

(1) a health care facility as defined in this subdivision;

(2) a skilled nursing facility licensed under chapter 144A;

(3) an assisted living facility licensed under chapter 144G;

(4) a pharmacy licensed under section 151.19, and located either in the state or outside the state;

(5) a drug wholesaler licensed under section 151.47;

(6) a drug manufacturer licensed under section 151.252; or

(7) an individual at least 18 years of age, provided that the drug or medical supply that is donated was obtained legally and meets the requirements of this section for donation.

(e) "Drug" means any prescription drug that has been approved for medical use in the United States, is listed in the United States Pharmacopoeia or National Formulary, and meets the criteria established under this section for donation; or any over-the-counter medication that meets the criteria established under this section for donation. This definition includes cancer drugs and antirejection drugs, but does not include controlled substances, as defined in section 152.01, subdivision 4, or a prescription drug that can only be dispensed to a patient registered with the drug's manufacturer in accordance with federal Food and Drug Administration requirements.

(f) "Health care facility" means:

(1) a physician's office or health care clinic where licensed practitioners provide health care to patients;

(2) a hospital licensed under section 144.50;

(3) a pharmacy licensed under section 151.19 and located in Minnesota; or

(4) a nonprofit community clinic, including a federally qualified health center; a rural health clinic; public health clinic; or other community clinic that provides health care utilizing a sliding fee scale to patients who are low-income, uninsured, or underinsured.

(g) "Local repository" means a health care facility that elects to accept donated drugs and medical supplies and meets the requirements of subdivision 4.

(h) "Medical supplies" or "supplies" means any prescription ~~and~~ or nonprescription medical supplies needed to administer a ~~prescription~~ drug.

(i) "Original, sealed, unopened, tamper-evident packaging" means packaging that is sealed, unopened, and tamper-evident, including a manufacturer's original unit dose or unit-of-use container, a repackager's original unit dose or unit-of-use container, or unit-dose packaging prepared by a licensed pharmacy according to the standards of Minnesota Rules, part 6800.3750.

(j) "Practitioner" has the meaning given in section 151.01, subdivision 23, except that it does not include a veterinarian.

Subd. 2. **Establishment; contract and oversight.** ~~By January 1, 2020, (a)~~ The Board of Pharmacy shall establish a ~~drug~~ medication repository program, through which donors may donate a drug or medical supply for use by an individual who meets the eligibility criteria specified under subdivision 5.

~~(b)~~ The board shall contract with a central repository that meets the requirements of subdivision 3 to implement and administer the ~~prescription drug~~ medication repository program. The contract must:

(1) require the board to transfer to the central repository any money appropriated by the legislature for the purpose of operating the medication repository program and require the central repository to spend any money transferred only for purposes specified in the contract;

(2) require the central repository to report the following performance measures to the board:

(i) the number of individuals served and the types of medications these individuals received;

(ii) the number of clinics, pharmacies, and long-term care facilities with which the central repository partnered;

(iii) the number and cost of medications accepted for inventory, disposed of, and dispensed to individuals in need; and

(iv) locations within the state to which medications were shipped or delivered; and

(3) require the board to annually audit the expenditure by the central repository of any money appropriated by the legislature and transferred by the board to ensure that this money is used only for purposes specified in the contract.

Subd. 3. **Central repository requirements.** (a) The board may publish a request for proposal for participants who meet the requirements of this subdivision and are interested in acting as the central repository for the ~~drug~~ medication repository program. If the board publishes a request for proposal, it shall follow all applicable state procurement procedures in the selection process. The board may also work directly with the University of Minnesota to establish a central repository.

(b) To be eligible to act as the central repository, the participant must be a wholesale drug distributor located in Minnesota, licensed pursuant to section 151.47, and in compliance with all applicable federal and state statutes, rules, and regulations.

(c) The central repository shall be subject to inspection by the board pursuant to section 151.06, subdivision 1.

(d) The central repository shall comply with all applicable federal and state laws, rules, and regulations pertaining to the ~~drug~~ medication repository program, drug storage, and dispensing. The facility must maintain in good standing any state license or registration that applies to the facility.

Subd. 4. Local repository requirements. (a) To be eligible for participation in the ~~drug~~ medication repository program, a health care facility must agree to comply with all applicable federal and state laws, rules, and regulations pertaining to the ~~drug~~ medication repository program, drug storage, and dispensing. The facility must also agree to maintain in good standing any required state license or registration that may apply to the facility.

(b) A local repository may elect to participate in the program by submitting the following information to the central repository on a form developed by the board and made available on the board's website:

(1) the name, street address, and telephone number of the health care facility and any state-issued license or registration number issued to the facility, including the issuing state agency;

(2) the name and telephone number of a responsible pharmacist or practitioner who is employed by or under contract with the health care facility; and

(3) a statement signed and dated by the responsible pharmacist or practitioner indicating that the health care facility meets the eligibility requirements under this section and agrees to comply with this section.

(c) Participation in the ~~drug~~ medication repository program is voluntary. A local repository may withdraw from participation in the ~~drug~~ medication repository program at any time by providing written notice to the central repository on a form developed by the board and made available on the board's website. The central repository shall provide the board with a copy of the withdrawal notice within ten business days from the date of receipt of the withdrawal notice.

Subd. 5. Individual eligibility and application requirements. (a) To be eligible for the ~~drug~~ medication repository program, an individual must submit to a local repository an intake application form that is signed by the individual and attests that the individual:

(1) is a resident of Minnesota;

(2) is uninsured and is not enrolled in the medical assistance program under chapter 256B or the MinnesotaCare program under chapter 256L, has no prescription drug coverage, or is underinsured;

(3) acknowledges that the drugs or medical supplies to be received through the program may have been donated; and

(4) consents to a waiver of the child-resistant packaging requirements of the federal Poison Prevention Packaging Act.

(b) Upon determining that an individual is eligible for the program, the local repository shall furnish the individual with an identification card. The card shall be valid for one year from the date of issuance and may be used at any local repository. A new identification card may be issued upon expiration once the individual submits a new application form.

(c) The local repository shall send a copy of the intake application form to the central repository by regular mail, facsimile, or secured email within ten days from the date the application is approved by the local repository.

(d) The board shall develop and make available on the board's website an application form and the format for the identification card.

Subd. 6. **Standards and procedures for accepting donations of drugs and supplies.** (a) A donor may donate ~~prescription~~ drugs or medical supplies to the central repository or a local repository if the drug or supply meets the requirements of this section as determined by a pharmacist or practitioner who is employed by or under contract with the central repository or a local repository.

(b) A ~~prescription~~ drug is eligible for donation under the drug medication repository program if the following requirements are met:

(1) the donation is accompanied by a drug medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d);

(2) the drug's expiration date is at least six months after the date the drug was donated. If a donated drug bears an expiration date that is less than six months from the donation date, the drug may be accepted and distributed if the drug is in high demand and can be dispensed for use by a patient before the drug's expiration date;

(3) the drug is in its original, sealed, unopened, tamper-evident packaging that includes the expiration date. Single-unit-dose drugs may be accepted if the single-unit-dose packaging is unopened;

(4) the drug or the packaging does not have any physical signs of tampering, misbranding, deterioration, compromised integrity, or adulteration;

(5) the drug does not require storage temperatures other than normal room temperature as specified by the manufacturer or United States Pharmacopoeia, unless the drug is being donated directly by its manufacturer, a wholesale drug distributor, or a pharmacy located in Minnesota; and

(6) the ~~prescription~~ drug is not a controlled substance.

(c) A medical supply is eligible for donation under the drug medication repository program if the following requirements are met:

(1) the supply has no physical signs of tampering, misbranding, or alteration and there is no reason to believe it has been adulterated, tampered with, or misbranded;

(2) the supply is in its original, unopened, sealed packaging;

(3) the donation is accompanied by a drug medication repository donor form described under paragraph (d) that is signed by an individual who is authorized by the donor to attest to the donor's knowledge in accordance with paragraph (d); and

(4) if the supply bears an expiration date, the date is at least six months later than the date the supply was donated. If the donated supply bears an expiration date that is less than six months from the date the supply was donated, the supply may be accepted and distributed if the supply is in high demand and can be dispensed for use by a patient before the supply's expiration date.

(d) The board shall develop the drug medication repository donor form and make it available on the board's website. The form must state that to the best of the donor's knowledge the donated drug or supply has been properly stored under appropriate temperature and humidity conditions and that the drug or supply has never been opened, used, tampered with, adulterated, or misbranded.

(e) Donated drugs and supplies may be shipped or delivered to the premises of the central repository or a local repository, and shall be inspected by a pharmacist or an authorized practitioner who is employed by or under contract with the repository and who has been designated by the repository to accept donations. A drop box must not be used to deliver or accept donations.

(f) The central repository and local repository shall inventory all drugs and supplies donated to the repository. For each drug, the inventory must include the drug's name, strength, quantity, manufacturer, expiration date, and the date the drug was donated. For each medical supply, the inventory must include a description of the supply, its manufacturer, the date the supply was donated, and, if applicable, the supply's brand name and expiration date.

Subd. 7. Standards and procedures for inspecting and storing donated ~~prescription~~ drugs and supplies.

(a) A pharmacist or authorized practitioner who is employed by or under contract with the central repository or a local repository shall inspect all donated ~~prescription~~ drugs and supplies before the drug or supply is dispensed to determine, to the extent reasonably possible in the professional judgment of the pharmacist or practitioner, that the drug or supply is not adulterated or misbranded, has not been tampered with, is safe and suitable for dispensing, has not been subject to a recall, and meets the requirements for donation. The pharmacist or practitioner who inspects the drugs or supplies shall sign an inspection record stating that the requirements for donation have been met. If a local repository receives drugs and supplies from the central repository, the local repository does not need to reinspect the drugs and supplies.

(b) The central repository and local repositories shall store donated drugs and supplies in a secure storage area under environmental conditions appropriate for the drug or supply being stored. Donated drugs and supplies may not be stored with nondonated inventory.

(c) The central repository and local repositories shall dispose of all ~~prescription~~ drugs and medical supplies that are not suitable for donation in compliance with applicable federal and state statutes, regulations, and rules concerning hazardous waste.

(d) In the event that controlled substances or ~~prescription~~ drugs that can only be dispensed to a patient registered with the drug's manufacturer are shipped or delivered to a central or local repository for donation, the shipment delivery must be documented by the repository and returned immediately to the donor or the donor's representative that provided the drugs.

(e) Each repository must develop drug and medical supply recall policies and procedures. If a repository receives a recall notification, the repository shall destroy all of the drug or medical supply in its inventory that is the subject of the recall and complete a record of destruction form in accordance with paragraph (f). If a drug or medical supply that is the subject of a Class I or Class II recall has been dispensed, the repository shall immediately notify the recipient of the recalled drug or medical supply. A drug that potentially is subject to a recall need not be destroyed if its packaging bears a lot number and that lot of the drug is not subject to the recall. If no lot number is on the drug's packaging, it must be destroyed.

(f) A record of destruction of donated drugs and supplies that are not dispensed under subdivision 8, are subject to a recall under paragraph (e), or are not suitable for donation shall be maintained by the repository for at least two years. For each drug or supply destroyed, the record shall include the following information:

- (1) the date of destruction;
- (2) the name, strength, and quantity of the drug destroyed; and
- (3) the name of the person or firm that destroyed the drug.

Subd. 8. **Dispensing requirements.** (a) Donated drugs and supplies may be dispensed if the drugs or supplies are prescribed by a practitioner for use by an eligible individual and are dispensed by a pharmacist or practitioner. A repository shall dispense drugs and supplies to eligible individuals in the following priority order: (1) individuals who are uninsured; (2) individuals with no prescription drug coverage; and (3) individuals who are underinsured. A repository shall dispense donated ~~prescription~~ drugs in compliance with applicable federal and state laws and regulations for dispensing ~~prescription~~ drugs, including all requirements relating to packaging, labeling, record keeping, drug utilization review, and patient counseling.

(b) Before dispensing or administering a drug or supply, the pharmacist or practitioner shall visually inspect the drug or supply for adulteration, misbranding, tampering, and date of expiration. Drugs or supplies that have expired or appear upon visual inspection to be adulterated, misbranded, or tampered with in any way must not be dispensed or administered.

(c) Before a drug or supply is dispensed or administered to an individual, the individual must sign a drug repository recipient form acknowledging that the individual understands the information stated on the form. The board shall develop the form and make it available on the board's website. The form must include the following information:

(1) that the drug or supply being dispensed or administered has been donated and may have been previously dispensed;

(2) that a visual inspection has been conducted by the pharmacist or practitioner to ensure that the drug or supply has not expired, has not been adulterated or misbranded, and is in its original, unopened packaging; and

(3) that the dispensing pharmacist, the dispensing or administering practitioner, the central repository or local repository, the Board of Pharmacy, and any other participant of the drug medication repository program cannot guarantee the safety of the drug or medical supply being dispensed or administered and that the pharmacist or practitioner has determined that the drug or supply is safe to dispense or administer based on the accuracy of the donor's form submitted with the donated drug or medical supply and the visual inspection required to be performed by the pharmacist or practitioner before dispensing or administering.

Subd. 9. **Handling fees.** (a) The central or local repository may charge the individual receiving a drug or supply a handling fee of no more than 250 percent of the medical assistance program dispensing fee for each drug or medical supply dispensed or administered by that repository.

(b) A repository that dispenses or administers a drug or medical supply through the drug medication repository program shall not receive reimbursement under the medical assistance program or the MinnesotaCare program for that dispensed or administered drug or supply.

Subd. 10. **Distribution of donated drugs and supplies.** (a) The central repository and local repositories may distribute drugs and supplies donated under the drug medication repository program to other participating repositories for use pursuant to this program.

(b) A local repository that elects not to dispense donated drugs or supplies must transfer all donated drugs and supplies to the central repository. A copy of the donor form that was completed by the original donor under subdivision 6 must be provided to the central repository at the time of transfer.

Subd. 11. **Forms and record-keeping requirements.** (a) The following forms developed for the administration of this program shall be utilized by the participants of the program and shall be available on the board's website:

(1) intake application form described under subdivision 5;

- (2) local repository participation form described under subdivision 4;
- (3) local repository withdrawal form described under subdivision 4;
- (4) ~~drug~~ medication repository donor form described under subdivision 6;
- (5) record of destruction form described under subdivision 7; and
- (6) ~~drug~~ medication repository recipient form described under subdivision 8.

(b) All records, including drug inventory, inspection, and disposal of donated ~~prescription~~ drugs and medical supplies, must be maintained by a repository for a minimum of two years. Records required as part of this program must be maintained pursuant to all applicable practice acts.

(c) Data collected by the ~~drug~~ medication repository program from all local repositories shall be submitted quarterly or upon request to the central repository. Data collected may consist of the information, records, and forms required to be collected under this section.

(d) The central repository shall submit reports to the board as required by the contract or upon request of the board.

Subd. 12. **Liability.** (a) The manufacturer of a drug or supply is not subject to criminal or civil liability for injury, death, or loss to a person or to property for causes of action described in clauses (1) and (2). A manufacturer is not liable for:

- (1) the intentional or unintentional alteration of the drug or supply by a party not under the control of the manufacturer; or
- (2) the failure of a party not under the control of the manufacturer to transfer or communicate product or consumer information or the expiration date of the donated drug or supply.

(b) A health care facility participating in the program, a pharmacist dispensing a drug or supply pursuant to the program, a practitioner dispensing or administering a drug or supply pursuant to the program, or a donor of a drug or medical supply is immune from civil liability for an act or omission that causes injury to or the death of an individual to whom the drug or supply is dispensed and no disciplinary action by a health-related licensing board shall be taken against a pharmacist or practitioner so long as the drug or supply is donated, accepted, distributed, and dispensed according to the requirements of this section. This immunity does not apply if the act or omission involves reckless, wanton, or intentional misconduct, or malpractice unrelated to the quality of the drug or medical supply.

Subd. 13. **Drug returned for credit.** Nothing in this section allows a long-term care facility to donate a drug to a central or local repository when federal or state law requires the drug to be returned to the pharmacy that initially dispensed it, so that the pharmacy can credit the payer for the amount of the drug returned.

Subd. 14. **Cooperation.** The central repository, as approved by the Board of Pharmacy, may enter into an agreement with another state that has an established drug repository or drug donation program if the other state's program includes regulations to ensure the purity, integrity, and safety of the drugs and supplies donated, to permit the central repository to offer to another state program inventory that is not needed by a Minnesota resident and to accept inventory from another state program to be distributed to local repositories and dispensed to Minnesota residents in accordance with this program.

Subd. 15. **Funding.** The central repository may seek grants and other money from nonprofit charitable organizations, the federal government, and other sources to fund the ongoing operations of the medication repository program.

Sec. 29. **[245A.245] CHILDREN'S RESIDENTIAL FACILITY SUBSTANCE USE DISORDER TREATMENT PROGRAMS.**

Subdivision 1. **Applicability.** A license holder of a children's residential facility substance use disorder treatment program license issued under this chapter and Minnesota Rules, parts 2960.0010 to 2960.0220 and 2960.0430 to 2960.0490, must comply with this section.

Subd. 2. **Former students.** (a) "Alcohol and drug counselor" means an individual qualified according to Minnesota Rules, part 2960.0460, subpart 5.

(b) "Former student" means an individual that meets the requirements in section 148F.11, subdivision 2a, to practice as a former student.

(c) An alcohol and drug counselor must supervise and be responsible for a treatment service performed by a former student and must review and sign each assessment, individual treatment plan, progress note, and treatment plan review prepared by a former student.

(d) A former student must receive the orientation and training required for permanent staff members.

Sec. 30. Minnesota Statutes 2022, section 245G.01, is amended by adding a subdivision to read:

Subd. 13c. **Former student.** "Former student" means a staff person that meets the requirements in section 148F.11, subdivision 2a, to practice as a former student.

Sec. 31. Minnesota Statutes 2022, section 245G.11, subdivision 10, is amended to read:

Subd. 10. **Student interns and former students.** (a) A qualified staff member must supervise and be responsible for a treatment service performed by a student intern and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by a student intern.

(b) An alcohol and drug counselor must supervise and be responsible for a treatment service performed by a former student and must review and sign each assessment, individual treatment plan, and treatment plan review prepared by the former student.

(c) A student intern or former student must receive the orientation and training required in section 245G.13, subdivisions 1, clause (7), and 2. No more than 50 percent of the treatment staff may be students, former students, or licensing candidates with time documented to be directly related to the provision of treatment services for which the staff are authorized.

Sec. 32. **REPEALER.**

Minnesota Rules, parts 5610.0100; 5610.0200; and 5610.0300, are repealed.

ARTICLE 6
BACKGROUND STUDIES

Section 1. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 7a. **Conservator.** "Conservator" has the meaning given under section 524.1-201, clause (10), and includes proposed and current conservators.

Sec. 2. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 11f. **Guardian.** "Guardian" has the meaning given under section 524.1-201, clause (27), and includes proposed and current guardians.

Sec. 3. Minnesota Statutes 2022, section 245C.02, subdivision 13e, is amended to read:

Subd. 13e. **NETStudy 2.0.** "NETStudy 2.0" means the commissioner's system that replaces both NETStudy and the department's internal background study processing system. NETStudy 2.0 is designed to enhance protection of children and vulnerable adults by improving the accuracy of background studies through fingerprint-based criminal record checks and expanding the background studies to include a review of information from the Minnesota Court Information System and the national crime information database. NETStudy 2.0 is also designed to increase efficiencies in and the speed of the hiring process by:

- (1) providing access to and updates from public web-based data related to employment eligibility;
- (2) decreasing the need for repeat studies through electronic updates of background study subjects' criminal records;
- (3) supporting identity verification using subjects' Social Security numbers and photographs;
- (4) using electronic employer notifications; ~~and~~
- (5) issuing immediate verification of subjects' eligibility to provide services as more studies are completed under the NETStudy 2.0 system; and
- (6) providing electronic access to certain notices for entities and background study subjects.

Sec. 4. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background study on:

- (1) the person or persons applying for a license;
- (2) an individual age 13 and over living in the household where the licensed program will be provided who is not receiving licensed services from the program;
- (3) current or prospective employees or contractors of the applicant who will have direct contact with persons served by the facility, agency, or program;
- (4) volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause (1) or (3);
- (5) an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
- (6) an individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
- (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

(8) notwithstanding the other requirements in this subdivision, child care background study subjects as defined in section 245C.02, subdivision 6a; and

(9) notwithstanding clause (3), for children's residential facilities and foster residence settings, any adult working in the facility, whether or not the individual will have direct contact with persons served by the facility.

(b) For child foster care when the license holder resides in the home where foster care services are provided, a short-term substitute caregiver providing direct contact services for a child for less than 72 hours of continuous care is not required to receive a background study under this chapter.

(c) This subdivision applies to the following programs that must be licensed under chapter 245A:

(1) adult foster care;

(2) child foster care;

(3) children's residential facilities;

(4) family child care;

(5) licensed child care centers;

(6) licensed home and community-based services under chapter 245D;

(7) residential mental health programs for adults;

(8) substance use disorder treatment programs under chapter 245G;

(9) withdrawal management programs under chapter 245F;

(10) adult day care centers;

(11) family adult day services;

(12) independent living assistance for youth;

(13) detoxification programs;

(14) community residential settings; ~~and~~

(15) intensive residential treatment services and residential crisis stabilization under chapter 245I; and

(16) treatment programs for persons with sexual psychopathic personality or sexually dangerous persons, licensed under chapter 245A and according to Minnesota Rules, parts 9515.3000 to 9515.3110.

Sec. 5. [245C.033] GUARDIANS AND CONSERVATORS; MALTREATMENT AND STATE LICENSING AGENCY CHECKS.

Subdivision 1. Maltreatment data. Requests for maltreatment data submitted pursuant to section 524.5-118 must include information regarding whether the guardian or conservator has been a perpetrator of substantiated maltreatment of a vulnerable adult under section 626.557 or a minor under chapter 260E. If the guardian or

conservator has been the perpetrator of substantiated maltreatment of a vulnerable adult or a minor, the commissioner must include a copy of any available public portion of the investigation memorandum under section 626.557, subdivision 12b, or any available public portion of the investigation memorandum under section 260E.30.

Subd. 2. **State licensing agency data.** (a) Requests for state licensing agency data submitted pursuant to section 524.5-118 shall include information from a check of state licensing agency records.

(b) The commissioner shall provide the court with licensing agency data for licenses directly related to the responsibilities of a guardian or conservator if the guardian or conservator has a current or prior affiliation with the:

- (1) Lawyers Responsibility Board;
- (2) State Board of Accountancy;
- (3) Board of Social Work;
- (4) Board of Psychology;
- (5) Board of Nursing;
- (6) Board of Medical Practice;
- (7) Department of Education;
- (8) Department of Commerce;
- (9) Board of Chiropractic Examiners;
- (10) Board of Dentistry;
- (11) Board of Marriage and Family Therapy;
- (12) Department of Human Services;
- (13) Peace Officer Standards and Training (POST) Board; or
- (14) Professional Educator Licensing and Standards Board.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the guardian or conservator is or has been licensed by the agency and whether a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation, is in the licensing agency's database.

Subd. 3. **Procedure; maltreatment and state licensing agency data.** Requests for maltreatment and state licensing agency data checks must be submitted by the guardian or conservator to the commissioner on the form or in the manner prescribed by the commissioner. Upon receipt of a signed informed consent and payment under section 245C.10, the commissioner shall complete the maltreatment and state licensing agency checks. Upon completion of the checks, the commissioner shall provide the requested information to the courts on the form or in the manner prescribed by the commissioner.

Subd. 4. **Classification of maltreatment and state licensing agency data; access to information.** All data obtained by the commissioner for maltreatment and state licensing agency checks completed under this section are classified as private data.

Sec. 6. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

Subdivision 1. **Individual studied.** (a) The individual who is the subject of the background study must provide the applicant, license holder, or other entity under section 245C.04 with sufficient information to ensure an accurate study, including:

- (1) the individual's first, middle, and last name and all other names by which the individual has been known;
- (2) current home address, city, and state of residence;
- (3) current zip code;
- (4) sex;
- (5) date of birth;
- (6) driver's license number or state identification number; and

(7) upon implementation of NETStudy 2.0, the home address, city, county, and state of residence for the past five years.

(b) Every subject of a background study conducted or initiated by counties or private agencies under this chapter must also provide the home address, city, county, and state of residence for the past five years.

(c) Every subject of a background study related to private agency adoptions or related to child foster care licensed through a private agency, who is 18 years of age or older, shall also provide the commissioner a signed consent for the release of any information received from national crime information databases to the private agency that initiated the background study.

(d) The subject of a background study shall provide fingerprints and a photograph as required in subdivision 5.

(e) The subject of a background study shall submit a completed criminal and maltreatment history records check consent form for applicable national and state level record checks.

(f) A background study subject who has access to the NETStudy 2.0 applicant portal must provide updated contact information to the commissioner via NETStudy 2.0 any time their personal information changes for as long as they remain affiliated on any roster.

(g) An entity must update contact information in NETStudy 2.0 for a background study subject on the entity's roster any time the entity receives new contact information from the study subject.

Sec. 7. Minnesota Statutes 2022, section 245C.05, subdivision 4, is amended to read:

Subd. 4. **Electronic transmission.** (a) For background studies conducted by the Department of Human Services, the commissioner shall implement a secure system for the electronic transmission of:

- (1) background study information to the commissioner;

(2) background study results to the license holder;

(3) background study information obtained under this section and section 245C.08 to counties and private agencies for background studies conducted by the commissioner for child foster care, including a summary of nondisqualifying results, except as prohibited by law; and

(4) background study results to county agencies for background studies conducted by the commissioner for adult foster care and family adult day services and, upon implementation of NETStudy 2.0, family child care and legal nonlicensed child care authorized under chapter 119B.

(b) Unless the commissioner has granted a hardship variance under paragraph (c), a license holder or an applicant must use the electronic transmission system known as NETStudy or NETStudy 2.0 to submit all requests for background studies to the commissioner as required by this chapter.

(c) A license holder or applicant whose program is located in an area in which high-speed Internet is inaccessible may request the commissioner to grant a variance to the electronic transmission requirement.

(d) Section 245C.08, subdivision 3, paragraph (c), applies to results transmitted under this subdivision.

(e) The background study subject shall access background study-related documents electronically in the applicant portal. A background study subject may request the commissioner to grant a variance to the requirement to access documents electronically in the NETStudy 2.0 applicant portal, and maintains the ability to request paper documentation of their background studies.

Sec. 8. Minnesota Statutes 2022, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by Department of Human Services.** (a) For a background study conducted by the Department of Human Services, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (j);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

(4) information from the Bureau of Criminal Apprehension, including information regarding a background study subject's registration in Minnesota as a predatory offender under section 243.166;

(5) except as provided in clause (6), information received as a result of submission of fingerprints for a national criminal history record check, as defined in section 245C.02, subdivision 13c, when the commissioner has reasonable cause for a national criminal history record check as defined under section 245C.02, subdivision 15a, or as required under section 144.057, subdivision 1, clause (2);

(6) for a background study related to a child foster family setting application for licensure, foster residence settings, children's residential facilities, a transfer of permanent legal and physical custody of a child under sections 260C.503 to 260C.515, or adoptions, and for a background study required for family child care, certified license-exempt child care, child care centers, and legal nonlicensed child care authorized under chapter 119B, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided for the past five years;

(ii) when the background study subject is 18 years of age or older, or a minor under section 245C.05, subdivision 5a, paragraph (c), information received following submission of fingerprints for a national criminal history record check; and

(iii) when the background study subject is 18 years of age or older or a minor under section 245C.05, subdivision 5a, paragraph (d), for licensed family child care, certified license-exempt child care, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, information obtained using non-fingerprint-based data including information from the criminal and sex offender registries for any state in which the background study subject resided for the past five years and information from the national crime information database and the national sex offender registry; and

(7) for a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care authorized under chapter 119B, the background study shall also include, to the extent practicable, a name and date-of-birth search of the National Sex Offender Public website.

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

(c) The commissioner shall also review criminal case information received according to section 245C.04, subdivision 4a, from the Minnesota court information system that relates to individuals who have already been studied under this chapter and who remain affiliated with the agency that initiated the background study.

(d) When the commissioner has reasonable cause to believe that the identity of a background study subject is uncertain, the commissioner may require the subject to provide a set of classifiable fingerprints for purposes of completing a fingerprint-based record check with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph shall not be saved by the commissioner after they have been used to verify the identity of the background study subject against the particular criminal record in question.

(e) The commissioner may inform the entity that initiated a background study under NETStudy 2.0 of the status of processing of the subject's fingerprints.

(f) For a background study required for treatment programs for sexual psychopathic personality or sexually dangerous persons, the background study shall only include a review of the information required under paragraph (a), clauses (1), (2), (3), and (4).

Sec. 9. Minnesota Statutes 2022, section 245C.10, subdivision 1d, is amended to read:

Subd. 1d. **State; national criminal history record check fees.** The commissioner may increase background study fees as necessary, commensurate with an increase in state Bureau of Criminal Apprehension or the national criminal history record check ~~fee fees~~. ~~The commissioner shall report any fee increase under this subdivision to the legislature during the legislative session following the fee increase, so that the legislature may consider adoption of the fee increase into statute. By July 1 of every year, background study fees shall be set at the amount adopted by the legislature under this section.~~

Sec. 10. Minnesota Statutes 2022, section 245C.10, subdivision 2, is amended to read:

Subd. 2. **Supplemental nursing services agencies.** The commissioner shall recover the cost of the background studies initiated by supplemental nursing services agencies registered under section 144A.71, subdivision 1, through a fee of no more than ~~\$42~~ \$44 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 11. Minnesota Statutes 2022, section 245C.10, subdivision 2a, is amended to read:

Subd. 2a. **Occupations regulated by commissioner of health.** The commissioner shall set fees to recover the cost of combined background studies and criminal background checks initiated by applicants, licensees, and certified practitioners regulated under sections 148.511 to 148.5198 and chapter 153A through a fee of no more than \$44 per study charged to the entity. The fees collected under this subdivision shall be deposited in the special revenue fund and are appropriated to the commissioner for the purpose of conducting background studies and criminal background checks.

Sec. 12. Minnesota Statutes 2022, section 245C.10, subdivision 3, is amended to read:

Subd. 3. **Personal care provider organizations.** The commissioner shall recover the cost of background studies initiated by a personal care provider organization under sections 256B.0651 to 256B.0654 and 256B.0659 through a fee of no more than ~~\$42~~ \$44 per study charged to the organization responsible for submitting the background study form. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 13. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

Subd. 4. **Temporary personnel agencies, educational programs, and professional services agencies.** The commissioner shall recover the cost of the background studies initiated by temporary personnel agencies, educational programs, and professional services agencies that initiate background studies under section 245C.03, subdivision 4, through a fee of no more than ~~\$42~~ \$44 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 14. Minnesota Statutes 2022, section 245C.10, subdivision 5, is amended to read:

Subd. 5. **Adult foster care and family adult day services.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 1, for the purposes of adult foster care and family adult day services licensing, through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 15. Minnesota Statutes 2022, section 245C.10, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities.** The commissioner shall recover the cost of background studies initiated by unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities under section 256B.4912 through a fee of no more than ~~\$42~~ \$44 per study.

Sec. 16. Minnesota Statutes 2022, section 245C.10, subdivision 8, is amended to read:

Subd. 8. **Children's therapeutic services and supports providers.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 7, for the purposes of children's therapeutic services and supports under section 256B.0943, through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 17. Minnesota Statutes 2022, section 245C.10, subdivision 9, is amended to read:

Subd. 9. **Human services licensed programs.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 1, for all programs that are licensed by the commissioner, except child foster care when the applicant or license holder resides in the home where child foster care services are provided, family child care, child care centers, certified license-exempt child care centers, and legal nonlicensed child care authorized under chapter 119B, through a fee of no more than ~~\$42~~ \$44 per study charged to the license holder. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 18. Minnesota Statutes 2022, section 245C.10, subdivision 9a, is amended to read:

Subd. 9a. **Child care programs.** The commissioner shall recover the cost of a background study required for family child care, certified license-exempt child care centers, licensed child care centers, and legal nonlicensed child care providers authorized under chapter 119B through a fee of no more than ~~\$40~~ \$44 per study charged to the license holder. A fee of no more than ~~\$42~~ \$44 per study shall be charged for studies conducted under section 245C.05, subdivision 5a, paragraph (a). The fees collected under this subdivision are appropriated to the commissioner to conduct background studies.

Sec. 19. Minnesota Statutes 2022, section 245C.10, subdivision 10, is amended to read:

Subd. 10. **Community first services and supports organizations.** The commissioner shall recover the cost of background studies initiated by an agency-provider delivering services under section 256B.85, subdivision 11, or a financial management services provider providing service functions under section 256B.85, subdivision 13, through a fee of no more than ~~\$42~~ \$44 per study, charged to the organization responsible for submitting the background study form. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 20. Minnesota Statutes 2022, section 245C.10, subdivision 11, is amended to read:

Subd. 11. **Providers of housing support.** The commissioner shall recover the cost of background studies initiated by providers of housing support under section 256I.04 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 21. Minnesota Statutes 2022, section 245C.10, subdivision 12, is amended to read:

Subd. 12. **Child protection workers or social services staff having responsibility for child protective duties.** The commissioner shall recover the cost of background studies initiated by county social services agencies and local welfare agencies for individuals who are required to have a background study under section 260E.36, subdivision 3, through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 22. Minnesota Statutes 2022, section 245C.10, subdivision 13, is amended to read:

Subd. 13. **Providers of special transportation service.** The commissioner shall recover the cost of background studies initiated by providers of special transportation service under section 174.30 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 23. Minnesota Statutes 2022, section 245C.10, subdivision 14, is amended to read:

Subd. 14. **Children's residential facilities.** The commissioner shall recover the cost of background studies initiated by a licensed children's residential facility through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the commissioner for purposes of conducting background studies.

Sec. 24. Minnesota Statutes 2022, section 245C.10, subdivision 15, is amended to read:

Subd. 15. **Guardians and conservators.** The commissioner shall recover the cost of conducting ~~background studies~~ maltreatment and state licensing agency checks for guardians and conservators under section ~~524.5-118~~ 245C.033 through a fee of no more than ~~\$110 per study~~ \$50. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting ~~background studies~~ maltreatment and state licensing agency checks. ~~The fee for conducting an alternative background study for appointment of a professional guardian or conservator must be paid by the guardian or conservator. In other cases, the fee must be paid as follows: must be paid directly to and in the manner prescribed by the commissioner before any maltreatment and state licensing agency checks under section 245C.033 may be conducted.~~

~~(1) if the matter is proceeding in forma pauperis, the fee must be paid as an expense for purposes of section 524.5-502, paragraph (a);~~

~~(2) if there is an estate of the ward or protected person, the fee must be paid from the estate; or~~

~~(3) in the case of a guardianship or conservatorship of a person that is not proceeding in forma pauperis, the fee must be paid by the guardian, conservator, or the court.~~

Sec. 25. Minnesota Statutes 2022, section 245C.10, subdivision 16, is amended to read:

Subd. 16. **Providers of housing support services.** The commissioner shall recover the cost of background studies initiated by providers of housing support services under section 256B.051 through a fee of no more than ~~\$42~~ \$44 per study. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 26. Minnesota Statutes 2022, section 245C.10, subdivision 17, is amended to read:

Subd. 17. **Early intensive developmental and behavioral intervention providers.** The commissioner shall recover the cost of background studies required under section 245C.03, subdivision 15, for the purposes of early intensive developmental and behavioral intervention under section 256B.0949, through a fee of no more than ~~\$42~~ \$44 per study charged to the enrolled agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 27. Minnesota Statutes 2022, section 245C.10, subdivision 20, is amended to read:

Subd. 20. **Professional Educators Licensing Standards Board.** The commissioner shall recover the cost of background studies initiated by the Professional Educators Licensing Standards Board through a fee of no more than ~~\$51~~ \$53 per study. Fees collected under this subdivision are appropriated to the commissioner for purposes of conducting background studies.

Sec. 28. Minnesota Statutes 2022, section 245C.10, subdivision 21, is amended to read:

Subd. 21. **Board of School Administrators.** The commissioner shall recover the cost of background studies initiated by the Board of School Administrators through a fee of no more than ~~\$54~~ \$53 per study. Fees collected under this subdivision are appropriated to the commissioner for purposes of conducting background studies.

Sec. 29. Minnesota Statutes 2022, section 245C.10, is amended by adding a subdivision to read:

Subd. 22. **Tribal organizations.** The commissioner shall recover the cost of background studies initiated by Tribal organizations under section 245C.34 for adoption and child foster care. The fee amount shall be established through interagency agreements between the commissioner and Tribal organizations or their designees. The fees collected under this subdivision shall be deposited in the special revenue fund and are appropriated to the commissioner for the purpose of conducting background studies and criminal background checks.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 30. Minnesota Statutes 2022, section 245C.32, subdivision 2, is amended to read:

Subd. 2. **Use.** (a) The commissioner may also use these systems and records to obtain and provide criminal history data from the Bureau of Criminal Apprehension, criminal history data held by the commissioner, and data about substantiated maltreatment under section 626.557 or chapter 260E, for other purposes, provided that:

(1) the background study is specifically authorized in statute; or

(2) the request is made with the informed consent of the subject of the study as provided in section 13.05, subdivision 4.

(b) An individual making a request under paragraph (a), clause (2), must agree in writing not to disclose the data to any other individual without the consent of the subject of the data.

(c) The commissioner may use these systems to share background study documentation electronically with entities and individuals who are the subject of a background study.

~~(e) (d)~~ The commissioner may recover the cost of obtaining and providing background study data by charging the individual or entity requesting the study a fee of no more than ~~\$42 per study~~ as described in section 245C.10. The fees collected under this paragraph are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 31. Minnesota Statutes 2022, section 524.5-118, is amended to read:

524.5-118 BACKGROUND STUDY MALTREATMENT AND STATE LICENSING AGENCY CHECKS; CRIMINAL HISTORY CHECK.

Subdivision 1. **When required; exception.** (a) The court shall require ~~a background study~~ maltreatment and state licensing agency checks and a criminal history check under this section:

(1) before the appointment of a guardian or conservator, unless ~~a background study has~~ maltreatment and state licensing agency checks and a criminal history check have been done on the person under this section within the previous five years; and

(2) once every five years after the appointment, if the person continues to serve as a guardian or conservator.

(b) The background study maltreatment and state licensing agency checks and criminal history check under this section must include:

(1) ~~criminal history data from the Bureau of Criminal Apprehension, other criminal history data held by the commissioner of human services, and data regarding whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult or minor;~~

(2) ~~criminal history data from a national criminal history record check as defined in section 245C.02, subdivision 13e; and~~

(3) ~~state licensing agency data if a search of the database or databases of the agencies listed in subdivision 2a shows that the proposed guardian or conservator has ever held a professional license directly related to the responsibilities of a professional fiduciary from an agency listed in subdivision 2a that was conditioned, suspended, revoked, or canceled; and~~

(4) data regarding whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult or minor.

(c) If the guardian or conservator is not an individual, the ~~background study~~ maltreatment and state licensing agency checks and criminal history check must be done on all individuals currently employed by the proposed guardian or conservator who will be responsible for exercising powers and duties under the guardianship or conservatorship.

(d) Notwithstanding paragraph (a), if the court determines that it would be in the best interests of the person subject to guardianship or conservatorship to appoint a guardian or conservator before the ~~background study maltreatment and state licensing agency checks and criminal history check~~ can be completed, the court may make the appointment pending the results of the ~~study checks~~, however, the ~~background study maltreatment and state licensing agency checks and criminal history check~~ must then be completed as soon as reasonably possible after appointment, ~~no later than 30 days after appointment.~~

(e) ~~The fee fees for background studies~~ the maltreatment and state licensing agency checks and the criminal history check conducted under this section ~~is are~~ specified in ~~section sections~~ 245C.10, subdivision 14 15, and 299C.10, subdivisions 4 and 5. The ~~fee fees~~ for conducting ~~a background study the checks~~ for appointment of a professional guardian or conservator must be paid by the guardian or conservator. In other cases, the fee must be paid as follows:

(1) if the matter is proceeding in forma pauperis, the fee is an expense for purposes of section 524.5-502, paragraph (a);

(2) if there is an estate of the person subject to guardianship or conservatorship, the fee must be paid from the estate; or

(3) in the case of a guardianship or conservatorship of the person that is not proceeding in forma pauperis, the court may order that the fee be paid by the guardian or conservator or by the court.

(f) The requirements of this subdivision do not apply if the guardian or conservator is:

(1) a state agency or county;

(2) a parent or guardian of a person proposed to be subject to guardianship or conservatorship who has a developmental disability, if the parent or guardian has raised the person proposed to be subject to guardianship or conservatorship in the family home until the time the petition is filed, unless counsel appointed for the person proposed to be subject to guardianship or conservatorship under section 524.5-205, paragraph (e); 524.5-304, paragraph (b); 524.5-405, paragraph (a); or 524.5-406, paragraph (b), recommends a background study check; or

(3) a bank with trust powers, bank and trust company, or trust company, organized under the laws of any state or of the United States and which is regulated by the commissioner of commerce or a federal regulator.

Subd. 2. **Procedure; maltreatment and state licensing agency checks and criminal history and maltreatment records background check.** (a) ~~The court guardian or conservator shall request that the commissioner of human services to~~ Bureau of Criminal Apprehension complete a ~~background study under section 245C.32~~ criminal history check. The request must be accompanied by the applicable fee and acknowledgment that the ~~study subject guardian or conservator~~ received a privacy notice ~~required under subdivision 3~~. ~~The commissioner of human services Bureau of Criminal Apprehension shall conduct a national criminal history record check. The study subject guardian or conservator shall submit a set of classifiable fingerprints. The fingerprints must be recorded on a fingerprint card provided by the commissioner of human services Bureau of Criminal Apprehension.~~

(b) ~~The commissioner of human services Bureau of Criminal Apprehension shall provide the court with criminal history data as defined in section 13.87 from the Bureau of Criminal Apprehension in the Department of Public Safety, other criminal history data held by the commissioner of human services, data regarding substantiated maltreatment of vulnerable adults under section 626.557, and substantiated maltreatment of minors under chapter 260E, and criminal history information from other states or jurisdictions as indicated from a national criminal history record check within 20 working days of receipt of a request. In accordance with section 245C.033, the commissioner of human services shall provide the court with data regarding substantiated maltreatment of vulnerable adults under section 626.557, and substantiated maltreatment of minors under chapter 260E within 25 working days of receipt of a request. If the subject of the study guardian or conservator has been the perpetrator of substantiated maltreatment of a vulnerable adult or minor, the response must include a copy of the any available public portion of the investigation memorandum under section 626.557, subdivision 12b, or the any available public portion of the investigation memorandum under section 260E.30. The commissioner shall provide the court with information from a review of information according to subdivision 2a if the study subject provided information indicating current or prior affiliation with a state licensing agency.~~

(c) Notwithstanding section 260E.30 or 626.557, subdivision 12b, if the commissioner of human services or a county lead agency or lead investigative agency has information that a person ~~on whom a background study was previously done~~ under this section has been determined to be a perpetrator of maltreatment of a vulnerable adult or minor, the commissioner or the county may provide this information to the court that ~~requested the background study is determining eligibility for the guardian or conservator. The commissioner may also provide the court with additional criminal history or substantiated maltreatment information that becomes available after the background study is done.~~

Subd. 2a. **Procedure; state licensing agency data.** (a) In response to a request submitted under section 245C.033, the court shall request the commissioner of human services to shall provide the court within 25 working days of receipt of the request with licensing agency data for licenses directly related to the responsibilities of a professional fiduciary if the study subject indicates guardian or conservator has a current or prior affiliation from with any of the following agencies in Minnesota:

- (1) Lawyers Responsibility Board;
- (2) State Board of Accountancy;
- (3) Board of Social Work;

- (4) Board of Psychology;
- (5) Board of Nursing;
- (6) Board of Medical Practice;
- (7) Department of Education;
- (8) Department of Commerce;
- (9) Board of Chiropractic Examiners;
- (10) Board of Dentistry;
- (11) Board of Marriage and Family Therapy;
- (12) Department of Human Services;
- (13) Peace Officer Standards and Training (POST) Board; and
- (14) Professional Educator Licensing and Standards Board.

~~(b) The commissioner shall enter into agreements with these agencies to provide the commissioner with electronic access to the relevant licensing data, and to provide the commissioner with a quarterly list of new sanctions issued by the agency.~~

~~(e) (b) The commissioner shall provide information to the court the electronically available data maintained in the agency's database, including whether the proposed guardian or conservator is or has been licensed by the agency, and if the licensing agency database indicates a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation in accordance with section 245C.033.~~

~~(d) If the proposed guardian or conservator has resided in a state other than Minnesota in the previous ten years, licensing agency data under this section shall also include the licensing agency data from any other state where the proposed guardian or conservator reported to have resided during the previous ten years if the study subject indicates current or prior affiliation. If the proposed guardian or conservator has or has had a professional license in another state that is directly related to the responsibilities of a professional fiduciary from one of the agencies listed under paragraph (a), state licensing agency data shall also include data from the relevant licensing agency of that state.~~

~~(e) The commissioner is not required to repeat a search for Minnesota or out of state licensing data on an individual if the commissioner has provided this information to the court within the prior five years.~~

~~(f) The commissioner shall review the information in paragraph (e) at least once every four months to determine if an individual who has been studied within the previous five years:~~

- ~~(1) has new disciplinary action or sanction against the individual's license; or~~
- ~~(2) did not disclose a prior or current affiliation with a Minnesota licensing agency.~~

~~(g) If the commissioner's review in paragraph (f) identifies new information, the commissioner shall provide any new information to the court.~~

Subd. 3. **Forms and systems.** ~~The court~~ In accordance with section 245C.033, subdivision 3, the commissioner of human services must provide the ~~study subject~~ guardian or conservator with a privacy notice ~~for the maltreatment and state licensing agency checks~~ that complies with section ~~245C.05, subdivision 2e~~ 13.04, subdivision 2. ~~The commissioner of human services shall use the NETStudy 2.0 system to conduct a background study under this section.~~ The Bureau of Criminal Apprehension must provide the guardian or conservator with a privacy notice for the criminal history check.

Subd. 4. **Rights.** The court shall notify the ~~subject of a background study~~ guardian or conservator that ~~the subject has~~ they have the following rights:

(1) the right to be informed that the court will request ~~a background study on the subject~~ maltreatment and state licensing agency checks and a criminal history check on the guardian or conservator for the purpose of determining whether the person's appointment or continued appointment is in the best interests of the person subject to guardianship or conservatorship;

(2) the right to be informed of the results of the ~~study~~ checks and to obtain from the court a copy of the results; and

(3) the right to challenge the accuracy and completeness of information contained in the results under section 245C.04, subdivision 4, except to the extent precluded by section 256.045, subdivision 3.

Sec. 32. **REPEALER.**

Minnesota Statutes 2022, sections 245C.02, subdivision 14b; 245C.031, subdivisions 5, 6, and 7; 245C.032; and 245C.30, subdivision 1a, are repealed.

ARTICLE 7
BEHAVIORAL HEALTH

Section 1. Minnesota Statutes 2022, section 245.4663, subdivision 1, is amended to read:

Subdivision 1. **Grant program established.** The commissioner shall award grants to licensed or certified mental health providers that meet the criteria in subdivision 2 to fund supervision of or preceptorships for students, interns, and clinical trainees who are working toward becoming mental health professionals ~~and~~; to subsidize the costs of licensing applications and examination fees for clinical trainees; and to fund training for workers to become supervisors. For purposes of this section, an intern may include an individual who is working toward an undergraduate degree in the behavioral sciences or related field at an accredited educational institution.

Sec. 2. Minnesota Statutes 2022, section 245.4663, subdivision 4, is amended to read:

Subd. 4. **Allowable uses of grant funds.** A mental health provider must use grant funds received under this section for one or more of the following:

(1) to pay for direct supervision hours or preceptorships for students, interns, and clinical trainees, in an amount up to \$7,500 per student, intern, or clinical trainee;

(2) to establish a program to provide supervision to multiple students, interns, or clinical trainees; ~~or~~

(3) to pay licensing application and examination fees for clinical trainees; ~~or~~

(4) to provide a weekend training program for workers to become supervisors.

Sec. 3. Minnesota Statutes 2022, section 245.4901, subdivision 4, is amended to read:

Subd. 4. **Data collection and outcome measurement.** Grantees shall provide data to the commissioner for the purpose of evaluating the effectiveness of the school-linked behavioral health grant program, no more frequently than twice per year. Data provided by grantees shall include the number of clients served, client demographics, payment information, duration and frequency of services and client-related clinic ancillary services including hours of direct client services, and hours of ancillary direct and indirect support services. Qualitative data may also be collected to demonstrate impact from client and school personnel perspectives.

Sec. 4. Minnesota Statutes 2022, section 245.4901, is amended by adding a subdivision to read:

Subd. 5. **Consultation; grant awards.** In administering this program, the commissioner shall consult with school districts that have not received grants under this section but that wish to collaborate with a community mental health provider. The commissioner shall also work with culturally specific providers to allow these providers to serve students from their community in multiple schools. When awarding grants, the commissioner shall consider the need to have consistency of providers over time among schools and students.

Sec. 5. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

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

(b) "Alcohol and drug counselor" has the meaning given in section 245G.11, subdivision 5.

(c) "Care coordination" means the activities required to coordinate care across settings and providers for a person served to ensure seamless transitions across the full spectrum of health services. Care coordination includes outreach and engagement; documenting a plan of care for medical, behavioral health, and social services and supports in the integrated treatment plan; assisting with obtaining appointments; confirming appointments are kept; developing a crisis plan; tracking medication; and implementing care coordination agreements with external providers. Care coordination may include psychiatric consultation with primary care practitioners and with mental health clinical care practitioners.

(d) "Community needs assessment" means an assessment to identify community needs and determine the community behavioral health clinic's capacity to address the needs of the population being served.

(e) "Comprehensive evaluation" means a person-centered, family-centered, and trauma-informed evaluation meeting the requirements of subdivision 4b completed for the purposes of diagnosis and treatment planning.

(f) "Designated collaborating organization" means an entity meeting the requirements of subdivision 3a with a formal agreement with a CCBHC to furnish CCBHC services.

(g) "Functional assessment" means an assessment of a client's current level of functioning relative to functioning that is appropriate for someone the client's age and that meets the requirements of subdivision 4a.

(h) "Initial evaluation" means an evaluation completed by a mental health professional that gathers and documents information necessary to formulate a preliminary diagnosis and begin client services.

(i) "Integrated treatment plan" means a documented plan of care meeting the requirements of subdivision 4d that guides treatment and interventions addressing all services required, including but not limited to recovery supports, with provisions for monitoring progress toward the client's goals.

(j) "Medical director" means a physician who is responsible for overseeing the medical components of the CCBHC services.

(k) "Mental health professional" has the meaning given in section 245I.04, subdivision 2.

(l) "Mobile crisis services" has the meaning given in section 256B.0624, subdivision 2.

(m) "Preliminary screening and risk assessment" means a mandatory screening and risk assessment that is completed at the first contact with the prospective CCBHC service recipient and determines the acuity of client need.

Sec. 6. Minnesota Statutes 2022, section 245.735, subdivision 3, is amended to read:

Subd. 3. **Certified community behavioral health clinics.** (a) The commissioner shall establish a state certification ~~process and recertification processes~~ for certified community behavioral health clinics (CCBHCs) that satisfy all federal requirements necessary for CCBHCs certified under this section to be eligible for reimbursement under medical assistance, without service area limits based on geographic area or region. The commissioner shall consult with CCBHC stakeholders before establishing and implementing changes in the certification or recertification process and requirements. ~~Entities that choose to be CCBHCs must:~~ Any changes to the certification or recertification process or requirements must be consistent with the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration. The commissioner must allow a transition period for CCBHCs to meet the revised criteria prior to July 1, 2024. The commissioner is authorized to amend the state's Medicaid state plan or the terms of the demonstration to comply with federal requirements.

(b) As part of the state CCBHC certification and recertification processes, the commissioner shall provide to entities applying for certification or requesting recertification the standard requirements of the community needs assessment and the staffing plan that are consistent with the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration.

(c) The commissioner shall schedule a certification review that includes a site visit within 90 calendar days of receipt of an application for certification or recertification.

(d) Entities that choose to be CCBHCs must:

(1) complete a community needs assessment and complete a staffing plan that is responsive to the needs identified in the community needs assessment and update both the community needs assessment and the staffing plan no less frequently than every 36 months;

(~~1~~) (2) comply with state licensing requirements and other requirements issued by the commissioner;

(3) employ or contract with a medical director. A medical director must be a physician licensed under chapter 147 and either certified by the American Board of Psychiatry and Neurology, certified by the American Osteopathic Board of Neurology and Psychiatry, or eligible for board certification in psychiatry. A registered nurse who is licensed under sections 148.171 to 148.285 and is certified as a nurse practitioner in adult or family psychiatric and mental health nursing by a national nurse certification organization may serve as the medical director when a CCBHC is unable to employ or contract a qualified physician;

(~~2~~) (4) employ or contract for clinic staff who have backgrounds in diverse disciplines, including licensed mental health professionals and licensed alcohol and drug counselors, and staff who are culturally and linguistically trained to meet the needs of the population the clinic serves;

~~(3)~~ (5) ensure that clinic services are available and accessible to individuals and families of all ages and genders with access on evenings and weekends and that crisis management services are available 24 hours per day;

~~(4)~~ (6) establish fees for clinic services for individuals who are not enrolled in medical assistance using a sliding fee scale that ensures that services to patients are not denied or limited due to an individual's inability to pay for services;

~~(5)~~ (7) comply with quality assurance reporting requirements and other reporting requirements, ~~including any required reporting of encounter data, clinical outcomes data, and quality data included in the most recently issued Certified Community Behavioral Health Clinic Certification Criteria published by the Substance Abuse and Mental Health Services Administration;~~

~~(6)~~ (8) provide crisis mental health and substance use services, withdrawal management services, emergency crisis intervention services, and stabilization services through existing mobile crisis services; screening, assessment, and diagnosis services, including risk assessments and level of care determinations; person- and family-centered treatment planning; outpatient mental health and substance use services; targeted case management; psychiatric rehabilitation services; peer support and counselor services and family support services; and intensive community-based mental health services, including mental health services for members of the armed forces and veterans. CCBHCs must directly provide the majority of these services to enrollees, but may coordinate some services with another entity through a collaboration or agreement, pursuant to ~~paragraph (b)~~ subdivision 3a;

~~(7)~~ (9) provide coordination of care across settings and providers to ensure seamless transitions for individuals being served across the full spectrum of health services, including acute, chronic, and behavioral needs. ~~Care coordination may be accomplished through partnerships or formal contracts with:~~

~~(i) counties, health plans, pharmacists, pharmacies, rural health clinics, federally qualified health centers, inpatient psychiatric facilities, substance use and detoxification facilities, or community based mental health providers; and~~

~~(ii) other community services, supports, and providers, including schools, child welfare agencies, juvenile and criminal justice agencies, Indian health services clinics, tribally licensed health care and mental health facilities, urban Indian health clinics, Department of Veterans Affairs medical centers, outpatient clinics, drop in centers, acute care hospitals, and hospital outpatient clinics;~~

~~(8)~~ (10) be certified as a mental health clinic under section 245I.20;

~~(9)~~ (11) comply with standards established by the commissioner relating to CCBHC screenings, assessments, and evaluations that are consistent with this section;

~~(10)~~ (12) be licensed to provide substance use disorder treatment under chapter 245G;

~~(11)~~ (13) be certified to provide children's therapeutic services and supports under section 256B.0943;

~~(12)~~ (14) be certified to provide adult rehabilitative mental health services under section 256B.0623;

~~(13)~~ (15) be enrolled to provide mental health crisis response services under section 256B.0624;

~~(14)~~ (16) be enrolled to provide mental health targeted case management under section 256B.0625, subdivision 20;

~~(15) comply with standards relating to mental health case management in Minnesota Rules, parts 9520.0900 to 9520.0926;~~

~~(16)~~ (17) provide services that comply with the evidence-based practices described in ~~paragraph (e)~~ subdivision 3d; and

~~(17)~~ ~~comply with standards relating to~~ (18) provide peer services ~~under as defined in~~ sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8), as applicable when peer services are provided; and

(19) inform all clients upon initiation of care of the full array of services available under the CCBHC model.

~~(b) If a certified CCBHC is unable to provide one or more of the services listed in paragraph (a), clauses (6) to (17), the CCBHC may contract with another entity that has the required authority to provide that service and that meets the following criteria as a designated collaborating organization:~~

~~(1) the entity has a formal agreement with the CCBHC to furnish one or more of the services under paragraph (a), clause (6);~~

~~(2) the entity provides assurances that it will provide services according to CCBHC service standards and provider requirements;~~

~~(3) the entity agrees that the CCBHC is responsible for coordinating care and has clinical and financial responsibility for the services that the entity provides under the agreement; and~~

~~(4) the entity meets any additional requirements issued by the commissioner.~~

~~(c) Notwithstanding any other law that requires a county contract or other form of county approval for certain services listed in paragraph (a), clause (6), a clinic that otherwise meets CCBHC requirements may receive the prospective payment under section 256B.0625, subdivision 5m, for those services without a county contract or county approval. As part of the certification process in paragraph (a), the commissioner shall require a letter of support from the CCBHC's host county confirming that the CCBHC and the county or counties it serves have an ongoing relationship to facilitate access and continuity of care, especially for individuals who are uninsured or who may go on and off medical assistance.~~

~~(d) When the standards listed in paragraph (a) or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements if the variances do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders, as described in subdivision 4, before granting variances under this provision. For the CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.~~

~~(e) The commissioner shall issue a list of required evidence-based practices to be delivered by CCBHCs, and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice, the quality of workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list and any revisions, the commissioner shall provide stakeholders with an opportunity to comment.~~

~~(f) The commissioner shall recertify CCBHCs at least every three years. The commissioner shall establish a process for decertification and shall require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application and certification process.~~

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3a. Designated collaborating organizations. If a certified CCBHC is unable to provide one or more of the services listed in subdivision 3, paragraph (d), clauses (8) to (19), the CCBHC may contract with another entity that has the required authority to provide that service and that meets the following criteria as a designated collaborating organization:

(1) the entity has a formal agreement with the CCBHC to furnish one or more of the services under subdivision 3, paragraph (d), clause (8);

(2) the entity provides assurances that it will provide services according to CCBHC service standards and provider requirements;

(3) the entity agrees that the CCBHC is responsible for coordinating care and has clinical and financial responsibility for the services that the entity provides under the agreement; and

(4) the entity meets any additional requirements issued by the commissioner.

Sec. 8. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3b. Exemptions to host county approval. Notwithstanding any other law that requires a county contract or other form of county approval for a service listed in subdivision 3, paragraph (d), clause (8), a CCBHC that meets the requirements of this section may receive the prospective payment under section 256B.0625, subdivision 5m, for that service without a county contract or county approval.

Sec. 9. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3c. Variances. When the standards listed in this section or other applicable standards conflict or address similar issues in duplicative or incompatible ways, the commissioner may grant variances to state requirements if the variances do not conflict with federal requirements for services reimbursed under medical assistance. If standards overlap, the commissioner may substitute all or a part of a licensure or certification that is substantially the same as another licensure or certification. The commissioner shall consult with stakeholders before granting variances under this provision. For a CCBHC that is certified but not approved for prospective payment under section 256B.0625, subdivision 5m, the commissioner may grant a variance under this paragraph if the variance does not increase the state share of costs.

Sec. 10. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3d. Evidence-based practices. The commissioner shall issue a list of required evidence-based practices to be delivered by CCBHCs and may also provide a list of recommended evidence-based practices. The commissioner may update the list to reflect advances in outcomes research and medical services for persons living with mental illnesses or substance use disorders. The commissioner shall take into consideration the adequacy of evidence to support the efficacy of the practice across cultures and ages, the workforce available, and the current availability of the practice in the state. At least 30 days before issuing the initial list or issuing any revisions, the commissioner shall provide stakeholders with an opportunity to comment.

Sec. 11. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3e. **Recertification.** A CCBHC must apply for recertification every 36 months.

Sec. 12. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3f. **Opportunity to cure.** (a) The commissioner shall provide a formal written notice outlining the determination of the application and process for applicable and necessary corrective action required of the applicant signed by the commissioner or appropriate division director to applicant entities within 30 calendar days of the site visit.

(b) The commissioner may reject an application if the applicant entity does not take all corrective actions specified in the notice and notify the commissioner that the applicant entity has done so within 60 calendar days.

(c) The commissioner must send the applicant entity a final decision on the corrected application within 30 calendar days of the applicant entity's notice to the commissioner that the applicant has taken the required corrective actions.

Sec. 13. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 3g. **Decertification process.** The commissioner must establish a process for decertification. The commissioner must require corrective action, medical assistance repayment, or decertification of a CCBHC that no longer meets the requirements in this section or that fails to meet the standards provided by the commissioner in the application, certification, or recertification process.

Sec. 14. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4a. **Functional assessment requirements.** (a) For adults, a functional assessment may be complete via a Daily Living Activities-20 tool.

(b) Notwithstanding any law to the contrary, a functional assessment performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

(1) section 256B.0623, subdivision 9;

(2) section 245.4711, subdivision 3; and

(3) Minnesota Rules, part 9520.0914, subpart 2.

Sec. 15. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4b. **Requirements for comprehensive evaluations.** (a) A comprehensive evaluation must be completed for all new clients within 60 calendar days following the preliminary screening and risk assessment.

(b) Only a mental health professional may complete a comprehensive evaluation. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate.

(c) The comprehensive evaluation must consist of the synthesis of existing information including but not limited to an external diagnostic assessment, crisis assessment, preliminary screening and risk assessment, initial evaluation, and primary care screenings.

(d) A comprehensive evaluation must be completed in the cultural context of the client and updated to reflect changes in the client's conditions and at the client's request or when the client's condition no longer meets the existing diagnosis.

(e) The psychiatric evaluation and management service fulfills requirements for the comprehensive evaluation when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC shall complete the comprehensive evaluation within 60 calendar days of a client's referral for additional CCBHC services.

(f) For clients engaging exclusively in substance use disorder services at the CCBHC, a substance use disorder comprehensive assessment as defined in section 245G.05, subdivision 2, that is completed within 60 calendar days of service initiation shall fulfill requirements of the comprehensive evaluation.

(g) Notwithstanding any law to the contrary, a comprehensive evaluation performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 245.462, subdivision 20, paragraph (c);
- (2) section 245.4711, subdivision 2, paragraph (b);
- (3) section 245.4871, subdivision 6;
- (4) section 245.4881, subdivision 2, paragraph (c);
- (5) section 245G.04, subdivision 1;
- (6) section 245G.05, subdivision 1;
- (7) section 245I.10, subdivisions 4 to 6;
- (8) section 256B.0623, subdivisions 3, clause (4), 8, and 10;
- (9) section 256B.0943, subdivisions 3 and 6, paragraph (b), clause (1);
- (10) Minnesota Rules, part 9520.0909, subpart 1;
- (11) Minnesota Rules, part 9520.0910, subparts 1 and 2; and
- (12) Minnesota Rules, part 9520.0914, subpart 2.

Sec. 16. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4c. Requirements for initial evaluations. (a) A CCBHC must complete either an initial evaluation or a comprehensive evaluation within ten business days of the preliminary screening and risk assessment.

(b) Notwithstanding any law to the contrary, an initial evaluation performed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

- (1) section 245.4711, subdivision 4;
- (2) section 245.4881, subdivisions 3 and 4;

(3) section 245I.10, subdivision 5;

(4) section 256B.0623, subdivisions 3, clause (4), 8, and 10;

(5) section 256B.0943, subdivisions 3 and 6, paragraph (b), clauses (1) and (2);

(6) Minnesota Rules, part 9520.0909, subpart 1;

(7) Minnesota Rules, part 9520.0910, subpart 1;

(8) Minnesota Rules, part 9520.0914, subpart 2;

(9) Minnesota Rules, part 9520.0918, subparts 1 and 2; and

(10) Minnesota Rules, part 9520.0919, subpart 2.

Sec. 17. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 4d. Requirements for integrated treatment plans. (a) An integrated treatment plan must be completed within 60 calendar days following the preliminary screening and risk assessment and updated no less frequently than every six months or when the client's circumstances change.

(b) Only a mental health professional may complete an integrated treatment plan. The mental health professional must consult with an alcohol and drug counselor when substance use disorder services are deemed clinically appropriate. An alcohol and drug counselor may approve the integrated treatment plan. The integrated treatment plan must be developed through a shared decision-making process with the client, the client's support system if the client chooses, or, for children, with the family or caregivers.

(c) The integrated treatment plan must:

(1) use the ASAM 6 dimensional framework; and

(2) incorporate prevention, medical and behavioral health needs, and service delivery.

(d) The psychiatric evaluation and management service fulfills requirements for the integrated treatment plan when a client of a CCBHC is receiving exclusively psychiatric evaluation and management services. The CCBHC must complete an integrated treatment plan within 60 calendar days of a client's referral for additional CCBHC services.

(e) Notwithstanding any law to the contrary, an integrated treatment plan developed by a CCBHC that meets the requirements of this subdivision satisfies the requirements in:

(1) section 245G.06, subdivision 1;

(2) section 245G.09, subdivision 3, clause (6);

(3) section 245I.10, subdivisions 7 and 8;

(4) section 256B.0623, subdivision 10; and

(5) section 256B.0943, subdivision 6, paragraph (b), clause (2).

Sec. 18. Minnesota Statutes 2022, section 245.735, subdivision 5, is amended to read:

Subd. 5. **Information systems support.** The commissioner and the state chief information officer shall provide information systems support to the projects as necessary to comply with state and federal requirements, including data reporting requirements.

Sec. 19. Minnesota Statutes 2022, section 245.735, subdivision 6, is amended to read:

Subd. 6. **Demonstration Section 223 of the Protecting Access to Medicare Act entities.** (a) The commissioner ~~may operate~~ must request federal approval to participate in the demonstration program established by section 223 of the Protecting Access to Medicare Act and, if approved, to continue to participate in the demonstration program as long as federal funding for the demonstration program remains available from the United States Department of Health and Human Services. To the extent practicable, the commissioner shall align the requirements of the demonstration program with the requirements under this section for CCBHCs receiving medical assistance reimbursement under the authority of the state's Medicaid state plan. A CCBHC may not apply to participate as a billing provider in both the CCBHC federal demonstration and the benefit for CCBHCs under the medical assistance program.

(b) The commissioner must follow federal payment guidance, including payment of the CCBHC daily bundled rate for services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service. An entity that receives a CCBHC daily bundled rate that overlaps with another federal Medicaid methodology is not eligible for the CCBHC rate. Services provided by a CCBHC operating under the authority of the state's Medicaid state plan will not receive the prospective payment system rate for services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service.

(c) Payment for services rendered by CCBHCs to individuals who have commercial insurance as the primary payer and medical assistance as secondary payer is subject to the requirements under section 256B.37. Services provided by a CCBHC operating under the authority of the 223 demonstration or the state's Medicaid state plan will not receive the prospective payment system rate for services rendered by CCBHCs to individuals who have commercial insurance as the primary payer and medical assistance as the secondary payer.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services must notify the revisor of statutes when federal approval is obtained.

Sec. 20. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 7. **Addition of CCBHCs to section 223 state demonstration programs.** (a) If the commissioner's request under subdivision 6 to reenter the demonstration program established by section 223 of the Protecting Access to Medicare Act is approved, upon reentry the commissioner must follow all federal guidance on the addition of CCBHCs to section 223 state demonstration programs.

(b) Prior to participating in the demonstration, a CCBHC must meet the demonstration certification criteria and prospective payment system guidance in effect at that time and be certified as a CCBHC by the state. The Substance Abuse and Mental Health Services Administration attestation process for CCBHC expansion grants is not sufficient to constitute state certification. CCBHCs newly added to the demonstration must participate in all aspects of the state demonstration program, including but not limited to quality measurement and reporting, evaluation activities, and state CCBHC demonstration program requirements, such as use of state-specified evidence-based practices. A newly added CCBHC must report on quality measures before its first full demonstration year if it joined the demonstration program in calendar year 2023 out of alignment with the state's demonstration year cycle. A CCBHC may provide services in multiple locations and in community-based settings subject to federal rules of the 223 demonstration authority or Medicaid state plan authority.

(c) If a CCBHC meets the definition of a satellite facility, as defined by the Substance Abuse and Mental Health Services Administration, and was established after April 1, 2014, the CCBHC cannot receive payment as a part of the demonstration program.

Sec. 21. Minnesota Statutes 2022, section 245.735, is amended by adding a subdivision to read:

Subd. 8. **Grievance procedures required.** CCBHCs and designated collaborating organizations must allow all service recipients access to grievance procedures, which must satisfy the minimum requirements of medical assistance and other grievance requirements such as those that may be mandated by relevant accrediting entities.

Sec. 22. Minnesota Statutes 2022, section 245I.04, subdivision 14, is amended to read:

Subd. 14. **Mental health rehabilitation worker qualifications.** (a) A mental health rehabilitation worker must:

(1) have a high school diploma or equivalent; ~~and~~

(2) have the training required under section 245I.05, subdivision 3, paragraph (c); and

~~(2)~~ (3) meet one of the following qualification requirements:

(i) be fluent in the non-English language or competent in the culture of the ethnic group to which at least 20 percent of the mental health rehabilitation worker's clients belong;

(ii) have an associate of arts degree;

(iii) have two years of full-time postsecondary education or a total of 15 semester hours or 23 quarter hours in behavioral sciences or related fields;

(iv) be a registered nurse;

(v) have, within the previous ten years, three years of personal life experience with mental illness;

(vi) have, within the previous ten years, three years of life experience as a primary caregiver to an adult with a mental illness, traumatic brain injury, substance use disorder, or developmental disability; or

(vii) have, within the previous ten years, 2,000 hours of work experience providing health and human services to individuals.

(b) A mental health rehabilitation worker who is exclusively scheduled as an overnight staff person ~~and works alone~~ is exempt from the additional qualification requirements in paragraph (a), clause ~~(2)~~ (3).

Sec. 23. Minnesota Statutes 2022, section 245I.04, subdivision 16, is amended to read:

Subd. 16. **Mental health behavioral aide qualifications.** (a) A level 1 mental health behavioral aide must have the training required under section 245I.05, subdivision 3, paragraph (c), and: (1) a high school diploma or equivalent; or (2) two years of experience as a primary caregiver to a child with mental illness within the previous ten years.

(b) A level 2 mental health behavioral aide must: ~~(1) have the training required under section 245I.05, subdivision 3, paragraph (c), and~~ an associate or bachelor's degree; ~~or (2) be certified by a program under section 256B.0943, subdivision 8a.~~

Sec. 24. Minnesota Statutes 2022, section 245I.05, subdivision 3, is amended to read:

Subd. 3. **Initial training.** (a) A staff person must receive training about:

(1) vulnerable adult maltreatment under section 245A.65, subdivision 3; and

(2) the maltreatment of minor reporting requirements and definitions in chapter 260E within 72 hours of first providing direct contact services to a client.

(b) Before providing direct contact services to a client, a staff person must receive training about:

(1) client rights and protections under section 245I.12;

(2) the Minnesota Health Records Act, including client confidentiality, family engagement under section 144.294, and client privacy;

(3) emergency procedures that the staff person must follow when responding to a fire, inclement weather, a report of a missing person, and a behavioral or medical emergency;

(4) specific activities and job functions for which the staff person is responsible, including the license holder's program policies and procedures applicable to the staff person's position;

(5) professional boundaries that the staff person must maintain; and

(6) specific needs of each client to whom the staff person will be providing direct contact services, including each client's developmental status, cognitive functioning, and physical and mental abilities.

(c) Before providing direct contact services to a client, a mental health rehabilitation worker, mental health behavioral aide, or mental health practitioner required to receive the training according to section 245I.04, subdivision 4, must receive 30 hours of training about:

(1) mental illnesses;

(2) client recovery and resiliency;

(3) mental health de-escalation techniques;

(4) co-occurring mental illness and substance use disorders; and

(5) psychotropic medications and medication side effects.

(d) Within 90 days of first providing direct contact services to an adult client, ~~a clinical trainee~~, mental health practitioner, mental health certified peer specialist, or mental health rehabilitation worker must receive training about:

(1) trauma-informed care and secondary trauma;

(2) person-centered individual treatment plans, including seeking partnerships with family and other natural supports;

(3) co-occurring substance use disorders; and

(4) culturally responsive treatment practices.

(e) Within 90 days of first providing direct contact services to a child client, ~~a clinical trainee~~, mental health practitioner, mental health certified family peer specialist, mental health certified peer specialist, or mental health behavioral aide must receive training about the topics in clauses (1) to (5). This training must address the developmental characteristics of each child served by the license holder and address the needs of each child in the context of the child's family, support system, and culture. Training topics must include:

(1) trauma-informed care and secondary trauma, including adverse childhood experiences (ACEs);

(2) family-centered treatment plan development, including seeking partnership with a child client's family and other natural supports;

(3) mental illness and co-occurring substance use disorders in family systems;

(4) culturally responsive treatment practices; and

(5) child development, including cognitive functioning, and physical and mental abilities.

(f) For a mental health behavioral aide, the training under paragraph (e) must include parent team training using a curriculum approved by the commissioner.

Sec. 25. Minnesota Statutes 2022, section 245I.08, subdivision 2, is amended to read:

Subd. 2. **Documentation standards.** A license holder must ensure that all documentation required by this chapter:

(1) is legible;

(2) identifies the applicable client name on each page of the client file and staff person name on each page of the personnel file; and

(3) is signed and dated by the staff persons who provided services to the client or completed the documentation, including the staff persons' credentials.

Sec. 26. Minnesota Statutes 2022, section 245I.08, subdivision 3, is amended to read:

Subd. 3. **Documenting approval.** A license holder must ensure that all diagnostic assessments, functional assessments, level of care assessments, and treatment plans completed by a clinical trainee or mental health practitioner contain documentation of approval by a treatment supervisor within ~~five~~ 30 business days of initial completion by the staff person under treatment supervision.

Sec. 27. Minnesota Statutes 2022, section 245I.08, subdivision 4, is amended to read:

Subd. 4. **Progress notes.** A license holder must use a progress note to document each occurrence of a mental health service that a staff person provides to a client. A progress note must include the following:

(1) the type of service;

(2) the date of service;

(3) the start and stop time of the service unless the license holder is licensed as a residential program;

(4) the location of the service;

(5) the scope of the service, including: (i) the targeted goal and objective; (ii) the intervention that the staff person provided to the client and the methods that the staff person used; (iii) the client's response to the intervention; and (iv) the staff person's plan to take future actions, including changes in treatment that the staff person will implement if the intervention was ineffective; ~~and (v) the service modality;~~

(6) the signature and credentials of the staff person who provided the service to the client;

(7) the mental health provider travel documentation required by section 256B.0625, if applicable; and

(8) significant observations by the staff person, if applicable, including: (i) the client's current risk factors; (ii) emergency interventions by staff persons; (iii) consultations with or referrals to other professionals, family, or significant others; and (iv) changes in the client's mental or physical symptoms.

Sec. 28. Minnesota Statutes 2022, section 245I.10, subdivision 2, is amended to read:

Subd. 2. **Generally.** (a) A license holder must use a client's diagnostic assessment or crisis assessment to determine a client's eligibility for mental health services, except as provided in this section.

(b) Prior to completing a client's initial diagnostic assessment, a license holder may provide a client with the following services:

(1) an explanation of findings;

(2) neuropsychological testing, neuropsychological assessment, and psychological testing;

(3) any combination of psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed three sessions;

(4) crisis assessment services according to section 256B.0624; and

(5) ten days of intensive residential treatment services according to the assessment and treatment planning standards in section 245I.23, subdivision 7.

(c) Based on the client's needs that a crisis assessment identifies under section 256B.0624, a license holder may provide a client with the following services:

(1) crisis intervention and stabilization services under section 245I.23 or 256B.0624; and

(2) any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization.

(d) Based on the client's needs in the client's brief diagnostic assessment, a license holder may provide a client with any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization for any new client or for an existing client who the license holder projects will need fewer than ten sessions during the next 12 months.

(e) Based on the client's needs that a hospital's medical history and presentation examination identifies, a license holder may provide a client with:

(1) any combination of psychotherapy sessions, group psychotherapy sessions, family psychotherapy sessions, and family psychoeducation sessions not to exceed ten sessions within a 12-month period without prior authorization for any new client or for an existing client who the license holder projects will need fewer than ten sessions during the next 12 months; and

(2) up to five days of day treatment services or partial hospitalization.

(f) A license holder must complete a new standard diagnostic assessment of a client or an update to an assessment as permitted under paragraph (g):

(1) when the client requires services of a greater number or intensity than the services that paragraphs (b) to (e) describe;

(2) ~~at least annually following the client's initial diagnostic assessment~~ if the client needs additional mental health services and the client does not meet the criteria for a brief assessment;

(3) when the client's mental health condition has changed markedly since the client's most recent diagnostic assessment; ~~or~~

(4) when the client's current mental health condition does not meet the criteria of the client's current diagnosis; or

(5) upon the client's request.

(g) For ~~an existing~~ a client who is already engaged in services and has a prior assessment, the license holder must ~~ensure that a new standard diagnostic assessment includes~~ complete a written update containing all significant new or changed information about the client, removal of outdated or inaccurate information, and an update regarding what information has not significantly changed, including a discussion with the client about changes in the client's life situation, functioning, presenting problems, and progress with achieving treatment goals since the client's last diagnostic assessment was completed.

Sec. 29. Minnesota Statutes 2022, section 245I.10, subdivision 3, is amended to read:

Subd. 3. **Continuity of services.** (a) For any client with a diagnostic assessment completed under Minnesota Rules, parts 9505.0370 to 9505.0372, before July 1, 2022, or upon federal approval, whichever is later, the diagnostic assessment is valid for authorizing the client's treatment and billing for one calendar year after the date that the assessment was completed.

(b) For any client with an individual treatment plan completed under section 256B.0622, 256B.0623, 256B.0943, 256B.0946, or 256B.0947 or Minnesota Rules, parts 9505.0370 to 9505.0372, the client's treatment plan is valid for authorizing treatment and billing until the treatment plan's expiration date.

(c) This subdivision expires ~~July 1~~ October 17, 2023.

Sec. 30. Minnesota Statutes 2022, section 245I.10, subdivision 5, is amended to read:

Subd. 5. **Brief diagnostic assessment; required elements.** (a) Only a mental health professional or clinical trainee may complete a brief diagnostic assessment of a client. ~~A license holder may only use a brief diagnostic assessment for a client who is six years of age or older.~~

(b) When conducting a brief diagnostic assessment of a client, the assessor must complete a face-to-face interview with the client and a written evaluation of the client. The assessor must gather and document initial components of the client's standard diagnostic assessment, including the client's:

- (1) age;
- (2) description of symptoms, including the reason for the client's referral;
- (3) history of mental health treatment;
- (4) cultural influences on the client; and
- (5) mental status examination.

(c) Based on the initial components of the assessment, the assessor must develop a provisional diagnostic formulation about the client. The assessor may use the client's provisional diagnostic formulation to address the client's immediate needs and presenting problems.

(d) A mental health professional or clinical trainee may use treatment sessions with the client authorized by a brief diagnostic assessment to gather additional information about the client to complete the client's standard diagnostic assessment if the number of sessions will exceed the coverage limits in subdivision 2.

Sec. 31. Minnesota Statutes 2022, section 245I.10, subdivision 6, is amended to read:

Subd. 6. **Standard diagnostic assessment; required elements.** (a) Only a mental health professional or a clinical trainee may complete a standard diagnostic assessment of a client. A standard diagnostic assessment of a client must include a face-to-face interview with a client and a written evaluation of the client. The assessor must complete a client's standard diagnostic assessment within the client's cultural context.

(b) When completing a standard diagnostic assessment of a client, the assessor must gather and document information about the client's current life situation, including the following information:

- (1) the client's age;
- (2) the client's current living situation, including the client's housing status and household members;
- (3) the status of the client's basic needs;
- (4) the client's education level and employment status;
- (5) the client's current medications;
- (6) any immediate risks to the client's health and safety;
- (7) the client's perceptions of the client's condition;
- (8) the client's description of the client's symptoms, including the reason for the client's referral;
- (9) the client's history of mental health treatment; and
- (10) cultural influences on the client.

(c) If the assessor cannot obtain the information that this paragraph requires without retraumatizing the client or harming the client's willingness to engage in treatment, the assessor must identify which topics will require further assessment during the course of the client's treatment. The assessor must gather and document information related to the following topics:

(1) the client's relationship with the client's family and other significant personal relationships, including the client's evaluation of the quality of each relationship;

(2) the client's strengths and resources, including the extent and quality of the client's social networks;

(3) important developmental incidents in the client's life;

(4) maltreatment, trauma, potential brain injuries, and abuse that the client has suffered;

(5) the client's history of or exposure to alcohol and drug usage and treatment; and

(6) the client's health history and the client's family health history, including the client's physical, chemical, and mental health history.

(d) When completing a standard diagnostic assessment of a client, an assessor must use a recognized diagnostic framework.

(1) When completing a standard diagnostic assessment of a client who is five years of age or younger, the assessor must use the current edition of the DC: 0-5 Diagnostic Classification of Mental Health and Development Disorders of Infancy and Early Childhood published by Zero to Three.

(2) When completing a standard diagnostic assessment of a client who is six years of age or older, the assessor must use the current edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

~~(3) When completing a standard diagnostic assessment of a client who is five years of age or younger, an assessor must administer the Early Childhood Service Intensity Instrument (ECSII) to the client and include the results in the client's assessment.~~

~~(4) When completing a standard diagnostic assessment of a client who is six to 17 years of age, an assessor must administer the Child and Adolescent Service Intensity Instrument (CASII) to the client and include the results in the client's assessment.~~

~~(5)~~ (3) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder.

(e) When completing a standard diagnostic assessment of a client, the assessor must include and document the following components of the assessment:

(1) the client's mental status examination;

(2) the client's baseline measurements; symptoms; behavior; skills; abilities; resources; vulnerabilities; safety needs, including client information that supports the assessor's findings after applying a recognized diagnostic framework from paragraph (d); and any differential diagnosis of the client;

(3) an explanation of: (i) how the assessor diagnosed the client using the information from the client's interview, assessment, psychological testing, and collateral information about the client; (ii) the client's needs; (iii) the client's risk factors; (iv) the client's strengths; and (v) the client's responsivity factors.

(f) When completing a standard diagnostic assessment of a client, the assessor must consult the client and the client's family about which services that the client and the family prefer to treat the client. The assessor must make referrals for the client as to services required by law.

(g) Information from other providers and prior assessments may be used to complete the diagnostic assessment if the source of the information is documented in the diagnostic assessment.

Sec. 32. Minnesota Statutes 2022, section 245I.10, subdivision 7, is amended to read:

Subd. 7. **Individual treatment plan.** A license holder must follow each client's written individual treatment plan when providing services to the client with the following exceptions:

(1) services that do not require that a license holder completes a standard diagnostic assessment of a client before providing services to the client;

(2) when developing a treatment or service plan; and

(3) when a client re-engages in services under subdivision 8, paragraph (b).

Sec. 33. Minnesota Statutes 2022, section 245I.10, subdivision 8, is amended to read:

Subd. 8. **Individual treatment plan; required elements.** (a) After completing a client's diagnostic assessment or reviewing a client's diagnostic assessment received from a different provider and before providing services to the client beyond those permitted under subdivision 7, the license holder must complete the client's individual treatment plan. The license holder must:

(1) base the client's individual treatment plan on the client's diagnostic assessment and baseline measurements;

(2) for a child client, use a child-centered, family-driven, and culturally appropriate planning process that allows the child's parents and guardians to observe and participate in the child's individual and family treatment services, assessments, and treatment planning;

(3) for an adult client, use a person-centered, culturally appropriate planning process that allows the client's family and other natural supports to observe and participate in the client's treatment services, assessments, and treatment planning;

(4) identify the client's treatment goals, measureable treatment objectives, a schedule for accomplishing the client's treatment goals and objectives, a treatment strategy, and the individuals responsible for providing treatment services and supports to the client. The license holder must have a treatment strategy to engage the client in treatment if the client:

(i) has a history of not engaging in treatment; and

(ii) is ordered by a court to participate in treatment services or to take neuroleptic medications;

(5) identify the participants involved in the client's treatment planning. The client must be a participant in the client's treatment planning. If applicable, the license holder must document the reasons that the license holder did not involve the client's family or other natural supports in the client's treatment planning;

(6) review the client's individual treatment plan every 180 days and update the client's individual treatment plan with the client's treatment progress, new treatment objectives and goals or, if the client has not made treatment progress, changes in the license holder's approach to treatment; and

(7) ensure that the client approves of the client's individual treatment plan unless a court orders the client's treatment plan under chapter 253B.

(b) If the client disagrees with the client's treatment plan, the license holder must document in the client file the reasons why the client does not agree with the treatment plan. If the license holder cannot obtain the client's approval of the treatment plan, a mental health professional must make efforts to obtain approval from a person who is authorized to consent on the client's behalf within 30 days after the client's previous individual treatment plan expired. A license holder may not deny a client service during this time period solely because the license holder could not obtain the client's approval of the client's individual treatment plan. A license holder may continue to bill for the client's otherwise eligible services when the client re-engages in services.

Sec. 34. Minnesota Statutes 2022, section 245I.11, subdivision 3, is amended to read:

Subd. 3. **Storing and accounting for medications.** (a) If a license holder stores client medications, the license holder must:

(1) store client medications in original containers in a locked location;

(2) store refrigerated client medications in special trays or containers that are separate from food;

(3) store client medications marked "for external use only" in a compartment that is separate from other client medications;

(4) store Schedule II to ~~IV~~ drugs listed in section 152.02, ~~subdivisions~~ subdivision 3 to 5, in a compartment that is locked separately from other medications;

(5) ensure that only authorized staff persons have access to stored client medications;

(6) follow a documentation procedure ~~on each shift~~ to account for all ~~scheduled~~ Schedule II to V drugs listed in section 152.02, subdivisions 3 to 6; and

(7) record each incident when a staff person accepts a supply of client medications and destroy discontinued, outdated, or deteriorated client medications.

(b) If a license holder is licensed as a residential program, the license holder must allow clients who self-administer medications to keep a private medication supply. The license holder must ensure that the client stores all private medication in a locked container in the client's private living area, unless the private medication supply poses a health and safety risk to any clients. A client must not maintain a private medication supply of a prescription medication without a written medication order from a licensed prescriber and a prescription label that includes the client's name.

Sec. 35. Minnesota Statutes 2022, section 245I.11, subdivision 4, is amended to read:

Subd. 4. **Medication orders.** (a) If a license holder stores, prescribes, or administers medications or observes a client self-administer medications, the license holder must:

(1) ensure that a licensed prescriber writes all orders to accept, administer, or discontinue client medications;

(2) accept nonwritten orders to administer client medications in emergency circumstances only;

(3) establish a timeline and process for obtaining a written order with the licensed prescriber's signature when the license holder accepts a nonwritten order to administer client medications; and

~~(4) obtain prescription medication renewals from a licensed prescriber for each client every 90 days for psychotropic medications and annually for all other medications; and~~

~~(5)~~ (4) maintain the client's right to privacy and dignity.

(b) If a license holder employs a licensed prescriber, the license holder must inform the client about potential medication effects and side effects and obtain and document the client's informed consent before the licensed prescriber prescribes a medication.

Sec. 36. Minnesota Statutes 2022, section 245I.20, subdivision 5, is amended to read:

Subd. 5. **Treatment supervision specified.** ~~(a)~~ A mental health professional must remain responsible for each client's case. The certification holder must document the name of the mental health professional responsible for each case and the dates that the mental health professional is responsible for the client's case from beginning date to end date. The certification holder must assign each client's case for assessment, diagnosis, and treatment services to a treatment team member who is competent in the assigned clinical service, the recommended treatment strategy, and in treating the client's characteristics.

~~(b) Treatment supervision of mental health practitioners and clinical trainees required by section 245I.06 must include case reviews as described in this paragraph. Every two months, a mental health professional must complete and document a case review of each client assigned to the mental health professional when the client is receiving clinical services from a mental health practitioner or clinical trainee. The case review must include a consultation process that thoroughly examines the client's condition and treatment, including: (1) a review of the client's reason for seeking treatment, diagnoses and assessments, and the individual treatment plan; (2) a review of the appropriateness, duration, and outcome of treatment provided to the client; and (3) treatment recommendations.~~

Sec. 37. Minnesota Statutes 2022, section 245I.20, subdivision 6, is amended to read:

Subd. 6. **Additional policy and procedure requirements.** (a) In addition to the policies and procedures required by section 245I.03, the certification holder must establish, enforce, and maintain the policies and procedures required by this subdivision.

(b) The certification holder must have a clinical evaluation procedure to identify and document each treatment team member's areas of competence.

(c) The certification holder must have policies and procedures for client intake and case assignment that:

(1) outline the client intake process;

(2) describe how the mental health clinic determines the appropriateness of accepting a client into treatment by reviewing the client's condition and need for treatment, the clinical services that the mental health clinic offers to clients, and other available resources; and

(3) contain a process for assigning a client's case to a mental health professional who is responsible for the client's case and other treatment team members.

(d) Notwithstanding the requirements under section 245I.10, subdivisions 5 to 9, for the required elements of a diagnostic assessment and a treatment plan, psychiatry billed as evaluation and management services must be documented in accordance with the most recent current procedural terminology as published by the American Medical Association.

Sec. 38. Minnesota Statutes 2022, section 254B.02, subdivision 5, is amended to read:

Subd. 5. ~~Administrative adjustment~~ **Local agency allocation.** The commissioner may make payments to local agencies from money allocated under this section to support ~~administrative activities under sections 254B.03 and 254B.04~~ individuals with substance use disorders. The ~~administrative~~ payment must not ~~exceed the lesser of:~~ (1) ~~five percent of the first \$50,000, four percent of the next \$50,000, and three percent of the remaining payments for services from the special revenue account according to subdivision 1; or (2) be less than 133 percent of~~ the local agency ~~administrative~~ payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.

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

Sec. 39. Minnesota Statutes 2022, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment and assessment summary provided according to section 245G.05, and treatment services provided according to sections 245G.06 and 245G.07, subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).

(c) A county is an eligible vendor for a comprehensive assessment and assessment summary when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 245G.05. A county is an eligible vendor of care coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, paragraph (a), clause (5).

(d) A recovery community organization that meets certification requirements identified by the commissioner is an eligible vendor of peer support services.

(e) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(f) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 245G.05 and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

EFFECTIVE DATE. This section is effective upon federal approval. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 40. Minnesota Statutes 2022, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) ~~Effective January 1, 2000,~~ Vendors of room and board are eligible for behavioral health fund payment if the vendor:

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

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

(3) is not a jail or prison;

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

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

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

(7) has awake staff on site 24 hours per day;

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

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

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

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

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

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

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

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

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

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

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

~~(d)~~ (e) Licensed programs providing intensive residential treatment services or residential crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors of room and board and are exempt from paragraph (a), clauses (6) to (15).

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 41. Minnesota Statutes 2022, section 256.478, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** (a) The commissioner shall establish the transition to community initiative to award grants to serve ~~individuals~~ children and adults for whom supports and services not covered by medical assistance would allow them to:

(1) live in the least restrictive setting and as independently as possible;

(2) access services that support short- and long-term needs for developmental growth or individualized treatment needs;

~~(2)~~ (3) build or maintain relationships with family and friends; and

~~(3)~~ (4) participate in community life.

(b) Grantees must ensure that ~~individuals~~ the individual or the child and family are engaged in a process that involves person-centered planning and informed choice decision-making. The informed choice decision-making process must provide accessible written information and be experiential whenever possible.

Sec. 42. Minnesota Statutes 2022, section 256.478, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** ~~An individual~~ A child or adult is eligible for the transition to community initiative if the ~~individual does not meet eligibility criteria for the medical assistance program under section 256B.056 or 256B.057, but who child or adult can demonstrate that current services are not capable of meeting individual treatment and service needs that can be met in the community with support, and the child or adult~~ meets at least one of the following criteria:

(1) the person otherwise meets the criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24;

(2) the person has met treatment objectives and no longer requires a hospital-level care or a secure treatment setting, but the person's discharge from the Anoka Metro Regional Treatment Center, the Minnesota ~~Security Hospital~~ Forensic Mental Health Program, the Child and Adolescent Behavioral Health Hospital program, a psychiatric residential treatment facility under section 256B.0941, intensive residential treatment services under section 256B.0622, children's residential services under section 245.4882, juvenile detention facility, county supervised building, or a community behavioral health hospital would be substantially delayed without additional resources available through the transitions to community initiative;

~~(3) the person is in a community hospital, but alternative community living options would be appropriate for the person, and the person has received approval from the commissioner; or~~

~~(4)(i) (3) the person (i) is receiving customized living services reimbursed under section 256B.4914, 24-hour customized living services reimbursed under section 256B.4914, or community residential services reimbursed under section 256B.4914; (ii) the person expresses a desire to move; and (iii) the person has received approval from the commissioner; or~~

(4) the person can demonstrate that the person's needs are beyond the scope of current service designs and grant funding can support the inclusion of additional supports for the person to access appropriate treatment and services in the least restrictive environment.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 43. Minnesota Statutes 2022, section 256B.0616, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** Family peer support services ~~may~~ shall be provided to recipients of ~~inpatient hospitalization, partial hospitalization, residential treatment, children's intensive behavioral health services, day treatment, children's therapeutic services and supports, or crisis services~~ eligible under medical assistance, upon a determination by a licensed mental health provider.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later.

Sec. 44. Minnesota Statutes 2022, section 256B.0616, subdivision 4, is amended to read:

Subd. 4. **Peer support specialist program providers.** The commissioner shall develop a process to certify family and youth peer support specialist programs and associated training support, in accordance with the federal guidelines; in order for the program to bill for reimbursable services. Family and youth peer support programs must operate within an existing mental health community provider or center.

Sec. 45. Minnesota Statutes 2022, section 256B.0616, subdivision 5, is amended to read:

Subd. 5. **Certified family and youth peer specialist training and certification.** The commissioner shall develop ~~a~~ or approve the use of an existing training and certification process for certified family and youth peer specialists. ~~The Family peer~~ candidates must have raised or be currently raising a child with a mental illness, have had experience navigating the children's mental health system, and ~~must~~ demonstrate leadership and advocacy skills and a strong dedication to family-driven and family-focused services. Youth peer candidates must have demonstrated lived experience in children's mental health or related adverse experiences in adolescence, a high school degree, and leadership and advocacy skills with a focus on supporting client voice. The training curriculum must teach participating family and youth peer specialists specific skills relevant to providing peer support to other parents or to youth in mental health treatment. In addition to initial training and certification, the commissioner shall develop ongoing continuing educational workshops on pertinent issues related to family and youth peer support counseling. Training for family and youth peer support specialists may be delivered by the commissioner or by organizations approved by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later.

Sec. 46. Minnesota Statutes 2022, section 256B.0622, subdivision 7a, is amended to read:

Subd. 7a. **Assertive community treatment team staff requirements and roles.** (a) The required treatment staff qualifications and roles for an ACT team are:

(1) the team leader:

(i) shall be a mental health professional. Individuals who are not licensed but who are eligible for licensure and are otherwise qualified may also fulfill this role ~~but must obtain full licensure within 24 months of assuming the role of team leader;~~

(ii) must be an active member of the ACT team and provide some direct services to clients;

(iii) must be a single full-time staff member, dedicated to the ACT team, who is responsible for overseeing the administrative operations of the team, ~~providing treatment supervision of services in conjunction with the psychiatrist or psychiatric care provider~~, and supervising team members to ensure delivery of best and ethical practices; and

(iv) must be available to provide overall treatment supervision to the ACT team after regular business hours and on weekends and holidays. The team leader may at any time delegate this duty to another qualified ~~member of the ACT team~~ licensed professional;

(2) the psychiatric care provider:

(i) must be a mental health professional permitted to prescribe psychiatric medications as part of the mental health professional's scope of practice. The psychiatric care provider must have demonstrated clinical experience working with individuals with serious and persistent mental illness;

(ii) shall collaborate with the team leader in sharing overall clinical responsibility for screening and admitting clients; monitoring clients' treatment and team member service delivery; educating staff on psychiatric and nonpsychiatric medications, their side effects, and health-related conditions; actively collaborating with nurses; and helping provide treatment supervision to the team;

(iii) shall fulfill the following functions for assertive community treatment clients: provide assessment and treatment of clients' symptoms and response to medications, including side effects; provide brief therapy to clients; provide diagnostic and medication education to clients, with medication decisions based on shared decision making; monitor clients' nonpsychiatric medical conditions and nonpsychiatric medications; and conduct home and community visits;

(iv) shall serve as the point of contact for psychiatric treatment if a client is hospitalized for mental health treatment and shall communicate directly with the client's inpatient psychiatric care providers to ensure continuity of care;

(v) shall have a minimum full-time equivalency that is prorated at a rate of 16 hours per 50 clients. Part-time psychiatric care providers shall have designated hours to work on the team, with sufficient blocks of time on consistent days to carry out the provider's clinical, supervisory, and administrative responsibilities. No more than two psychiatric care providers may share this role; and

(vi) shall provide psychiatric backup to the program after regular business hours and on weekends and holidays. The psychiatric care provider may delegate this duty to another qualified psychiatric provider;

(3) the nursing staff:

(i) shall consist of one to three registered nurses or advanced practice registered nurses, of whom at least one has a minimum of one-year experience working with adults with serious mental illness and a working knowledge of psychiatric medications. No more than two individuals can share a full-time equivalent position;

(ii) are responsible for managing medication, administering and documenting medication treatment, and managing a secure medication room; and

(iii) shall develop strategies, in collaboration with clients, to maximize taking medications as prescribed; screen and monitor clients' mental and physical health conditions and medication side effects; engage in health promotion, prevention, and education activities; communicate and coordinate services with other medical providers; facilitate the development of the individual treatment plan for clients assigned; and educate the ACT team in monitoring psychiatric and physical health symptoms and medication side effects;

(4) the co-occurring disorder specialist:

(i) shall be a full-time equivalent co-occurring disorder specialist who has received specific training on co-occurring disorders that is consistent with national evidence-based practices. The training must include practical knowledge of common substances and how they affect mental illnesses, the ability to assess substance use disorders and the client's stage of treatment, motivational interviewing, and skills necessary to provide counseling to clients at all different stages of change and treatment. The co-occurring disorder specialist may also be an individual who is a licensed alcohol and drug counselor as described in section 148F.01, subdivision 5, or a counselor who otherwise meets the training, experience, and other requirements in section 245G.11, subdivision 5. No more than two co-occurring disorder specialists may occupy this role; and

(ii) shall provide or facilitate the provision of co-occurring disorder treatment to clients. The co-occurring disorder specialist shall serve as a consultant and educator to fellow ACT team members on co-occurring disorders;

(5) the vocational specialist:

(i) shall be a full-time vocational specialist who has at least one-year experience providing employment services or advanced education that involved field training in vocational services to individuals with mental illness. An individual who does not meet these qualifications may also serve as the vocational specialist upon completing a training plan approved by the commissioner;

(ii) shall provide or facilitate the provision of vocational services to clients. The vocational specialist serves as a consultant and educator to fellow ACT team members on these services; and

(iii) must not refer individuals to receive any type of vocational services or linkage by providers outside of the ACT team;

(6) the mental health certified peer specialist:

(i) shall be a full-time equivalent. No more than two individuals can share this position. The mental health certified peer specialist is a fully integrated team member who provides highly individualized services in the community and promotes the self-determination and shared decision-making abilities of clients. This requirement may be waived due to workforce shortages upon approval of the commissioner;

(ii) must provide coaching, mentoring, and consultation to the clients to promote recovery, self-advocacy, and self-direction, promote wellness management strategies, and assist clients in developing advance directives; and

(iii) must model recovery values, attitudes, beliefs, and personal action to encourage wellness and resilience, provide consultation to team members, promote a culture where the clients' points of view and preferences are recognized, understood, respected, and integrated into treatment, and serve in a manner equivalent to other team members;

(7) the program administrative assistant shall be a full-time office-based program administrative assistant position assigned to solely work with the ACT team, providing a range of supports to the team, clients, and families; and

(8) additional staff:

(i) shall be based on team size. Additional treatment team staff may include mental health professionals; clinical trainees; certified rehabilitation specialists; mental health practitioners; or mental health rehabilitation workers. These individuals shall have the knowledge, skills, and abilities required by the population served to carry out rehabilitation and support functions; and

(ii) shall be selected based on specific program needs or the population served.

(b) Each ACT team must clearly document schedules for all ACT team members.

(c) Each ACT team member must serve as a primary team member for clients assigned by the team leader and are responsible for facilitating the individual treatment plan process for those clients. The primary team member for a client is the responsible team member knowledgeable about the client's life and circumstances and writes the individual treatment plan. The primary team member provides individual supportive therapy or counseling, and provides primary support and education to the client's family and support system.

(d) Members of the ACT team must have strong clinical skills, professional qualifications, experience, and competency to provide a full breadth of rehabilitation services. Each staff member shall be proficient in their respective discipline and be able to work collaboratively as a member of a multidisciplinary team to deliver the majority of the treatment, rehabilitation, and support services clients require to fully benefit from receiving assertive community treatment.

(e) Each ACT team member must fulfill training requirements established by the commissioner.

Sec. 47. Minnesota Statutes 2022, section 256B.0622, subdivision 7b, is amended to read:

Subd. 7b. **Assertive community treatment program size and opportunities.** (a) Each ACT team shall maintain an annual average caseload that does not exceed 100 clients. Staff-to-client ratios shall be based on team size as follows:

(1) a small ACT team must:

(i) employ at least six but no more than seven full-time treatment team staff, excluding the program assistant and the psychiatric care provider;

(ii) serve an annual average maximum of no more than 50 clients;

(iii) ensure at least one full-time equivalent position for every eight clients served;

(iv) schedule ACT team staff ~~for at least eight hour shift coverage~~ on weekdays and on-call duty to provide crisis services and deliver services after hours when staff are not working;

(v) provide crisis services during business hours if the small ACT team does not have sufficient staff numbers to operate an after-hours on-call system. During all other hours, the ACT team may arrange for coverage for crisis assessment and intervention services through a reliable crisis-intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis-intervention provider and the on-call ACT team staff are available to see clients face-to-face when necessary or if requested by the crisis-intervention services provider;

(vi) adjust schedules and provide staff to carry out the needed service activities in the evenings or on weekend days or holidays, when necessary;

(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team's psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing; and

(viii) be composed of, at minimum, one full-time team leader, at least 16 hours each week per 50 clients of psychiatric provider time, or equivalent if fewer clients, one full-time equivalent nursing, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least one additional full-time ACT team member who has mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status; and

(2) a midsize ACT team shall:

(i) be composed of, at minimum, one full-time team leader, at least 16 hours of psychiatry time for 51 clients, with an additional two hours for every six clients added to the team, 1.5 to two full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least 1.5 to two additional full-time equivalent ACT members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional, certified rehabilitation specialist, clinical trainee, or mental health practitioner status;

(ii) employ seven or more treatment team full-time equivalents, excluding the program assistant and the psychiatric care provider;

(iii) serve an annual average maximum caseload of 51 to 74 clients;

(iv) ensure at least one full-time equivalent position for every nine clients served;

(v) schedule ACT team staff for a minimum of ten-hour shift coverage on weekdays and six- to eight-hour shift coverage on weekends and holidays. In addition to these minimum specifications, staff are regularly scheduled to provide the necessary services on a client-by-client basis in the evenings and on weekends and holidays;

(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working;

(vii) have the authority to arrange for coverage for crisis assessment and intervention services through a reliable crisis-intervention provider as long as there is a mechanism by which the ACT team communicates routinely with the crisis-intervention provider and the on-call ACT team staff are available to see clients face-to-face when necessary or if requested by the crisis-intervention services provider; and

(viii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the psychiatric care provider during all hours is not feasible, alternative psychiatric prescriber backup must be arranged and a mechanism of timely communication and coordination established in writing;

(3) a large ACT team must:

(i) be composed of, at minimum, one full-time team leader, at least 32 hours each week per 100 clients, or equivalent of psychiatry time, three full-time equivalent nursing staff, one full-time co-occurring disorder specialist, one full-time equivalent mental health certified peer specialist, one full-time vocational specialist, one full-time program assistant, and at least two additional full-time equivalent ACT team members, with at least one dedicated full-time staff member with mental health professional status. Remaining team members may have mental health professional or mental health practitioner status;

(ii) employ nine or more treatment team full-time equivalents, excluding the program assistant and psychiatric care provider;

(iii) serve an annual average maximum caseload of 75 to 100 clients;

(iv) ensure at least one full-time equivalent position for every nine individuals served;

(v) schedule staff to work two eight-hour shifts, with a minimum of two staff on the second shift providing services at least 12 hours per day weekdays. For weekends and holidays, the team must operate and schedule ACT team staff to work one eight-hour shift, with a minimum of two staff each weekend day and every holiday;

(vi) schedule ACT team staff on-call duty to provide crisis services and deliver services when staff are not working; and

(vii) arrange for and provide psychiatric backup during all hours the psychiatric care provider is not regularly scheduled to work. If availability of the ACT team psychiatric care provider during all hours is not feasible, alternative psychiatric backup must be arranged and a mechanism of timely communication and coordination established in writing.

(b) An ACT team of any size may have a staff-to-client ratio that is lower than the requirements described in paragraph (a) upon approval by the commissioner, but may not exceed a one-to-ten staff-to-client ratio.

Sec. 48. Minnesota Statutes 2022, section 256B.0622, subdivision 7c, is amended to read:

Subd. 7c. **Assertive community treatment program organization and communication requirements.** (a) An ACT team shall provide at least 75 percent of all services in the community in non-office-based or non-facility-based settings.

(b) ACT team members must know all clients receiving services, and interventions must be carried out with consistency and follow empirically supported practice.

(c) Each ACT team client shall be assigned an individual treatment team that is determined by a variety of factors, including team members' expertise and skills, rapport, and other factors specific to the individual's preferences. The majority of clients shall see at least three ACT team members in a given month.

(d) The ACT team shall have the capacity to rapidly increase service intensity to a client when the client's status requires it, regardless of geography, and provide flexible service in an individualized manner, and see clients on average three times per week for at least 120 minutes per week at a frequency that meets the client's needs. Services must be available at times that meet client needs.

(e) ACT teams shall make deliberate efforts to assertively engage clients in services. Input of family members, natural supports, and previous and subsequent treatment providers is required in developing engagement strategies. ACT teams shall include the client, identified family, and other support persons in the admission, initial assessment, and planning process as primary stakeholders, meet with the client in the client's environment at times of the day and week that honor the client's preferences, and meet clients at home and in jails or prisons, streets, homeless shelters, or hospitals.

(f) ACT teams shall ensure that a process is in place for identifying individuals in need of more or less assertive engagement. Interventions are monitored to determine the success of these techniques and the need to adapt the techniques or approach accordingly.

(g) ACT teams shall conduct daily team meetings to systematically update clinically relevant information, briefly discuss the status of assertive community treatment clients over the past 24 hours, problem solve emerging issues, plan approaches to address and prevent crises, and plan the service contacts for the following 24-hour period or weekend. All team members scheduled to work shall attend this meeting.

(h) ACT teams shall maintain a clinical log that succinctly documents important clinical information and develop a daily team schedule for the day's contacts based on a central file of the clients' weekly or monthly schedules, which are derived from interventions specified within the individual treatment plan. The team leader must have a record to ensure that all assigned contacts are completed.

Sec. 49. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. Medical assistance payment for assertive community treatment and intensive residential treatment services. (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); ~~and~~

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(vi) for assertive community treatment, intensive residential treatment services, and residential crisis services, providers may include in their prospective cost-based rate-setting methodology a line item reflecting estimated additional staffing compensation costs. Estimated additional staffing compensation costs are subject to review by the commissioner; and

(vii) for intensive residential treatment services and residential crisis services, providers may include in their prospective cost-based rate-setting methodology a line item reflecting estimated new capital costs. Estimated new capital costs are subject to review by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

(3) the number of service units;

(4) the degree to which clients will receive services other than services under this section; and

(5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude room and board, as defined in section 256I.03, subdivision 6, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

(i) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(j) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 50. Minnesota Statutes 2022, section 256B.0623, subdivision 4, is amended to read:

Subd. 4. **Provider entity standards.** (a) The provider entity must be certified by the state following the certification process and procedures developed by the commissioner.

(b) The certification process is a determination as to whether the entity meets the standards in this section and chapter 245I, as required in section 245I.011, subdivision 5. The certification must specify which adult rehabilitative mental health services the entity is qualified to provide.

~~(c) A noncounty provider entity must obtain additional certification from each county in which it will provide services. The additional certification must be based on the adequacy of the entity's knowledge of that county's local health and human service system, and the ability of the entity to coordinate its services with the other services available in that county. A county-operated entity must obtain this additional certification from any other county in which it will provide services.~~

~~(d)~~ (c) State-level recertification must occur at least every three years.

~~(e)~~ (d) The commissioner may intervene at any time and decertify providers with cause. The decertification is subject to appeal to the state. A county board may recommend that the state decertify a provider for cause.

~~(f)~~ (e) The adult rehabilitative mental health services provider entity must meet the following standards:

(1) have capacity to recruit, hire, manage, and train qualified staff;

(2) have adequate administrative ability to ensure availability of services;

(3) ensure that staff are skilled in the delivery of the specific adult rehabilitative mental health services provided to the individual eligible recipient;

(4) ensure enough flexibility in service delivery to respond to the changing and intermittent care needs of a recipient as identified by the recipient and the individual treatment plan;

(5) assist the recipient in arranging needed crisis assessment, intervention, and stabilization services;

(6) ensure that services are coordinated with other recipient mental health services providers and the county mental health authority and the federally recognized American Indian authority and necessary others after obtaining the consent of the recipient. Services must also be coordinated with the recipient's case manager or care coordinator if the recipient is receiving case management or care coordination services;

(7) keep all necessary records required by law;

(8) deliver services as required by section 245.461;

(9) be an enrolled Medicaid provider; and

(10) maintain a quality assurance plan to determine specific service outcomes and the recipient's satisfaction with services.

Sec. 51. Minnesota Statutes 2022, section 256B.0757, subdivision 4c, is amended to read:

Subd. 4c. **Behavioral health home services staff qualifications.** (a) A behavioral health home services provider must maintain staff with required professional qualifications appropriate to the setting.

(b) If behavioral health home services are offered in a mental health setting, the integration specialist must be a registered licensed nurse licensed under the Minnesota Nurse Practice Act, sections 148.171 to 148.285, as defined in section 148.171, subdivision 9.

(c) If behavioral health home services are offered in a primary care setting, the integration specialist must be a mental health professional who is qualified according to section 245I.04, subdivision 2.

(d) If behavioral health home services are offered in either a primary care setting or mental health setting, the systems navigator must be a mental health practitioner who is qualified according to section 245I.04, subdivision 4, or a community health worker as defined in section 256B.0625, subdivision 49.

(e) If behavioral health home services are offered in either a primary care setting or mental health setting, the qualified health home specialist must be one of the following:

- (1) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10;
- (2) a mental health certified family peer specialist who is qualified according to section 245I.04, subdivision 12;
- (3) a case management associate as defined in section 245.462, subdivision 4, paragraph (g), or 245.4871, subdivision 4, paragraph (j);
- (4) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14;
- (5) a community paramedic as defined in section 144E.28, subdivision 9;
- (6) a peer recovery specialist as defined in section 245G.07, subdivision 1, clause (5); or
- (7) a community health worker as defined in section 256B.0625, subdivision 49.

Sec. 52. Minnesota Statutes 2022, section 256B.0941, subdivision 2a, is amended to read:

Subd. 2a. **Sleeping hours.** During normal sleeping hours, a psychiatric residential treatment facility provider must provide at least one staff person for every six residents present within a living unit. A provider must adjust sleeping-hour staffing levels based on the clinical needs of the residents in the facility. Sleeping hours must include at least one staff trained and certified to provide emergency medical response. During normal sleeping hours, a registered nurse must be available on call to assess a child's needs and must be available within 60 minutes.

Sec. 53. Minnesota Statutes 2022, section 256B.0624, subdivision 5, is amended to read:

Subd. 5. **Crisis assessment and intervention staff qualifications.** (a) Qualified individual staff of a qualified provider entity must provide crisis assessment and intervention services to a recipient. A staff member providing crisis assessment and intervention services to a recipient must be qualified as a:

- (1) mental health professional;
 - (2) clinical trainee;
 - (3) mental health practitioner;
 - (4) mental health certified family peer specialist; or
 - (5) mental health certified peer specialist.
- (b) When crisis assessment and intervention services are provided to a recipient in the community, a mental health professional, clinical trainee, or mental health practitioner must lead the response.

(c) The 30 hours of ongoing training required by section 245I.05, subdivision 4, paragraph (b), must be specific to providing crisis services to children and adults and include training about evidence-based practices identified by the commissioner of health to reduce the recipient's risk of suicide and self-injurious behavior.

(d) At least six hours of the ongoing training under paragraph (c) must be specific to working with families and providing crisis stabilization services to children and include the following topics:

- (1) developmental tasks of childhood and adolescence;
- (2) family relationships;
- (3) child and youth engagement and motivation, including motivational interviewing;
- (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and queer youth;
- (5) positive behavior support;
- (6) crisis intervention for youth with developmental disabilities;
- (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral therapy; and
- (8) youth substance use.

~~(d)~~ (e) Team members must be experienced in crisis assessment, crisis intervention techniques, treatment engagement strategies, working with families, and clinical decision-making under emergency conditions and have knowledge of local services and resources.

Sec. 54. Minnesota Statutes 2022, section 256B.0624, subdivision 8, is amended to read:

Subd. 8. **Crisis stabilization staff qualifications.** (a) Mental health crisis stabilization services must be provided by qualified individual staff of a qualified provider entity. A staff member providing crisis stabilization services to a recipient must be qualified as a:

- (1) mental health professional;
- (2) certified rehabilitation specialist;
- (3) clinical trainee;
- (4) mental health practitioner;
- (5) mental health certified family peer specialist;
- (6) mental health certified peer specialist; or
- (7) mental health rehabilitation worker.

(b) The 30 hours of ongoing training required in section 245I.05, subdivision 4, paragraph (b), must be specific to providing crisis services to children and adults and include training about evidence-based practices identified by the commissioner of health to reduce a recipient's risk of suicide and self-injurious behavior.

(c) For providers who deliver care to children 21 years of age and younger, at least six hours of the ongoing training under this subdivision must be specific to working with families and providing crisis stabilization services to children and include the following topics:

- (1) developmental tasks of childhood and adolescence;
- (2) family relationships;
- (3) child and youth engagement and motivation, including motivational interviewing;
- (4) culturally responsive care, including care for lesbian, gay, bisexual, transgender, and queer youth;
- (5) positive behavior support;
- (6) crisis intervention for youth with developmental disabilities;
- (7) child traumatic stress, trauma-informed care, and trauma-focused cognitive behavioral therapy; and
- (8) youth substance use.

This paragraph does not apply to adult residential crisis stabilization service providers licensed according to section 245I.23.

Sec. 55. Minnesota Statutes 2022, section 256B.0625, subdivision 5m, is amended to read:

Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical assistance covers services provided by a not-for-profit certified community behavioral health clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

(b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an eligible service is delivered using the CCBHC daily bundled rate system for medical assistance payments as described in paragraph (c). The commissioner shall include a quality incentive payment in the CCBHC daily bundled rate system as described in paragraph (e). There is no county share for medical assistance services when reimbursed through the CCBHC daily bundled rate system.

(c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC payments under medical assistance meets the following requirements:

(1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable CCBHC costs divided by the total annual number of CCBHC visits. For calculating the payment rate, total annual visits include visits covered by medical assistance and visits not covered by medical assistance. Allowable costs include but are not limited to the salaries and benefits of medical assistance providers; the cost of CCBHC services provided under section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as insurance or supplies needed to provide CCBHC services;

(2) payment shall be limited to one payment per day per medical assistance enrollee when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or licensed agency employed by or under contract with a CCBHC;

(3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735, subdivision 3, shall be established by the commissioner using a provider-specific rate based on the newly certified CCBHC's audited historical cost report data adjusted for the expected cost of delivering CCBHC services. Estimates are subject to review by the commissioner and must include the expected cost of providing the full scope of CCBHC services and the expected number of visits for the rate period;

(4) the commissioner shall rebase CCBHC rates once every ~~three~~ two years following the last rebasing and no less than 12 months following an initial rate or a rate change due to a change in the scope of services;

(5) the commissioner shall provide for a 60-day appeals process after notice of the results of the rebasing;

~~(6) the CCBHC daily bundled rate under this section does not apply to services rendered by CCBHCs to individuals who are dually eligible for Medicare and medical assistance when Medicare is the primary payer for the service. An entity that receives a CCBHC daily bundled rate system that overlaps with the CCBHC rate is not eligible for the CCBHC rate if the commissioner has not reentered the CCBHC demonstration program by July 1, 2023, CCBHCs shall be paid the daily bundled rate under this section for services rendered to individuals who are duly eligible for Medicare and medical assistance;~~

(7) payments for CCBHC services to individuals enrolled in managed care shall be coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall complete the phase-out of CCBHC wrap payments within 60 days of the implementation of the CCBHC daily bundled rate system in the Medicaid Management Information System (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments due made payable to CCBHCs no later than 18 months thereafter;

(8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each provider-specific rate by the Medicare Economic Index for primary care services. This update shall occur each year in between rebasing periods determined by the commissioner in accordance with clause (4). CCBHCs must provide data on costs and visits to the state annually using the CCBHC cost report established by the commissioner; and

(9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of services when such changes are expected to result in an adjustment to the CCBHC payment rate by 2.5 percent or more. The CCBHC must provide the commissioner with information regarding the changes in the scope of services, including the estimated cost of providing the new or modified services and any projected increase or decrease in the number of visits resulting from the change. Estimated costs are subject to review by the commissioner. Rate adjustments for changes in scope shall occur no more than once per year in between rebasing periods per CCBHC and are effective on the date of the annual CCBHC rate update.

(d) Managed care plans and county-based purchasing plans shall reimburse CCBHC providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of this requirement on the rate of access to the services delivered by CCBHC providers. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision 2, clause (8).

EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval, whichever is later. The commissioner of human services shall inform the revisor of statutes when federal approval is obtained.

Sec. 56. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision to read:

Subd. 2b. **Shared site.** Related services that have a bright-line separation from psychiatric residential treatment facility service operations may be delivered in the same facility, including under the same structural roof. In shared site settings, staff must provide services only to programs they are affiliated to through NETStudy 2.0.

Sec. 57. Minnesota Statutes 2022, section 256B.0941, is amended by adding a subdivision to read:

Subd. 5. **Start-up and capacity-building grants.** (a) The commissioner shall establish start-up and capacity-building grants for psychiatric residential treatment facility sites. Start-up grants to prospective psychiatric residential treatment facility sites may be used for:

(1) administrative expenses;

(2) consulting services;

(3) Health Insurance Portability and Accountability Act of 1996 compliance;

(4) therapeutic resources, including evidence-based, culturally appropriate curriculums and training programs for staff and clients;

(5) allowable physical renovations to the property; and

(6) emergency workforce shortage uses, as determined by the commissioner.

(b) Start-up and capacity-building grants to prospective and current psychiatric residential treatment facilities may be used to support providers who treat and accept individuals with complex support needs, including but not limited to:

(1) neurocognitive disorders;

(2) co-occurring intellectual developmental disabilities;

(3) schizophrenia spectrum disorders;

(4) manifested or labeled aggressive behaviors; and

(5) manifested sexually inappropriate behaviors.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 58. Minnesota Statutes 2022, section 256B.0947, is amended by adding a subdivision to read:

Subd. 10. **Young adult continuity of care.** A client who received services under this section or section 256B.0946 and aged out of eligibility may continue to receive services from the same providers under this section until the client is 27 years old.

Sec. 59. Minnesota Statutes 2022, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) The commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based purchasing plans, and providers. The managed care or county-based purchasing plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) The commissioner shall require that managed care plans:

(1) use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659 and community first services and supports under section 256B.85; and

(2) by January 30 of each year that follows a rate increase for any aspect of services under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over rates determined under section 256B.851 of the amount of the rate increase that is paid to each personal care assistance provider agency with which the plan has a contract.

(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each subsequent year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous measurement year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(f) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withheld each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a managed care or county-based purchasing plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (g). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(g) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withheld each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(h) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(i) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(j) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

(k) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

(l) The return of the withhold under paragraphs (h) and (i) is not subject to the requirements of paragraph (c).

(m) Managed care plans and county-based purchasing plans shall maintain current and fully executed agreements for all subcontractors, including bargaining groups, for administrative services that are expensed to the state's public health care programs. Subcontractor agreements determined to be material, as defined by the commissioner after taking into account state contracting and relevant statutory requirements, must be in the form of a written instrument or electronic document containing the elements of offer, acceptance, consideration, payment terms, scope, duration of the contract, and how the subcontractor services relate to state public health care programs. Upon request, the commissioner shall have access to all subcontractor documentation under this paragraph. Nothing in this paragraph shall allow release of information that is nonpublic data pursuant to section 13.02.

(n) Effective for services rendered on or after January 1, 2024, the commissioner shall require, as part of a contract, that all managed care plans use timely claim filing timelines of 12 months and use remittance advice and prior authorizations timelines consistent with those used under medical assistance fee-for-service for mental health and substance use disorder treatment services. A managed care plan under this section may not take back funds the managed care plan paid to a mental health and substance use disorder treatment provider once six months have elapsed from the date the funds were paid.

Sec. 60. Minnesota Statutes 2022, section 260C.007, subdivision 26d, is amended to read:

Subd. 26d. **Qualified residential treatment program.** "Qualified residential treatment program" means a children's residential treatment program licensed under chapter 245A or licensed or approved by a tribe that is approved to receive foster care maintenance payments under section 256.82 that:

(1) has a trauma-informed treatment model designed to address the needs of children with serious emotional or behavioral disorders or disturbances;

(2) has registered or licensed nursing staff and other licensed clinical staff who:

(i) provide care within the scope of their practice; and

(ii) are available 24 hours per day and seven days per week;

(3) is accredited by any of the following independent, nonprofit organizations: the Commission on Accreditation of Rehabilitation Facilities (CARF), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the Council on Accreditation (COA), or any other nonprofit accrediting organization approved by the United States Department of Health and Human Services;

(4) if it is in the child's best interests, facilitates participation of the child's family members in the child's treatment programming consistent with the child's out-of-home placement plan under sections 260C.212, subdivision 1, and 260C.708;

(5) facilitates outreach to family members of the child, including siblings;

(6) documents how the facility facilitates outreach to the child's parents and relatives, as well as documents the child's parents' and other relatives' contact information;

(7) documents how the facility includes family members in the child's treatment process, including after the child's discharge, and how the facility maintains the child's sibling connections; and

(8) provides the child and child's family with discharge planning and family-based aftercare support for at least six months after the child's discharge. Aftercare support may include mental health certified family and youth peer specialist services, as defined under section 256B.0616.

Sec. 61. **LOCAL AGENCY SUBSTANCE USE DISORDER ALLOCATION.**

The commissioner of human services shall evaluate the ongoing need for local agency substance use disorder allocations under Minnesota Statutes, section 254B.02. The evaluation must include recommendations on whether local agency allocations should continue, and if so, the commissioner must recommend what the purpose of the allocations should be and propose an updated allocation methodology that aligns with the purpose and person-centered outcomes for people experiencing substance use disorders and behavioral health conditions. The commissioner may contract with a vendor to support this evaluation through research and actuarial analysis.

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

Sec. 62. **RATE INCREASE FOR MENTAL HEALTH ADULT DAY TREATMENT.**

The commissioner of human services must increase the reimbursement rate for adult day treatment under Minnesota Statutes, section 256B.0671, subdivision 3, by 50 percent over the reimbursement rate in effect as of June 30, 2023.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 63. **ROOM AND BOARD COSTS IN CHILDREN'S RESIDENTIAL FACILITIES.**

The commissioner of human services must update the behavioral health fund room and board rate schedule to include services provided under Minnesota Statutes, section 245.4882, for individuals who do not have a placement under Minnesota Statutes, chapter 260C or 260D. The commissioner must establish room and board rates commensurate with current room and board rates for adolescent programs licensed under Minnesota Statutes, section 245G.18.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 64. **DIRECTION TO THE COMMISSIONER; EARLY INTERVENTION AND PREVENTION SERVICES.**

The commissioner of human services must make the International Classification of Diseases, Tenth Revision V and Z codes available to medical assistance and MinnesotaCare enrolled professionals to provide early intervention and prevention services. Services must be delivered under the supervision of a mental health professional, as defined in Minnesota Statutes, section 245I.02, subdivision 27, and must only be provided for a period of up to six months after the first contact with a client who is enrolled in medical assistance or MinnesotaCare.

ARTICLE 8
DEPARTMENT OF HUMAN SERVICES POLICY

Section 1. Minnesota Statutes 2022, section 245.4661, subdivision 9, is amended to read:

Subd. 9. **Services and programs.** (a) The following three distinct grant programs are funded under this section:

- (1) mental health crisis services;
- (2) housing with supports for adults with serious mental illness; and
- (3) projects for assistance in transitioning from homelessness (PATH program).

(b) In addition, the following are eligible for grant funds:

- (1) community education and prevention;
- (2) client outreach;
- (3) early identification and intervention;
- (4) adult outpatient diagnostic assessment and psychological testing;
- (5) peer support services;
- (6) community support program services (CSP);
- (7) adult residential crisis stabilization;
- (8) supported employment;
- (9) assertive community treatment (ACT);
- (10) housing subsidies;
- (11) basic living, social skills, and community intervention;
- (12) emergency response services;
- (13) adult outpatient psychotherapy;
- (14) adult outpatient medication management;
- (15) adult mobile crisis services;
- (16) adult day treatment;
- (17) partial hospitalization;
- (18) adult residential treatment;

- (19) adult mental health targeted case management; and
- ~~(20) intensive community rehabilitative services (ICRS); and~~
- ~~(21)~~ (20) transportation.

Sec. 2. Minnesota Statutes 2022, section 245.469, subdivision 3, is amended to read:

Subd. 3. **Mental health crisis services.** The commissioner of human services shall increase access to mental health crisis services for children and adults. In order to increase access, the commissioner must:

- (1) develop a central phone number where calls can be routed to the appropriate crisis services;
- (2) provide telephone consultation 24 hours a day to mobile crisis teams who are serving people with traumatic brain injury or intellectual disabilities who are experiencing a mental health crisis;
- (3) expand crisis services across the state, including rural areas of the state and examining access per population;
- (4) establish and implement state standards and requirements for crisis services as outlined in section 256B.0624; and
- (5) provide grants to adult mental health initiatives, counties, tribes, or community mental health providers to establish new mental health crisis residential service capacity.

Priority will be given to regions that do not have a mental health crisis residential services program, do not have an inpatient psychiatric unit within the region, do not have an inpatient psychiatric unit within 90 miles, or have a demonstrated need based on the number of crisis residential or intensive residential treatment beds available to meet the needs of the residents in the region. At least 50 percent of the funds must be distributed to programs in rural Minnesota. Grant funds may be used for start-up costs, including but not limited to renovations, furnishings, and staff training. Grant applications shall provide details on how the intended service will address identified needs and shall demonstrate collaboration with crisis teams, other mental health providers, hospitals, and police.

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

Sec. 3. **[245.4903] CULTURAL AND ETHNIC MINORITY INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of human services shall establish a cultural and ethnic minority infrastructure grant program to ensure that mental health and substance use disorder treatment supports and services are culturally specific and culturally responsive to meet the cultural needs of the communities served.

Subd. 2. **Eligible applicants.** An eligible applicant is a licensed entity or provider from a cultural or ethnic minority population who:

- (1) provides mental health or substance use disorder treatment services and supports to individuals from cultural and ethnic minority populations, including individuals who are lesbian, gay, bisexual, transgender, or queer and from cultural and ethnic minority populations;
- (2) provides or is qualified and has the capacity to provide clinical supervision and support to members of culturally diverse and ethnic minority communities to qualify as mental health and substance use disorder treatment providers; or

(3) has the capacity and experience to provide training for mental health and substance use disorder treatment providers on cultural competency and cultural humility.

Subd. 3. Allowable grant activities. (a) The cultural and ethnic minority infrastructure grant program grantees must engage in activities and provide supportive services to ensure and increase equitable access to culturally specific and responsive care and to build organizational and professional capacity for licensure and certification for the communities served. Allowable grant activities include but are not limited to:

(1) workforce development activities focused on recruiting, supporting, training, and supervision activities for mental health and substance use disorder practitioners and professionals from diverse racial, cultural, and ethnic communities;

(2) supporting members of culturally diverse and ethnic minority communities to qualify as mental health and substance use disorder professionals, practitioners, clinical supervisors, recovery peer specialists, mental health certified peer specialists, and mental health certified family peer specialists;

(3) culturally specific outreach, early intervention, trauma-informed services, and recovery support in mental health and substance use disorder services;

(4) provision of trauma-informed, culturally responsive mental health and substance use disorder supports and services for children and families, youth, or adults who are from cultural and ethnic minority backgrounds and are uninsured or underinsured;

(5) mental health and substance use disorder service expansion and infrastructure improvement activities, particularly in greater Minnesota;

(6) training for mental health and substance use disorder treatment providers on cultural competency and cultural humility;

(7) activities to increase the availability of culturally responsive mental health and substance use disorder services for children and families, youth, or adults or to increase the availability of substance use disorder services for individuals from cultural and ethnic minorities in the state;

(8) providing interpreter services at intensive residential treatment facilities, children's residential treatment centers, or psychiatric residential treatment facilities in order for children or adults with limited English proficiency or children or adults who are fluent in another language to be able to access treatment; and

(9) paying for case-specific consultation between a mental health professional and the appropriate diverse mental health professional in order to facilitate the provision of services that are culturally appropriate to a client's needs.

(b) The commissioner must assist grantees with meeting third-party credentialing requirements, and grantees must obtain all available third-party reimbursement sources as a condition of receiving grant funds. Grantees must serve individuals from cultural and ethnic minority communities regardless of health coverage status or ability to pay.

Subd. 4. Data collection and outcomes. Grantees must provide regular data summaries to the commissioner for purposes of evaluating the effectiveness of the cultural and ethnic minority infrastructure grant program. The commissioner must use identified culturally appropriate outcome measures instruments to evaluate outcomes and must evaluate program activities by analyzing whether the program:

(1) increased access to culturally specific services for individuals from cultural and ethnic minority communities across the state;

(2) increased the number of individuals from cultural and ethnic minority communities served by grantees;

(3) increased cultural responsiveness and cultural competency of mental health and substance use disorder treatment providers;

(4) increased the number of mental health and substance use disorder treatment providers and clinical supervisors from cultural and ethnic minority communities;

(5) increased the number of mental health and substance use disorder treatment organizations owned, managed, or led by individuals who are Black, Indigenous, or people of color;

(6) reduced health disparities through improved clinical and functional outcomes for those accessing services; and

(7) led to an overall increase in culturally specific mental health and substance use disorder service availability.

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

Sec. 4. **[245.4906] MENTAL HEALTH CERTIFIED PEER SPECIALIST GRANT PROGRAM.**

Subdivision 1. **Establishment.** The mental health certified peer specialist grant program is established in the Department of Human Services to provide funding for training for mental health certified peer specialists who provide services to support individuals with lived experience of mental illness under section 256B.0615. Certified peer specialists provide services to individuals who are receiving assertive community treatment or intensive residential treatment services under section 256B.0622, adult rehabilitative mental health services under section 256B.0623, or crisis response services under section 256B.0624. Mental health certified peer specialist qualifications are defined in section 245I.04, subdivision 10, and mental health certified peer specialists' scope of practice is defined in section 245I.04, subdivision 11.

Subd. 2. **Activities.** Grant funding may be used to provide training for mental health certified peer specialists as specified in section 256B.0615, subdivision 5.

Subd. 3. **Outcomes.** Evaluation includes the extent to which individuals receiving peer services:

(1) experience progress on achieving treatment goals; and

(2) experience a reduction in hospital admissions.

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

Sec. 5. **[245.4907] MENTAL HEALTH CERTIFIED FAMILY PEER SPECIALIST GRANT PROGRAM.**

Subdivision 1. **Establishment.** The mental health certified peer family specialist grant program is established in the Department of Human Services to provide funding for training for mental health certified peer family specialists who provide services to support individuals with lived experience of mental illness under section 256B.0616. Certified family peer specialists provide services to families who have a child with an emotional disturbance or severe emotional disturbance under chapter 245. Certified family peer specialists provide services to families whose children are receiving inpatient hospitalization under section 256B.0625, subdivision 1; partial hospitalization under Minnesota Rules, parts 9505.0370, subpart 24, and 9505.0372, subpart 9; residential treatment under section 245.4882; children's intensive behavioral health services under section 256B.0946; and day treatment, children's therapeutic services and supports, or crisis response services under section 256B.0624. Mental health certified family peer specialist qualifications are defined in section 245I.04, subdivision 12, and mental health certified family peer specialists' scope of practice is defined in section 245I.04, subdivision 13.

Subd. 2. **Activities.** Grant funding may be used to provide training for mental health certified family peer specialists as specified in section 256B.0616, subdivision 5.

Subd. 3. **Outcomes.** Evaluation includes the extent to which individuals receiving family peer services:

(1) progress on achieving treatment goals; and

(2) experience a reduction in hospital admissions.

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

Sec. 6. **[245.991] PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS PROGRAM.**

Subdivision 1. **Establishment.** The projects for assistance in transition from homelessness program is established in the Department of Human Services to prevent or end homelessness for people with serious mental illness or co-occurring substance use disorder and ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Activities.** All projects for assistance in transition from homelessness must provide homeless outreach and case management services. Projects may provide clinical assessment, habilitation and rehabilitation services, community mental health services, substance use disorder treatment, housing transition and sustaining services, direct assistance funding, and other activities as determined by the commissioner.

Subd. 3. **Eligibility.** Program activities must be provided to people with serious mental illness, or with co-occurring substance use disorder, who meet homeless criteria determined by the commissioner. People receiving homeless outreach may be presumed eligible until serious mental illness can be verified.

Subd. 4. **Outcomes.** Evaluation of each project includes the extent to which:

(1) grantees contact individuals through homeless outreach services;

(2) grantees enroll individuals in case management services;

(3) individuals access behavioral health services; and

(4) individuals transition from homelessness to housing.

Subd. 5. **Federal aid or grants.** The commissioner of human services must comply with all conditions and requirements necessary to receive federal aid or grants with respect to homeless services or programs as specified in section 245.70.

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

Sec. 7. **[245.992] HOUSING WITH SUPPORT FOR ADULTS WITH SERIOUS MENTAL ILLNESS PROGRAM.**

Subdivision 1. **Creation.** The housing with support for adults with serious mental illness program is established in the Department of Human Services to prevent or end homelessness for people with serious mental illness, increase the availability of housing with support, and ensure the commissioner may achieve the goals of the housing mission statement in section 245.461, subdivision 4.

Subd. 2. **Activities.** The housing with support for adults with serious mental illness program may provide a range of activities and supportive services to assure that people obtain and retain permanent supportive housing. Program activities may include case management, site-based housing services, housing transition and sustaining services, outreach services, community support services, direct assistance funding, and other activities as determined by the commissioner.

Subd. 3. **Eligibility.** Program activities must be provided to people with serious mental illness, or with co-occurring substance use disorder, who meet homeless criteria determined by the commissioner.

Subd. 4. **Outcomes.** Evaluation of program activities must utilize evidence-based practices and must include the extent to which:

(1) grantees' housing and activities utilize evidence-based practices;

(2) individuals transition from homelessness to housing;

(3) individuals retain housing; and

(4) individuals are satisfied with their housing.

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

Sec. 8. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision to read:

Subd. 3. **Authorized uses of grant funds.** Grant funds may be used for but are not limited to the following:

(1) increasing access to home and community-based services for an individual;

(2) improving caregiver-child relationships and aiding progress toward treatment goals; and

(3) reducing emergency department visits.

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

Sec. 9. Minnesota Statutes 2022, section 256.478, is amended by adding a subdivision to read:

Subd. 4. **Outcomes.** Program evaluation is based on but not limited to the following criteria:

(1) expediting discharges for individuals who no longer need hospital level of care;

(2) individuals obtaining and retaining housing;

(3) individuals maintaining community living by diverting admission to Anoka Metro Regional Treatment Center and Forensic Mental Health Program;

(4) reducing recidivism rates of individuals returning to state institutions; and

(5) individuals' ability to live in the least restrictive community setting.

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

Sec. 10. Minnesota Statutes 2022, section 256B.056, is amended by adding a subdivision to read:

Subd. 5d. **Medical assistance room and board rate.** "Medical assistance room and board rate" means an amount equal to 81 percent of the federal poverty guideline for a single individual living alone in the community less the medical assistance personal needs allowance under section 256B.35. The amount of the room and board rate, as defined in section 256I.03, subdivision 2, that exceeds the medical assistance room and board rate is considered a remedial care cost. A remedial care cost may be used to meet a spenddown obligation under this section. The medical assistance room and board rate is to be adjusted on January 1 of each year.

Sec. 11. Minnesota Statutes 2022, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. Medical assistance payment for assertive community treatment and intensive residential treatment services. (a) Payment for intensive residential treatment services and assertive community treatment in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible client in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each client for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) The commissioner shall determine one rate for each provider that will bill medical assistance for residential services under this section and one rate for each assertive community treatment provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) must be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) physical plant costs calculated based on the percentage of space within the program that is entirely devoted to treatment and programming. This does not include administrative or residential space;

(iv) assertive community treatment physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) subject to federal approval, up to an additional five percent of the total rate may be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

(2) actual cost is defined as costs which are allowable, allocable, and reasonable, and consistent with federal reimbursement requirements under Code of Federal Regulations, title 48, chapter 1, part 31, relating to for-profit entities, and Office of Management and Budget Circular Number A-122, relating to nonprofit entities;

- (3) the number of service units;
- (4) the degree to which clients will receive services other than services under this section; and
- (5) the costs of other services that will be separately reimbursed.

(d) The rate for intensive residential treatment services and assertive community treatment must exclude the medical assistance room and board rate, as defined in section ~~256L.03, subdivision 6~~ 256B.056, subdivision 5d, and services not covered under this section, such as partial hospitalization, home care, and inpatient services.

(e) Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist, or other health care professional providing physician services within their scope of practice, is a member of the intensive residential treatment services treatment team. Physician services, whether billed separately or included in the rate, may be delivered by telehealth. For purposes of this paragraph, "telehealth" has the meaning given to "mental health telehealth" in section 256B.0625, subdivision 46, when telehealth is used to provide intensive residential treatment services.

(f) When services under this section are provided by an assertive community treatment provider, case management functions must be an integral part of the team.

(g) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

(h) The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c). The rates for new programs must be established based upon estimated expenditures and estimated utilization using the criteria established in paragraph (c).

(i) Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover its actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner and must reflect a difference of greater than five percent.

(j) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 12. Minnesota Statutes 2022, section 256B.0946, subdivision 6, is amended to read:

Subd. 6. **Excluded services.** (a) Services in clauses (1) to (7) are not covered under this section and are not eligible for medical assistance payment as components of children's intensive behavioral health services, but may be billed separately:

- (1) inpatient psychiatric hospital treatment;
- (2) mental health targeted case management;
- (3) partial hospitalization;
- (4) medication management;

- (5) children's mental health day treatment services;
- (6) crisis response services under section 256B.0624;
- (7) transportation; and
- (8) mental health certified family peer specialist services under section 256B.0616.

(b) Children receiving intensive behavioral health services are not eligible for medical assistance reimbursement for the following services while receiving children's intensive behavioral health services:

- (1) psychotherapy and skills training components of children's therapeutic services and supports under section 256B.0943;
- (2) mental health behavioral aide services as defined in section 256B.0943, subdivision 1, paragraph (1);
- (3) home and community-based waiver services;
- (4) mental health residential treatment; and
- (5) medical assistance room and board costs rate, as defined in section ~~256I.03, subdivision 6~~ 256B.056, subdivision 5d.

Sec. 13. Minnesota Statutes 2022, section 256B.0947, subdivision 7a, is amended to read:

Subd. 7a. **Noncovered services.** (a) The rate for intensive rehabilitative mental health services does not include medical assistance payment for services in clauses (1) to (7). Services not covered under this paragraph may be billed separately:

- (1) inpatient psychiatric hospital treatment;
- (2) partial hospitalization;
- (3) children's mental health day treatment services;
- (4) physician services outside of care provided by a psychiatrist serving as a member of the treatment team;

(5) medical assistance room and board costs rate, as defined in section ~~256I.03, subdivision 6~~ 256B.056, subdivision 5d;

- (6) home and community-based waiver services; and
- (7) other mental health services identified in the child's individualized education program.

(b) The following services are not covered under this section and are not eligible for medical assistance payment while youth are receiving intensive rehabilitative mental health services:

- (1) mental health residential treatment; and
- (2) mental health behavioral aide services, as defined in section 256B.0943, subdivision 1, paragraph (1).

Sec. 14. Minnesota Statutes 2022, section 256D.02, is amended by adding a subdivision to read:

Subd. 20. Date of application. "Date of application" has the meaning given in section 256P.01, subdivision 2b.

Sec. 15. Minnesota Statutes 2022, section 256D.07, is amended to read:

256D.07 TIME OF PAYMENT OF ASSISTANCE.

An applicant for general assistance shall be deemed eligible if the application and the verification of the statement on that application demonstrate that the applicant is within the eligibility criteria established by sections 256D.01 to 256D.21 and any applicable rules of the commissioner. Any person requesting general assistance shall be permitted by the county agency to make an application for assistance as soon as administratively possible and in no event later than the fourth day following the date on which assistance is first requested, and no county agency shall require that a person requesting assistance appear at the offices of the county agency more than once prior to the date on which the person is permitted to make the application. ~~The application shall be in writing in the manner and upon the form prescribed by the commissioner and attested to by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point."~~ Applications must be submitted according to section 256P.04, subdivision 1a. On the date that general assistance is first requested, the county agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 256D.06, subdivision 2. A person in need of emergency assistance shall be granted emergency assistance immediately, and necessary emergency assistance shall continue for up to 30 days following the date of application. A determination of an applicant's eligibility for general assistance shall be made by the county agency as soon as the required verifications are received by the county agency and in no event later than 30 days following the date that the application is made. Any verifications required of the applicant shall be reasonable, and the commissioner shall by rule establish reasonable verifications. General assistance shall be granted to an eligible applicant without the necessity of first securing action by the board of the county agency. The first month's grant must be computed to cover the time period starting with the date ~~a signed application form is received by the county agency of application, as defined by section 256P.01, subdivision 2b,~~ or from the date that the applicant meets all eligibility factors, whichever occurs later.

If upon verification and due investigation it appears that the applicant provided false information and the false information materially affected the applicant's eligibility for general assistance or the amount of the applicant's general assistance grant, the county agency may refer the matter to the county attorney. The county attorney may commence a criminal prosecution or a civil action for the recovery of any general assistance wrongfully received, or both.

Sec. 16. Minnesota Statutes 2022, section 256I.03, subdivision 15, is amended to read:

Subd. 15. Supportive housing. "Supportive housing" means housing that is not time-limited and, provides or coordinates services necessary for a resident to maintain housing stability, and is not licensed as an assisted living facility under chapter 144G.

Sec. 17. Minnesota Statutes 2022, section 256I.03, is amended by adding a subdivision to read:

Subd. 16. Date of application. "Date of application" has the meaning given in section 256P.01, subdivision 2b.

Sec. 18. Minnesota Statutes 2022, section 256I.04, subdivision 2, is amended to read:

Subd. 2. Date of eligibility. An individual who has met the eligibility requirements of subdivision 1, shall have a housing support payment made on the individual's behalf from the first day of the month ~~in which a signed of the date of application form is received by a county agency, as defined by section 256P.01, subdivision 2b,~~ or the first day of the month in which all eligibility factors have been met, whichever is later.

Sec. 19. Minnesota Statutes 2022, section 256I.06, subdivision 3, is amended to read:

Subd. 3. **Filing of application.** ~~The county agency must immediately provide an application form to any person requesting housing support. Application for housing support must be in writing on a form prescribed by the commissioner.~~ Applications must be submitted according to section 256P.04, subdivision 1a. The county agency must determine an applicant's eligibility for housing support as soon as the required verifications are received by the county agency and within 30 days after a signed application is received by the county agency for the aged or blind or within 60 days for people with a disability.

Sec. 20. Minnesota Statutes 2022, section 256I.09, is amended to read:

256I.09 COMMUNITY LIVING INFRASTRUCTURE.

The commissioner shall award grants to agencies and multi-Tribal collaboratives through an annual competitive process. Grants awarded under this section may be used for: (1) outreach to locate and engage people who are homeless or residing in segregated settings to screen for basic needs and assist with referral to community living resources; (2) building capacity to provide technical assistance and consultation on housing and related support service resources for persons with both disabilities and low income; or (3) streamlining the administration and monitoring activities related to housing support funds. Agencies may collaborate and submit a joint application for funding under this section.

Sec. 21. Minnesota Statutes 2022, section 256J.08, subdivision 21, is amended to read:

Subd. 21. **Date of application.** "Date of application" ~~means the date on which the county agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence~~ has the meaning given in section 256P.01, subdivision 2b.

Sec. 22. Minnesota Statutes 2022, section 256J.09, subdivision 3, is amended to read:

Subd. 3. **Submitting application form.** (a) A county agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry. At that time, the county agency must:

(1) inform the person that assistance begins on the date ~~that the~~ of application is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence; as defined in section 256P.01, subdivision 2b, or on the date that all eligibility criteria are met, whichever is later;

(2) inform a person that the person may submit the application by telephone or through Internet telepresence;

(3) inform a person ~~that when the person submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence~~ of the application submission requirements in section 256P.04, subdivision 1a;

(4) inform the person that any delay in submitting the application will reduce the amount of assistance paid for the month of application;

(5) inform a person that the person may submit the application before an interview;

(6) explain the information that will be verified during the application process by the county agency as provided in section 256J.32;

(7) inform a person about the county agency's average application processing time and explain how the application will be processed under subdivision 5;

(8) explain how to contact the county agency if a person's application information changes and how to withdraw the application;

(9) inform a person that the next step in the application process is an interview and what a person must do if the application is approved including, but not limited to, attending orientation under section 256J.45 and complying with employment and training services requirements in sections 256J.515 to 256J.57;

(10) inform the person that an interview must be conducted. The interview may be conducted face-to-face in the county office or at a location mutually agreed upon, through Internet telepresence, or by telephone;

(11) explain the child care and transportation services that are available under paragraph (c) to enable caregivers to attend the interview, screening, and orientation; and

(12) identify any language barriers and arrange for translation assistance during appointments, including, but not limited to, screening under subdivision 3a, orientation under section 256J.45, and assessment under section 256J.521.

(b) Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The county agency must process the application within the time period required under subdivision 5. An applicant may withdraw the application at any time by giving written or oral notice to the county agency. The county agency must issue a written notice confirming the withdrawal. The notice must inform the applicant of the county agency's understanding that the applicant has withdrawn the application and no longer wants to pursue it. When, within ten days of the date of the agency's notice, an applicant informs a county agency, in writing, that the applicant does not wish to withdraw the application, the county agency must reinstate the application and finish processing the application.

(c) Upon a participant's request, the county agency must arrange for transportation and child care or reimburse the participant for transportation and child care expenses necessary to enable participants to attend the screening under subdivision 3a and orientation under section 256J.45.

Sec. 23. Minnesota Statutes 2022, section 256J.95, subdivision 5, is amended to read:

Subd. 5. **Submitting application form.** The eligibility date for the diversionary work program begins on the date ~~that the combined of application form (CAF) is received by the county agency either as a signed written application; an application submitted by telephone; or an application submitted through Internet telepresence; as defined in section 256P.01, subdivision 2b,~~ or on the date that diversionary work program eligibility criteria are met, whichever is later. The county agency must inform an applicant ~~that when the applicant submits the application by telephone or through Internet telepresence, the county agency must receive a signed written application within 30 days of the date that the applicant submitted the application by telephone or through Internet telepresence of the application submission requirements in section 256P.04, subdivision 1a.~~ The county agency must inform the applicant that any delay in submitting the application will reduce the benefits paid for the month of application. The county agency must inform a person that an application may be submitted before the person has an interview appointment. Upon receipt of a signed application, the county agency must stamp the date of receipt on the face of the application. The applicant may withdraw the application at any time prior to approval by giving written or oral notice to the county agency. The county agency must follow the notice requirements in section 256J.09, subdivision 3, when issuing a notice confirming the withdrawal.

Sec. 24. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 2b. **Date of application.** "Date of application" means the date on which the agency receives an applicant's application as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. The child care assistance program under chapter 119B is exempt from this definition.

Sec. 25. Minnesota Statutes 2022, section 256P.04, is amended by adding a subdivision to read:

Subd. 1a. **Application submission.** An agency must offer, in person or by mail, the application forms prescribed by the commissioner as soon as a person makes a written or oral inquiry about assistance. Applications must be received by the agency as a signed written application, an application submitted by telephone, or an application submitted through Internet telepresence. When a person submits an application by telephone or through Internet telepresence, the agency must receive a signed written application within 30 days of the date that the person submitted the application by telephone or through Internet telepresence.

Sec. 26. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, sections 256D.02 and 256I.03, in alphabetical order, excluding the first subdivision in each section, and correct any cross-reference changes that result.

Sec. 27. **REPEALER.**

Minnesota Statutes 2022, section 256I.03, subdivision 6, is repealed.

ARTICLE 9
DEPARTMENT OF HUMAN SERVICES OPERATIONS POLICY

Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 4a, is amended to read:

Subd. 4a. **Background study required.** (a) The board must initiate background studies under section 245C.031 of:

- (1) each navigator;
- (2) each in-person assister; and
- (3) each certified application counselor.

(b) The board may initiate the background studies required by paragraph (a) using the online NETStudy 2.0 system operated by the commissioner of human services.

(c) The board shall not permit any individual to provide any service or function listed in paragraph (a) until ~~the board has received notification from the commissioner of human services indicating that the individual:~~

(1) the board has evaluated any notification received from the commissioner of human services indicating the individual's potential disqualifications and has determined that the individual is not disqualified under chapter 245C; or

(2) the board has determined that the individual is disqualified, but has ~~received~~ granted a set aside from the board of that disqualification according to sections 245C.22 and 245C.23.

(d) The board or its delegate shall review a reconsideration request of an individual in paragraph (a), including granting a set aside, according to the procedures and criteria in chapter 245C. The board shall notify the individual and the Department of Human Services of the board's decision.

Sec. 2. Minnesota Statutes 2022, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background studies.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators must initiate criminal history background studies of all first-time applicants for educator and administrator licenses under their jurisdiction. Applicants must include with their licensure applications:

(1) an executed criminal history consent form, including fingerprints; and

(2) payment to conduct the background study. The Professional Educator Licensing and Standards Board must deposit payments received under this subdivision in an account in the special revenue fund. Amounts in the account are annually appropriated to the Professional Educator Licensing and Standards Board to pay for the costs of background studies on applicants for licensure.

(b) The background study for all first-time ~~teaching~~ applicants for educator licenses must include a review of information from the Bureau of Criminal Apprehension, including criminal history data as defined in section 13.87, and must also include a review of the national criminal records repository. The superintendent of the Bureau of Criminal Apprehension is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check.

(c) The Professional Educator Licensing and Standards Board may initiate criminal history background studies through the commissioner of human services according to section 245C.031 to obtain background study data required under this chapter.

Sec. 3. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a program or service provider licensed under this chapter and the following individuals, if applicable:

(1) each officer of the organization, including the chief executive officer and chief financial officer;

(2) the individual designated as the authorized agent under section 245A.04, subdivision 1, paragraph (b);

(3) the individual designated as the compliance officer under section 256B.04, subdivision 21, paragraph (g);

(4) each managerial official whose responsibilities include the direction of the management or policies of a program; ~~and~~

(5) the individual designated as the primary provider of care for a special family child care program under section 245A.14, subdivision 4, paragraph (i); and

(6) the president and treasurer of the board of directors of a nonprofit corporation.

(b) Controlling individual does not include:

(1) a bank, savings bank, trust company, savings association, credit union, industrial loan and thrift company, investment banking firm, or insurance company unless the entity operates a program directly or through a subsidiary;

(2) an individual who is a state or federal official, or state or federal employee, or a member or employee of the governing body of a political subdivision of the state or federal government that operates one or more programs, unless the individual is also an officer, owner, or managerial official of the program, receives remuneration from the program, or owns any of the beneficial interests not excluded in this subdivision;

(3) an individual who owns less than five percent of the outstanding common shares of a corporation:

(i) whose securities are exempt under section 80A.45, clause (6); or

(ii) whose transactions are exempt under section 80A.46, clause (2);

(4) an individual who is a member of an organization exempt from taxation under section 290.05, unless the individual is also an officer, owner, or managerial official of the program or owns any of the beneficial interests not excluded in this subdivision. This clause does not exclude from the definition of controlling individual an organization that is exempt from taxation; or

(5) an employee stock ownership plan trust, or a participant or board member of an employee stock ownership plan, unless the participant or board member is a controlling individual according to paragraph (a).

(c) For purposes of this subdivision, "managerial official" means an individual who has the decision-making authority related to the operation of the program, and the responsibility for the ongoing management of or direction of the policies, services, or employees of the program. A site director who has no ownership interest in the program is not considered to be a managerial official for purposes of this definition.

Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or indirect ownership interest of five percent or more in a program licensed under this chapter. For purposes of this subdivision, "direct ownership interest" means the possession of equity in capital, stock, or profits of an organization, and "indirect ownership interest" means a direct ownership interest in an entity that has a direct or indirect ownership interest in a licensed program. For purposes of this chapter, "owner of a nonprofit corporation" ~~means the president and treasurer of the board of directors or, for an entity owned by an employee stock ownership plan,~~ means the president and treasurer of the entity. A government entity or nonprofit corporation that is issued a license under this chapter shall be designated the owner.

Sec. 5. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section ~~245A.03~~ 245A.043.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent; and

(6) except for family foster care providers, an email address that will be made public subject to the requirements under section 13.46, subdivision 4, paragraph (b), clause (1), item (i).

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; ~~and~~

(6) the notarized signature of the applicant or authorized agent-; and

(7) an email address that will be made public subject to the requirements under section 13.46, subdivision 4, paragraph (b), clause (1), item (i).

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number-; and

(5) an email address that will be made public subject to the requirements under section 13.46, subdivision 4, paragraph (b), clause (1), item (i).

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

- (i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;
- (ii) nonpayment of claims submitted by the license holder for public program reimbursement;
- (iii) recovery of payments made for the service;
- (iv) disenrollment in the public payment program; or
- (v) other administrative, civil, or criminal penalties as provided by law.

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

Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that the program complies with all applicable rules and laws, the commissioner shall issue a license consistent with this section or, if applicable, a temporary change of ownership license under section 245A.043. At minimum, the license shall state:

- (1) the name of the license holder;
- (2) the address of the program;
- (3) the effective date and expiration date of the license;
- (4) the type of license;
- (5) the maximum number and ages of persons that may receive services from the program; ~~and~~
- (6) any special conditions of licensure; and
- (7) the public email address of the program.

(b) The commissioner may issue a license for a period not to exceed two years if:

(1) the commissioner is unable to conduct the ~~evaluation or~~ observation required by subdivision 4, paragraph (a), clause ~~(4)~~ (3), because the program is not yet operational;

(2) certain records and documents are not available because persons are not yet receiving services from the program; and

(3) the applicant complies with applicable laws and rules in all other respects.

(c) A decision by the commissioner to issue a license does not guarantee that any person or persons will be placed or cared for in the licensed program.

(d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or reissue a license if the applicant, license holder, or controlling individual has:

(1) been disqualified and the disqualification was not set aside and no variance has been granted;

(2) been denied a license under this chapter, within the past two years;

(3) had a license issued under this chapter revoked within the past five years;

(4) an outstanding debt related to a license fee, licensing fine, or settlement agreement for which payment is delinquent; or

(5) failed to submit the information required of an applicant under subdivision 1, paragraph (f) ~~or~~ (g), or (h), after being requested by the commissioner.

When a license issued under this chapter is revoked under clause (1) or (3), the license holder and controlling individual may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

(e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

(f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under appeal, the program may continue to operate pending a final order from the commissioner. If the license under suspension or revocation will expire before a final order is issued, a temporary provisional license may be issued provided any applicable license fee is paid before the temporary provisional license is issued.

(g) Notwithstanding paragraph (f), when a revocation is based on the disqualification of a controlling individual or license holder, and the controlling individual or license holder is ordered under section 245C.17 to be immediately removed from direct contact with persons receiving services or is ordered to be under continuous, direct supervision when providing direct contact services, the program may continue to operate only if the program complies with the order and submits documentation demonstrating compliance with the order. If the disqualified individual fails to submit a timely request for reconsideration, or if the disqualification is not set aside and no variance is granted, the order to immediately remove the individual from direct contact or to be under continuous, direct supervision remains in effect pending the outcome of a hearing and final order from the commissioner.

(h) For purposes of reimbursement for meals only, under the Child and Adult Care Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226, relocation within the same county by a licensed family day care provider, shall be considered an extension of the license for a period of no more than 30 calendar days or until the new license is issued, whichever occurs first, provided the county agency has determined the family day care provider meets licensure requirements at the new location.

(i) Unless otherwise specified by statute, all licenses issued under this chapter expire at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must apply for and be granted a new license to operate the program or the program must not be operated after the expiration date.

(j) The commissioner shall not issue or reissue a license under this chapter if it has been determined that a tribal licensing authority has established jurisdiction to license the program or service.

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

Sec. 7. Minnesota Statutes 2022, section 245A.041, is amended by adding a subdivision to read:

Subd. 6. **First date of direct contact; documentation requirements.** Except for family child care, family foster care for children, and family adult day services that the license holder provides in the license holder's residence, license holders must document the first date that a background study subject has direct contact, as defined in section 245C.02, subdivision 11, with a person served by the license holder's program. Unless this chapter otherwise requires, if the license holder does not maintain the documentation required by this subdivision in the license holder's personnel files, the license holder must provide the documentation to the commissioner upon the commissioner's request.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 8. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of receipt of the license holder's timely appeal, the commissioner shall request assignment of an administrative law judge. The request must include a proposed date, time, and place of a hearing. A hearing must be conducted by an administrative law judge within 30 calendar days of the request for assignment, unless an extension is requested by either party and granted by the administrative law judge for good cause. The commissioner shall issue a notice of hearing by certified mail or personal service at least ten working days before the hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary immediate suspension should remain in effect pending the commissioner's final order under section 245A.08, regarding a licensing sanction issued under subdivision 3 following the immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration that reasonable cause exists to believe that the license holder's actions or failure to comply with applicable law or rule poses, or the actions of other individuals or conditions in the program poses an imminent risk of harm to the health, safety, or rights of persons served by the program. "Reasonable cause" means there exist specific articulable facts or circumstances which provide the commissioner with a reasonable suspicion that there is an imminent risk of harm to the health, safety, or rights of persons served by the program. When the commissioner has determined there is reasonable cause to order the temporary immediate suspension of a license based on a violation of safe sleep requirements, as defined in section 245A.1435, the commissioner is not required to demonstrate that an infant died or was injured as a result of the safe sleep violations. For suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that, since the license was revoked, the license holder committed additional violations of law or rule which may adversely affect the health or safety of persons served by the program.

(b) The administrative law judge shall issue findings of fact, conclusions, and a recommendation within ten working days from the date of hearing. The parties shall have ten calendar days to submit exceptions to the administrative law judge's report. The record shall close at the end of the ten-day period for submission of exceptions. The commissioner's final order shall be issued within ten working days from the close of the record. When an appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner shall issue a final order affirming the temporary immediate suspension within ten calendar days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days after an immediate suspension has been issued and the license holder has not submitted a timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final order affirming an immediate suspension, the commissioner shall ~~make a determination regarding~~ determine:

(1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a), clauses (1) to (5). The license holder shall continue to be prohibited from operation of the program during this 90-day period; or

(2) whether the outcome of related, ongoing investigations or judicial proceedings are necessary to determine if a final licensing sanction under subdivision 3, paragraph (a), clauses (1) to (5), will be issued, and persons served by the program remain at an imminent risk of harm during the investigation period or proceedings. If so, the commissioner shall issue a suspension order under subdivision 3, paragraph (a), clause (6).

(c) When the final order under paragraph (b) affirms an immediate suspension or the license holder does not submit a timely appeal of the immediate suspension, and a final licensing sanction is issued under subdivision 3 and the license holder appeals that sanction, the license holder continues to be prohibited from operation of the program pending a final commissioner's order under section 245A.08, subdivision 5, regarding the final licensing sanction.

(d) The license holder shall continue to be prohibited from operation of the program while a suspension order issued under paragraph (b), clause (2), remains in effect.

~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of proof in expedited hearings under this subdivision shall be limited to the commissioner's demonstration by a preponderance of the evidence that a criminal complaint and warrant or summons was issued for the license holder that was not dismissed, and that the criminal charge is an offense that involves fraud or theft against a program administered by the commissioner.

Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095; ~~or~~

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

(6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail or personal service. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail or personal service that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit \$5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed \$1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

Sec. 10. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

Subd. 3. **Application fee for initial license or certification.** (a) For fees required under subdivision 1, an applicant for an initial license or certification issued by the commissioner shall submit a \$500 application fee with each new application required under this subdivision. An applicant for an initial day services facility license under chapter 245D shall submit a \$250 application fee with each new application. The application fee shall not be prorated, is nonrefundable, and is in lieu of the annual license or certification fee that expires on December 31. The commissioner shall not process an application until the application fee is paid.

(b) Except as provided in clauses (1) ~~to (3)~~ and (2), an applicant shall apply for a license to provide services at a specific location.

(1) For a license to provide home and community-based services to persons with disabilities or age 65 and older under chapter 245D, an applicant shall submit an application to provide services statewide. Notwithstanding paragraph (a), applications received by the commissioner between July 1, 2013, and December 31, 2013, for licensure of services provided under chapter 245D must include an application fee that is equal to the annual license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less. Applications received by the commissioner after January 1, 2014, must include the application fee required under paragraph (a). Applicants who meet the modified application criteria identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

~~(2) For a license to provide independent living assistance for youth under section 245A.22, an applicant shall submit a single application to provide services statewide.~~

~~(3)~~ (2) For a license for a private agency to provide foster care or adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application to provide services statewide.

(c) The initial application fee charged under this subdivision does not include the temporary license surcharge under section 16E.22.

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

Sec. 11. Minnesota Statutes 2022, section 245A.10, subdivision 4, is amended to read:

Subd. 4. **License or certification fee for certain programs.** (a) Child care centers shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	Child Care Center License Fee
1 to 24 persons	\$200
25 to 49 persons	\$300
50 to 74 persons	\$400
75 to 99 persons	\$500

100 to 124 persons	\$600
125 to 149 persons	\$700
150 to 174 persons	\$800
175 to 199 persons	\$900
200 to 224 persons	\$1,000
225 or more persons	\$1,100

(b)(1) A program licensed to provide one or more of the home and community-based services and supports identified under chapter 245D to persons with disabilities or age 65 and older, shall pay an annual nonrefundable license fee based on revenues derived from the provision of services that would require licensure under chapter 245D during the calendar year immediately preceding the year in which the license fee is paid, according to the following schedule:

License Holder Annual Revenue	License Fee
less than or equal to \$10,000	\$200
greater than \$10,000 but less than or equal to \$25,000	\$300
greater than \$25,000 but less than or equal to \$50,000	\$400
greater than \$50,000 but less than or equal to \$100,000	\$500
greater than \$100,000 but less than or equal to \$150,000	\$600
greater than \$150,000 but less than or equal to \$200,000	\$800
greater than \$200,000 but less than or equal to \$250,000	\$1,000
greater than \$250,000 but less than or equal to \$300,000	\$1,200
greater than \$300,000 but less than or equal to \$350,000	\$1,400
greater than \$350,000 but less than or equal to \$400,000	\$1,600
greater than \$400,000 but less than or equal to \$450,000	\$1,800
greater than \$450,000 but less than or equal to \$500,000	\$2,000
greater than \$500,000 but less than or equal to \$600,000	\$2,250
greater than \$600,000 but less than or equal to \$700,000	\$2,500
greater than \$700,000 but less than or equal to \$800,000	\$2,750
greater than \$800,000 but less than or equal to \$900,000	\$3,000
greater than \$900,000 but less than or equal to \$1,000,000	\$3,250
greater than \$1,000,000 but less than or equal to \$1,250,000	\$3,500
greater than \$1,250,000 but less than or equal to \$1,500,000	\$3,750
greater than \$1,500,000 but less than or equal to \$1,750,000	\$4,000
greater than \$1,750,000 but less than or equal to \$2,000,000	\$4,250
greater than \$2,000,000 but less than or equal to \$2,500,000	\$4,500
greater than \$2,500,000 but less than or equal to \$3,000,000	\$4,750
greater than \$3,000,000 but less than or equal to \$3,500,000	\$5,000
greater than \$3,500,000 but less than or equal to \$4,000,000	\$5,500
greater than \$4,000,000 but less than or equal to \$4,500,000	\$6,000
greater than \$4,500,000 but less than or equal to \$5,000,000	\$6,500

greater than \$5,000,000 but less than or equal to \$7,500,000	\$7,000
greater than \$7,500,000 but less than or equal to \$10,000,000	\$8,500
greater than \$10,000,000 but less than or equal to \$12,500,000	\$10,000
greater than \$12,500,000 but less than or equal to \$15,000,000	\$14,000
greater than \$15,000,000	\$18,000

(2) If requested, the license holder shall provide the commissioner information to verify the license holder's annual revenues or other information as needed, including copies of documents submitted to the Department of Revenue.

(3) At each annual renewal, a license holder may elect to pay the highest renewal fee, and not provide annual revenue information to the commissioner.

(4) A license holder that knowingly provides the commissioner incorrect revenue amounts for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount of double the fee the provider should have paid.

(5) Notwithstanding clause (1), a license holder providing services under one or more licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license holder for all licenses held under chapter 245B for calendar year 2013. For calendar year 2017 and thereafter, the license holder shall pay an annual license fee according to clause (1).

(c) A substance use disorder treatment program licensed under chapter 245G, to provide substance use disorder treatment shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$600
25 to 49 persons	\$800
50 to 74 persons	\$1,000
75 to 99 persons	\$1,200
100 or more persons	\$1,400

(d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$760
25 to 49 persons	\$960
50 or more persons	\$1,160

A detoxification program that also operates a withdrawal management program at the same location shall only pay one fee based upon the licensed capacity of the program with the higher overall capacity.

(e) Except for child foster care, a residential facility licensed under Minnesota Rules, chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$1,000
25 to 49 persons	\$1,100
50 to 74 persons	\$1,200
75 to 99 persons	\$1,300
100 or more persons	\$1,400

(f) A residential facility licensed under section 245I.23 or Minnesota Rules, parts 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$2,525
25 or more persons	\$2,725

(g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400, to serve persons with physical disabilities shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$450
25 to 49 persons	\$650
50 to 74 persons	\$850
75 to 99 persons	\$1,050
100 or more persons	\$1,250

~~(h) A program licensed to provide independent living assistance for youth under section 245A.22 shall pay an annual nonrefundable license fee of \$1,500.~~

⊕ (h) A private agency licensed to provide foster care and adoption services under Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license fee of \$875.

⊕ (i) A program licensed as an adult day care center licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$500
25 to 49 persons	\$700
50 to 74 persons	\$900
75 to 99 persons	\$1,100
100 or more persons	\$1,300

⊕ (j) A program licensed to provide treatment services to persons with sexual psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

⊕ (k) A mental health clinic certified under section 245I.20 shall pay an annual nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a primary location with satellite facilities, the satellite facilities shall be certified with the primary location without an additional charge.

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

Sec. 12. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 ~~and background studies for family child care under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06; or to recommend suspending or revoking a license or issuing a fine under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals ~~except that, before the implementation of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment~~;

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours;

(7) variances to requirements relating to chemical use problems of a license holder or a household member of a license holder; and

(8) variances to section 245A.53 for a time-limited period. If the commissioner grants a variance under this clause, the license holder must provide notice of the variance to all parents and guardians of the children in care.

Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must not grant a license holder a variance to exceed the maximum allowable family child care license capacity of 14 children.

(b) A county agency that has been designated by the commissioner to issue family child care variances must:

(1) publish the county agency's policies and criteria for issuing variances on the county's public website and update the policies as necessary; and

(2) annually distribute the county agency's policies and criteria for issuing variances to all family child care license holders in the county.

~~(c)~~ Before the implementation of NETStudy 2.0, county agencies must report information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner.

~~(d)~~ (c) For family child care programs, the commissioner shall require a county agency to conduct one unannounced licensing review at least annually.

~~(e)~~ (d) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

~~(f)~~ (e) A license issued under this section may be issued for up to two years.

~~(g)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

(1) the role of counties in quality assurance;

(2) the duties of county licensing staff; and

(3) the possible use of joint powers agreements, according to section 471.59, with counties through which some licensing duties under chapter 245D may be delegated by the commissioner to the counties.

Any consideration related to this paragraph must meet all of the requirements of the corrective action plan ordered by the federal Centers for Medicare and Medicaid Services.

~~(h)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or successor provisions; and section 245D.061 or successor provisions, for family child foster care programs providing out-of-home respite, as identified in section 245D.03, subdivision 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and private agencies.

~~(i)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the commissioner, the following information for a licensed family child care program:

(1) the results of each licensing review completed, including the date of the review, and any licensing correction order issued;

(2) any death, serious injury, or determination of substantiated maltreatment; and

(3) any fires that require the service of a fire department within 48 hours of the fire. The information under this clause must also be reported to the state fire marshal within two business days of receiving notice from a licensed family child care provider.

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

Sec. 13. **[245A.211] PRONE RESTRAINT PROHIBITION.**

Subdivision 1. Applicability. This section applies to all programs licensed or certified under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23. The requirements in this section are in addition to any applicable requirements for the use of holds or restraints for each license or certification type.

Subd. 2. Definitions. (a) "Mechanical restraint" means a restraint device that limits the voluntary movement of a person or the person's limbs.

(b) "Prone restraint" means a restraint that places a person in a face-down position with the person's chest in contact with the floor or other surface.

(c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint equipment, or mechanical restraint that holds a person immobile or limits the voluntary movement of a person or the person's limbs.

Subd. 3. Prone restraint prohibition. (a) A license or certification holder must not use a prone restraint on any person receiving services in a program, except in the instances allowed by paragraphs (b) to (d).

(b) If a person rolls into a prone position during the use of a restraint, the person must be restored to a nonprone position as quickly as possible.

(c) If the applicable licensing requirements allow a program to use mechanical restraints, a person may be briefly held in a prone restraint for the purpose of applying mechanical restraints if the person is restored to a nonprone position as quickly as possible.

(d) If the applicable licensing requirements allow a program to use seclusion, a person may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

Subd. 4. Contraindicated physical restraints. A license or certification holder must not implement a restraint on a person receiving services in a program in a way that is contraindicated for any of the person's known medical or psychological conditions. Prior to using restraints on a person, the license or certification holder must assess and document a determination of any medical or psychological conditions that restraints are contraindicated for and the type of restraints that will not be used on the person based on this determination.

Sec. 14. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

Subd. 6a. Child care background study subject. (a) "Child care background study subject" means an individual who is affiliated with a licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B, and who is:

- (1) employed by a child care provider for compensation;
- (2) assisting in the care of a child for a child care provider;
- (3) a person applying for licensure, certification, or enrollment;
- (4) a controlling individual as defined in section 245A.02, subdivision 5a;
- (5) an individual 13 years of age or older who lives in the household where the licensed program will be provided and who is not receiving licensed services from the program;
- (6) an individual ten to 12 years of age who lives in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;
- (7) an individual who, without providing direct contact services at a licensed program, certified program, or program authorized under chapter 119B, may have unsupervised access to a child receiving services from a program when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15; or

(8) a volunteer, contractor providing services for hire in the program, prospective employee, or other individual who has unsupervised physical access to a child served by a program and who is not under supervision by an individual listed in clause (1) or (5), regardless of whether the individual provides program services.

(b) Notwithstanding paragraph (a), an individual who is providing services that are not part of the child care program is not required to have a background study if:

(1) the child receiving services is signed out of the child care program for the duration that the services are provided;

(2) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B has obtained advanced written permission from the parent authorizing the child to receive the services, which is maintained in the child's record;

(3) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B maintains documentation on site that identifies the individual service provider and the services being provided; and

(4) the licensed child care center, certified license-exempt child care center, licensed family child care program, or legal nonlicensed child care provider authorized under chapter 119B ensures that the service provider does not have unsupervised access to a child not receiving the provider's services.

(c) The definition of employee under subdivision 11f and the definition of volunteer under subdivision 22 do not apply for child care background study subjects.

Sec. 15. Minnesota Statutes 2022, section 245C.02, subdivision 11c, is amended to read:

Subd. 11c. **Entity.** "Entity" means any program, organization, license holder, or agency ~~initiating~~ required to initiate or submit a background study.

Sec. 16. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 11f. **Employee.** "Employee" means an individual who provides services or seeks to provide services for or through the entity with which they are required to be affiliated in NETStudy 2.0 and who is subject to oversight by the entity, which includes but is not limited to continuous, direct supervision by the entity and being subject to immediate removal from providing direct contact services by the entity when required.

Sec. 17. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision to read:

Subd. 22. **Volunteer.** "Volunteer" means an individual who provides or seeks to provide services for or through an entity without direct compensation for services provided, is required to be affiliated in NETStudy 2.0 and is subject to oversight by the entity, including but not limited to continuous, direct supervision and immediate removal from providing direct contact services when required.

Sec. 18. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background study on:

(1) the person or persons applying for a license;

(2) an individual age 13 and over living in the household where the licensed program will be provided who is not receiving licensed services from the program;

(3) current or prospective employees ~~or contractors~~ of the applicant or license holder who will have direct contact with persons served by the facility, agency, or program;

(4) volunteers or student volunteers who will have direct contact with persons served by the program to provide program services if the contact is not under the continuous, direct supervision by an individual listed in clause (1) or (3);

(5) an individual age ten to 12 living in the household where the licensed services will be provided when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(6) an individual who, without providing direct contact services at a licensed program, may have unsupervised access to children or vulnerable adults receiving services from a program, when the commissioner has reasonable cause as defined in section 245C.02, subdivision 15;

(7) all controlling individuals as defined in section 245A.02, subdivision 5a;

(8) notwithstanding the other requirements in this subdivision, child care background study subjects as defined in section 245C.02, subdivision 6a; and

(9) notwithstanding clause (3), for children's residential facilities and foster residence settings, any adult working in the facility, whether or not the individual will have direct contact with persons served by the facility.

(b) For child foster care when the license holder resides in the home where foster care services are provided, a short-term substitute caregiver providing direct contact services for a child for less than 72 hours of continuous care is not required to receive a background study under this chapter.

(c) This subdivision applies to the following programs that must be licensed under chapter 245A:

(1) adult foster care;

(2) child foster care;

(3) children's residential facilities;

(4) family child care;

(5) licensed child care centers;

(6) licensed home and community-based services under chapter 245D;

(7) residential mental health programs for adults;

(8) substance use disorder treatment programs under chapter 245G;

(9) withdrawal management programs under chapter 245F;

(10) adult day care centers;

(11) family adult day services;

~~(12) independent living assistance for youth;~~

~~(13) (12) detoxification programs;~~

~~(14) (13) community residential settings; and~~

~~(15) (14) intensive residential treatment services and residential crisis stabilization under chapter 245I.~~

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

Sec. 19. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

Subd. 1a. **Procedure.** (a) Individuals and organizations that are required under this section to have or initiate background studies shall comply with the requirements of this chapter.

(b) All studies conducted under this section shall be conducted according to sections 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision 2. This requirement does not apply to subdivisions 1, paragraph (c), clauses (2) to (5), and 6a.

Sec. 20. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational programs; professional services agencies.** (a) The commissioner also may conduct studies on individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), when the studies are initiated by:

(1) personnel pool agencies;

(2) temporary personnel agencies;

(3) educational programs that train individuals by providing direct contact services in licensed programs; and

(4) professional services agencies that are not licensed and ~~which contract~~ that work with licensed programs to provide direct contact services or individuals who provide direct contact services.

(b) Personnel pool agencies, temporary personnel agencies, and professional services agencies must employ the individuals providing direct care services for children, people with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject to oversight by the entity, which includes but is not limited to continuous, direct supervision by the entity and being subject to immediate removal from providing direct care services when required.

Sec. 21. Minnesota Statutes 2022, section 245C.03, subdivision 5, is amended to read:

Subd. 5. **Other state agencies.** The commissioner shall conduct background studies on applicants and license holders under the jurisdiction of other state agencies who are required in other statutory sections to initiate background studies under this chapter, including the applicant's or license holder's employees, ~~contractors,~~ and volunteers when required under other statutory sections.

Sec. 22. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

Subd. 5a. **Facilities serving children or adults licensed or regulated by the Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall conduct background studies of:

(1) individuals providing services who have direct contact, as defined under section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; assisted living facilities and assisted living facilities with dementia care licensed under chapter 144G; and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17;

(2) individuals specified in subdivision 2 who provide direct contact services in a nursing home or a home care agency licensed under chapter 144A; an assisted living facility or assisted living facility with dementia care licensed under chapter 144G; or a boarding care home licensed under sections 144.50 to 144.58. If the individual undergoing a study resides outside of Minnesota, the study must include a check for substantiated findings of maltreatment of adults and children in the individual's state of residence when the state makes the information available;

(3) all other employees in assisted living facilities or assisted living facilities with dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact with or access to patients or residents receiving services. "Access" means physical access to a client or the client's personal property without continuous, direct supervision as defined in section 245C.02, subdivision 8, when the employee's employment responsibilities do not include providing direct contact services;

(4) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities;

(5) controlling persons of a supplemental nursing services agency, as defined by section 144A.70; and

(6) license applicants, owners, managerial officials, and controlling individuals who are required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a background study under this chapter, regardless of the licensure status of the license applicant, owner, managerial official, or controlling individual.

(b) ~~The commissioner of human services shall not conduct~~ An entity shall not initiate a background study on any individual identified in paragraph (a), clauses (1) to (5), if the individual has a valid license issued by a health-related licensing board as defined in section 214.01, subdivision 2, and has completed the criminal background check as required in section 214.075. An entity that is affiliated with individuals who meet the requirements of this paragraph must separate those individuals from the entity's roster for NETStudy 2.0. The Department of Human Services is not liable for conducting background studies that have been submitted or not removed from the roster in violation of this provision.

(c) If a facility or program is licensed by the Department of Human Services and the Department of Health and is subject to the background study provisions of this chapter, the Department of Human Services is solely responsible for the background studies of individuals in the jointly licensed program.

(d) The commissioner of health shall review and make decisions regarding reconsideration requests, including whether to grant variances, according to the procedures and criteria in this chapter. The commissioner of health shall inform the requesting individual and the Department of Human Services of the commissioner of health's decision regarding the reconsideration. The commissioner of health's decision to grant or deny a reconsideration of a disqualification is a final administrative agency action.

Sec. 23. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:

Subdivision 1. **Alternative background studies.** (a) The commissioner shall conduct an alternative background study of individuals listed in this section.

(b) Notwithstanding other sections of this chapter, all alternative background studies except subdivision 12 shall be conducted according to this section and with sections 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision 2.

(c) All terms in this section shall have the definitions provided in section 245C.02.

(d) The entity that submits an alternative background study request under this section shall submit the request to the commissioner according to section 245C.05.

(e) The commissioner shall comply with the destruction requirements in section 245C.051.

(f) Background studies conducted under this section are subject to the provisions of section 245C.32.

(g) The commissioner shall forward all information that the commissioner receives under section 245C.08 to the entity that submitted the alternative background study request under subdivision 2. The commissioner shall not make any eligibility determinations regarding background studies conducted under this section.

Sec. 24. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:

Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner of health.** The commissioner shall conduct an alternative background study, including a check of state data, and a national criminal history records check of the following individuals. For studies under this section, the following persons shall complete a consent form and criminal history disclosure form:

(1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in licensure as an audiologist or speech-language pathologist or an applicant for initial certification as a hearing instrument dispenser who must submit to a background study under section 144.0572.

(2) An applicant for a renewal license or certificate as an audiologist, speech-language pathologist, or hearing instrument dispenser who was licensed or obtained a certificate before January 1, 2018.

Sec. 25. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

Subdivision 1. **Individual studied.** (a) The individual who is the subject of the background study must provide the applicant, license holder, or other entity under section 245C.04 with sufficient information to ensure an accurate study, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) current home address, city, and state of residence;

(3) current zip code;

(4) sex;

(5) date of birth;

(6) driver's license number or state identification number or, for those without a driver's license or state identification card, an acceptable form of identification as determined by the commissioner; and

(7) upon implementation of NETStudy 2.0, the home address, city, county, and state of residence for the past five years.

(b) Every subject of a background study conducted or initiated by counties or private agencies under this chapter must also provide the home address, city, county, and state of residence for the past five years.

(c) Every subject of a background study related to private agency adoptions or related to child foster care licensed through a private agency, who is 18 years of age or older, shall also provide the commissioner a signed consent for the release of any information received from national crime information databases to the private agency that initiated the background study.

(d) The subject of a background study shall provide fingerprints and a photograph as required in subdivision 5.

(e) The subject of a background study shall submit a completed criminal and maltreatment history records check consent form and criminal history disclosure form for applicable national and state level record checks.

Sec. 26. Minnesota Statutes 2022, section 245C.05, is amended by adding a subdivision to read:

Subd. 8. **Study submitted.** The entity with which the background study subject is seeking affiliation shall initiate the background study in the NETStudy 2.0 system.

Sec. 27. Minnesota Statutes 2022, section 245C.07, is amended to read:

245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.

(a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other entity owns multiple programs or services that are licensed by the Department of Human Services, Department of Health, or Department of Corrections, only one background study is required for an individual who provides direct contact services in one or more of the licensed programs or services if:

(1) the license holder designates one individual with one address and telephone number as the person to receive sensitive background study information for the multiple licensed programs or services that depend on the same background study; and

(2) the individual designated to receive the sensitive background study information is capable of determining, upon request of the department, whether a background study subject is providing direct contact services in one or more of the license holder's programs or services and, if so, at which location or locations.

(b) When a license holder maintains background study compliance for multiple licensed programs according to paragraph (a), and one or more of the licensed programs closes, the license holder shall immediately notify the commissioner which staff must be transferred to an active license so that the background studies can be electronically paired with the license holder's active program.

(c) When a background study is being initiated by a licensed program or service or a foster care provider that is also licensed under chapter 144G, a study subject affiliated with multiple licensed programs or services may attach to the background study form a cover letter indicating the additional names of the programs or services, addresses, and background study identification numbers.

When the commissioner receives a notice, the commissioner shall notify each program or service identified by the background study subject of the study results.

The background study notice the commissioner sends to the subsequent agencies shall satisfy those programs' or services' responsibilities for initiating a background study on that individual.

(d) If a background study was conducted on an individual related to child foster care and the requirements under paragraph (a) are met, the background study is transferable across all licensed programs. If a background study was conducted on an individual under a license other than child foster care and the requirements under paragraph (a) are met, the background study is transferable to all licensed programs except child foster care.

(e) The provisions of this section that allow a single background study in one or more licensed programs or services do not apply to background studies submitted by adoption agencies, supplemental nursing services agencies, personnel pool agencies, educational programs, professional services agencies, temporary personnel agencies, and unlicensed personal care provider organizations.

(f) For an entity operating under NETStudy 2.0, the entity's active roster must be the system used to document when a background study subject is affiliated with multiple entities. For a background study to be transferable:

(1) the background study subject must be on and moving to a roster for which the person designated to receive sensitive background study information is the same; and

(2) the same entity must own or legally control both the roster from which the transfer is occurring and the roster to which the transfer is occurring. For an entity that holds or controls multiple licenses, or unlicensed personal care provider organizations, there must be a common highest level entity that has a legally identifiable structure that can be verified through records available from the secretary of state.

Sec. 28. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational programs, and professional services agencies.** The commissioner shall recover the cost of the background studies initiated by temporary personnel agencies, personnel pool agencies, educational programs, and professional services agencies that initiate background studies under section 245C.03, subdivision 4, through a fee of no more than \$42 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 29. Minnesota Statutes 2022, section 245C.31, subdivision 1, is amended to read:

Subdivision 1. **Board determines disciplinary or corrective action.** ~~(a)~~ The commissioner shall notify a health-related licensing board as defined in section 214.01, subdivision 2, if the commissioner determines that an individual who is licensed by the health-related licensing board and who is included on the board's roster list provided in accordance with subdivision 3a is responsible for substantiated maltreatment under section 626.557 or chapter 260E, in accordance with subdivision 2. Upon receiving notification, the health-related licensing board shall make a determination as to whether to impose disciplinary or corrective action under chapter 214.

~~(b) This section does not apply to a background study of an individual regulated by a health-related licensing board if the individual's study is related to child foster care, adult foster care, or family child care licensure.~~

Sec. 30. Minnesota Statutes 2022, section 245C.33, subdivision 4, is amended to read:

Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases, when required under section 245C.08.

(b) The commissioner shall provide any information collected under this subdivision to the county or private agency that initiated the background study. The commissioner shall also provide the agency:

~~(1) with a~~ notice whether the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 671(a)(20)(A); ~~and,~~

~~(2) for background studies conducted under subdivision 1, paragraph (a), the date of all adoption-related background studies completed on the subject by the commissioner after June 30, 2007, and the name of the county or private agency that initiated the adoption-related background study.~~

Sec. 31. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

Subd. 9. **Behavior guidance.** The certified center must ensure that staff and volunteers use positive behavior guidance and do not subject children to:

(1) corporal punishment, including but not limited to rough handling, shoving, hair pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;

(2) humiliation;

(3) abusive language;

(4) the use of mechanical restraints, including tying;

(5) the use of physical restraints other than to physically hold a child when containment is necessary to protect a child or others from harm; ~~or~~

~~(6) prone restraints, as prohibited by section 245A.211; or~~

~~(7) the withholding or forcing of food and other basic needs.~~

Sec. 32. Minnesota Statutes 2022, section 245I.20, subdivision 10, is amended to read:

Subd. 10. **Application procedures.** (a) The applicant for certification must submit any documents that the commissioner requires on forms approved by the commissioner.

(b) Upon submitting an application for certification, an applicant must pay the application fee required by section 245A.10, subdivision 3.

(c) The commissioner must act on an application within 90 working days of receiving a completed application.

(d) When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the submitted documents do not meet certification requirements, the commissioner must provide the applicant with written notice that the application is incomplete or deficient. In the notice, the commissioner must identify the particular documents that are missing or deficient and give the applicant 45 days to submit a second application that is complete. An applicant's failure to submit a complete application within 45 days after receiving notice from the commissioner is a basis for certification denial.

(e) The commissioner must give notice of a denial to an applicant when the commissioner has made the decision to deny the certification application. In the notice of denial, the commissioner must state the reasons for the denial in plain language. The commissioner must send or deliver the notice of denial to an applicant by certified mail or personal service. In the notice of denial, the commissioner must state the reasons that the commissioner denied the application and must inform the applicant of the applicant's right to request a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail or personal service. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an applicant delivers an appeal by personal service, the commissioner must receive the appeal within 20 calendar days after the applicant received the notice of denial.

(f) The commissioner may require the applicant or certification holder to provide an email address for the certification holder that will be made public subject to the requirements under section 13.46, subdivision 4, paragraph (b), clause (1), item (i).

Sec. 33. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

Subd. 1a. **Administrative reconsideration.** Notwithstanding section 256B.04, subdivision 15, the commissioner shall establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. A physician, advanced practice registered nurse, physician assistant, or hospital may request a reconsideration of the decision that inpatient hospital services are not medically necessary by submitting a written request for review to the commissioner within 30 45 calendar days after receiving the date of the notice of the decision was mailed. The request for reconsideration process shall take place prior to the procedures of subdivision 1b and shall be conducted by the at least one medical review agent that is independent of the case under reconsideration. The medical review agent shall make a recommendation to the commissioner. The commissioner's decision on reconsideration is final and not subject to appeal under chapter 14.

Sec. 34. Minnesota Statutes 2022, section 256.9685, subdivision 1b, is amended to read:

Subd. 1b. **Appeal of reconsideration.** ~~Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary after the reconsideration and determinations. A physician, advanced practice registered nurse, physician assistant, or hospital may appeal the result of the reconsideration process by submitting a written request for review to the commissioner within 30 days after receiving notice of the action. The commissioner shall review the medical record and information submitted during the reconsideration process and the medical review agent's basis for the determination that the services were not medically necessary for inpatient hospital services. The commissioner shall issue an order upholding or reversing the decision of the reconsideration process based on the review. The commissioner's decision under subdivision 1a is appealable by petition for writ of certiorari under chapter 606.~~

Sec. 35. Minnesota Statutes 2022, section 256.9686, is amended by adding a subdivision to read:

Subd. 7a. **Medical review agent.** "Medical review agent" means the representative of the commissioner who is authorized by the commissioner to administer medical record reviews; conduct administrative reconsiderations as defined by section 256.9685, subdivision 1a; and perform other functions as stipulated in the terms of the agent's contract with the department. Medical records reviews and administrative reconsiderations will be performed by medical professionals within their scope of expertise, including but not limited to physicians, physician assistants, advanced practice registered nurses, and registered nurses. The medical professional performing the review or reconsideration must be on staff with the medical review agent, in good standing, and licensed to practice in the state where the medical professional resides.

Sec. 36. Minnesota Statutes 2022, section 256B.04, subdivision 15, is amended to read:

Subd. 15. **Utilization review.** (a) Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in prepaid health plans, long-term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both prepayment and postpayment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group or health care consultant appointed by the commissioner.

(b) Contracts entered into for purposes of meeting the requirements of this subdivision shall not be subject to the set-aside provisions of chapter 16C.

(c) A recipient aggrieved by the commissioner's termination of services or denial of future services may appeal pursuant to section 256.045. Unless otherwise provided by law, a vendor aggrieved by the commissioner's determination that services provided were not reasonable or necessary may appeal pursuant to the contested case procedures of chapter 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving the commissioner's notice. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the vendor believes is correct, the authority in statute or rule upon which the vendor relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.

(d) The commissioner may select providers to provide case management services to recipients who use health care services inappropriately or to recipients who are eligible for other managed care projects. The providers shall be selected based upon criteria that may include a comparison with a peer group of providers related to the quality, quantity, or cost of health care services delivered or a review of sanctions previously imposed by health care services programs or the provider's professional licensing board.

Sec. 37. Minnesota Statutes 2022, section 256B.064, is amended to read:

256B.064 SANCTIONS; MONETARY RECOVERY.

Subdivision 1. **Terminating payments to ineligible ~~vendors~~ individuals or entities.** The commissioner may terminate payments under this chapter to any person or facility that, under applicable federal law or regulation, has been determined to be ineligible for payments under title XIX of the Social Security Act.

Subd. 1a. **Grounds for sanctions ~~against vendors.~~** (a) The commissioner may impose sanctions against ~~a vendor of medical care~~ any individual or entity that receives payments from medical assistance or provides goods or services for which payment is made from medical assistance for any of the following: (1) fraud, theft, or abuse in

connection with the provision of ~~medical care~~ goods and services to recipients of public assistance for which payment is made from medical assistance; (2) a pattern of presentment of false or duplicate claims or claims for services not medically necessary; (3) a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the ~~vendor~~ individual or entity is legally entitled; (4) suspension or termination as a Medicare vendor; (5) refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients and appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally established under this section; (7) failure to correct errors in the maintenance of health service or financial records for which a fine was imposed or after issuance of a warning by the commissioner; and (8) any reason for which ~~a vendor~~ an individual or entity could be excluded from participation in the Medicare program under section 1128, 1128A, or 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services for which payment is made from medical assistance includes but is not limited to care and services identified in section 256B.0625 or provided pursuant to any federally approved waiver.

(b) The commissioner may impose sanctions against a pharmacy provider for failure to respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph (h).

Subd. 1b. **Sanctions available.** The commissioner may impose the following sanctions for the conduct described in subdivision 1a: suspension or withholding of payments to ~~a vendor~~ an individual or entity and suspending or terminating participation in the program, or imposition of a fine under subdivision 2, paragraph (f). When imposing sanctions under this section, the commissioner shall consider the nature, chronicity, or severity of the conduct and the effect of the conduct on the health and safety of persons served by the ~~vendor~~ individual or entity. The commissioner shall suspend ~~a vendor's~~ an individual's or entity's participation in the program for a minimum of five years if the ~~vendor~~ individual or entity is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion program for an offense related to a provision of a health service under medical assistance, including a federally approved waiver, or health care fraud. Regardless of imposition of sanctions, the commissioner may make a referral to the appropriate state licensing board.

Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner may obtain monetary recovery from ~~a vendor who~~ an individual or entity that has been improperly paid by the department either as a result of conduct described in subdivision 1a or as a result of ~~a vendor or department~~ an error by the individual or entity submitting the claim or by the department, regardless of whether the error was intentional. Patterns need not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate claims, claims for services not medically necessary, or claims based on false statements.

(b) The commissioner may obtain monetary recovery using methods including but not limited to the following: assessing and recovering money improperly paid and debiting from future payments any money improperly paid. The commissioner shall charge interest on money to be recovered if the recovery is to be made by installment payments or debits, except when the monetary recovery is of an overpayment that resulted from a department error. The interest charged shall be the rate established by the commissioner of revenue under section 270C.40.

Subd. 1d. **Investigative costs.** The commissioner may seek recovery of investigative costs from any ~~vendor of medical care or services who~~ individual or entity that willfully submits a claim for reimbursement for services that the ~~vendor~~ individual or entity knows, or reasonably should have known, is a false representation and that results in the payment of public funds for which the ~~vendor~~ individual or entity is ineligible. Billing errors that result in unintentional overcharges shall not be grounds for investigative cost recoupment.

Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall determine any monetary amounts to be recovered and sanctions to be imposed upon ~~a vendor of medical care~~ an individual or entity under this section. Except as provided in paragraphs (b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner without prior notice and an opportunity for a hearing, according to chapter 14,

on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to ~~a vendor of medical care~~ an individual or entity, except a nursing home or convalescent care facility, after notice and prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

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

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

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

(i) fraud hotline complaints;

(ii) claims data mining; and

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

~~Allegations are considered to be credible when they have an indicia of reliability and the state agency has reviewed all allegations, facts, and evidence carefully and acts judiciously on a case-by-case basis.~~

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

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

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

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

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

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

(d) The withholding or reduction of payments will not continue after the commissioner determines there is insufficient evidence of fraud by the ~~vendor~~ individual or entity, or after legal proceedings relating to the alleged fraud are completed, unless the commissioner has sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon conviction for a crime related to the provision, management, or administration of a health service under medical assistance, a payment held pursuant to this section by the commissioner or a managed care organization that contracts with the commissioner under section 256B.035 is forfeited to the commissioner or managed care organization, regardless of the amount charged in the criminal complaint or the amount of criminal restitution ordered.

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

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

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

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

~~(e)~~ (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction is to be imposed, ~~a vendor~~ an individual or entity may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification of monetary recovery or sanction was mailed to the ~~vendor~~ individual or entity. The appeal request must specify:

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

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

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

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

(5) other information required by the commissioner.

~~(f)~~ (g) The commissioner may order ~~a vendor~~ an individual or entity to forfeit a fine for failure to fully document services according to standards in this chapter and Minnesota Rules, chapter 9505. The commissioner may assess fines if specific required components of documentation are missing. The fine for incomplete documentation shall equal 20 percent of the amount paid on the claims for reimbursement submitted by the ~~vendor~~ individual or entity, or up to \$5,000, whichever is less. If the commissioner determines that ~~a vendor~~ an individual or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota Rules, chapter 9505, related to the provision of services to program recipients and the submission of claims for payment, the commissioner may order ~~a vendor~~ an individual or entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an amount of up to \$5,000 or 20 percent of the value of the claims, whichever is greater. The commissioner may issue fines under this paragraph in place of or in addition to full monetary recovery of the value of the claims submitted under subdivision 1c.

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

Subd. 3. **Vendor Mandates on prohibited payments.** (a) The commissioner shall maintain and publish a list of each excluded individual and entity that was convicted of a crime related to the provision, management, or administration of a medical assistance health service, or suspended or terminated under subdivision 2. Medical assistance payments cannot be made by ~~a vendor~~ an individual or entity for items or services furnished either directly or indirectly by an excluded individual or entity, or at the direction of excluded individuals or entities.

(b) The ~~vendor~~ entity must check the exclusion list on a monthly basis and document the date and time the exclusion list was checked and the name and title of the person who checked the exclusion list. The ~~vendor~~ entity must immediately terminate payments to an individual or entity on the exclusion list.

(c) ~~A vendor's~~ An entity's requirement to check the exclusion list and to terminate payments to individuals or entities on the exclusion list applies to each individual or entity on the exclusion list, even if the named individual or entity is not responsible for direct patient care or direct submission of a claim to medical assistance.

(d) ~~A vendor~~ An entity that pays medical assistance program funds to an individual or entity on the exclusion list must refund any payment related to either items or services rendered by an individual or entity on the exclusion list from the date the individual or entity is first paid or the date the individual or entity is placed on the exclusion list, whichever is later, and ~~a vendor~~ an entity may be subject to:

(1) sanctions under subdivision 2;

(2) a civil monetary penalty of up to \$25,000 for each determination by the department that the vendor employed or contracted with an individual or entity on the exclusion list; and

(3) other fines or penalties allowed by law.

Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2 ~~shall be served~~ by certified mail at the address submitted to the department by the ~~vendor~~ individual or entity. Service is complete upon mailing. ~~The commissioner shall place an affidavit of the certified mailing in the vendor's file as an indication of the address and the date of mailing.~~

(b) The department shall give notice in writing to a recipient placed in the Minnesota restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200. The department shall send the notice ~~shall be sent~~ by first class mail to the recipient's current address on file with the department. A recipient placed in the Minnesota restricted recipient program may contest the placement by submitting a written request for a hearing to the department within 90 days of the notice being mailed.

Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report is immune from any civil or criminal liability that might otherwise arise from reporting or participating in the investigation. Nothing in this subdivision affects ~~a vendor's~~ an individual's or entity's responsibility for an overpayment established under this subdivision.

(b) A person employed by a lead investigative agency who is conducting or supervising an investigation or enforcing the law according to the applicable law or rule is immune from any civil or criminal liability that might otherwise arise from the person's actions, if the person is acting in good faith and exercising due care.

(c) For purposes of this subdivision, "person" includes a natural person or any form of a business or legal entity.

(d) After an investigation is complete, the reporter's name must be kept confidential. The subject of the report may compel disclosure of the reporter's name only with the consent of the reporter or upon a written finding by a district court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that when the identity of the reporter is relevant to a criminal prosecution the district court shall conduct an in-camera review before determining whether to order disclosure of the reporter's identity.

Sec. 38. Minnesota Statutes 2022, section 256B.27, subdivision 3, is amended to read:

Subd. 3. **Access to medical records.** The commissioner of human services, with the written consent of the recipient, on file with the local welfare agency, shall be allowed access in the manner and within the time prescribed by the commissioner to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which is duplicative, erroneous, or false in whole or in part, or which results in the vendor obtaining greater compensation than the vendor is legally entitled to; or (b) the medical care was medically necessary. When the commissioner is investigating a possible overpayment of Medicaid funds, the commissioner must be given immediate access without prior notice to the vendor's office during regular business hours and to documentation and records related to services provided and submission of claims for services provided. The department shall document in writing the need for immediate access to records related to a specific investigation. Denying the commissioner access to records is cause for the vendor's immediate suspension of payment or termination according to section 256B.064. Any records not provided to the commissioner at the date and time of the request are inadmissible if offered as evidence by the provider in any proceeding to contest sanctions against or monetary recovery from the provider. The determination of provision of services not medically necessary shall be made by the commissioner. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of human services pursuant to this section.

Sec. 39. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

Subd. 2a. **Procedure; state licensing agency data.** (a) The court shall request the commissioner of human services to provide the court within 25 working days of receipt of the request with licensing agency data for licenses directly related to the responsibilities of a professional fiduciary if the study subject indicates current or prior affiliation from the following agencies in Minnesota:

- (1) Lawyers Responsibility Board;
- (2) State Board of Accountancy;
- (3) Board of Social Work;
- (4) Board of Psychology;
- (5) Board of Nursing;
- (6) Board of Medical Practice;
- ~~(7) Department of Education;~~
- ~~(8) (7) Department of Commerce;~~
- ~~(9) (8) Board of Chiropractic Examiners;~~
- ~~(10) (9) Board of Dentistry;~~
- ~~(11) (10) Board of Marriage and Family Therapy;~~
- ~~(12) (11) Department of Human Services;~~
- ~~(13) (12) Peace Officer Standards and Training (POST) Board; and~~

(14) (13) Professional Educator Licensing and Standards Board.

(b) The commissioner shall enter into agreements with these agencies to provide the commissioner with electronic access to the relevant licensing data, and to provide the commissioner with a quarterly list of new sanctions issued by the agency.

(c) The commissioner shall provide to the court the electronically available data maintained in the agency's database, including whether the proposed guardian or conservator is or has been licensed by the agency, and if the licensing agency database indicates a disciplinary action or a sanction against the individual's license, including a condition, suspension, revocation, or cancellation.

(d) If the proposed guardian or conservator has resided in a state other than Minnesota in the previous ten years, licensing agency data under this section shall also include the licensing agency data from any other state where the proposed guardian or conservator reported to have resided during the previous ten years if the study subject indicates current or prior affiliation. If the proposed guardian or conservator has or has had a professional license in another state that is directly related to the responsibilities of a professional fiduciary from one of the agencies listed under paragraph (a), state licensing agency data shall also include data from the relevant licensing agency of that state.

(e) The commissioner is not required to repeat a search for Minnesota or out-of-state licensing data on an individual if the commissioner has provided this information to the court within the prior five years.

(f) The commissioner shall review the information in paragraph (c) at least once every four months to determine if an individual who has been studied within the previous five years:

(1) has new disciplinary action or sanction against the individual's license; or

(2) did not disclose a prior or current affiliation with a Minnesota licensing agency.

(g) If the commissioner's review in paragraph (f) identifies new information, the commissioner shall provide any new information to the court.

Sec. 40. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section 245C.02, in alphabetical order and correct any cross-reference changes that result.

Sec. 41. **REPEALER.**

(a) Minnesota Statutes 2022, sections 245A.22; 245C.02, subdivision 9; 245C.301; and 256.9685, subdivisions 1c and 1d, are repealed.

(b) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are repealed.

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

ARTICLE 10
ECONOMIC ASSISTANCE

Section 1. Minnesota Statutes 2022, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. **Standards.** (a) A principal objective in providing general assistance is to provide for single adults, childless couples, or children as defined in section 256D.02, subdivision 6, ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) ~~The commissioner shall set the standard of assistance for an assistance unit consisting of an adult a recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian is the cash portion of the MFIP transitional standard for a single adult under section 256J.24, subdivision 5. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.~~

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance ~~is the amount that the aid to families with dependent children standard of assistance, in effect on July 16, 1996, would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone~~ is the cash portion of the MFIP transitional standard for a single adult under section 256J.24, subdivision 5. Benefits received by a responsible relative of the assistance unit under the Supplemental Security Income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the Social Security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods must follow the provisions under section 256P.06.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program in effect on July 16, 1996. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program as of July 16, 1996.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 256D.024, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** ~~(a) If An applicant or recipient individual who has been convicted of a felony-level drug offense after July 1, 1997, the assistance unit is ineligible for benefits under this chapter until five years after the applicant has completed terms of the court ordered sentence, unless the person is participating in a drug treatment program, has successfully completed a drug treatment program, or has been assessed by the county and determined not to be in need of a drug treatment program. Persons subject to the limitations of this subdivision who become eligible for assistance under this chapter shall during the previous ten years from the date of application or recertification may be subject to random drug testing as a condition of continued eligibility and shall lose eligibility for benefits for five years beginning the month following. The county must provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.~~

~~(1) Any positive test result for an illegal controlled substance; or~~

~~(2) discharge of sentence after conviction for another drug felony.~~

(b) For the purposes of this subdivision, "drug offense" means a conviction that occurred ~~after July 1, 1997, during the previous ten years from the date of application or recertification~~ of sections 152.021 to 152.025, 152.0261, 152.0262, or 152.096. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the ~~offense conviction occurred after July 1, 1997, during the previous ten years from the date of application or recertification~~ and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 256D.06, subdivision 5, is amended to read:

Subd. 5. **Eligibility; requirements.** (a) Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (1) make application for those benefits within ~~30~~ 90 days of the general assistance application; and (2) execute an interim assistance agreement on a form as directed by the commissioner.

(b) The commissioner shall review a denial of an application for other maintenance benefits and may require a recipient of general assistance to file an appeal of the denial if appropriate. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the county agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period.

(c) The commissioner may contract with the county agencies, qualified agencies, organizations, or persons to provide advocacy and support services to process claims for federal disability benefits for applicants or recipients of services or benefits supervised by the commissioner using money retained under this section.

(d) The commissioner may provide methods by which county agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for people with a disability.

(e) The total amount of interim assistance recoveries retained under this section for advocacy, support, and claim processing services shall not exceed 35 percent of the interim assistance recoveries in the prior fiscal year.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 4. Minnesota Statutes 2022, section 256J.26, subdivision 1, is amended to read:

Subdivision 1. **Person convicted of drug offenses.** (a) An individual who has been convicted of a felony level drug offense ~~committed~~ during the previous ten years from the date of application or recertification is subject to the following:

(1) Benefits for the entire assistance unit must be paid in vendor form for shelter and utilities during any time the applicant is part of the assistance unit.

(2) The convicted applicant or participant ~~shall~~ may be subject to random drug testing ~~as a condition of continued eligibility and~~. Following any positive test for an illegal controlled substance is subject to the following sanctions: the county must provide information about substance use disorder treatment programs to the applicant or participant.

~~(i) for failing a drug test the first time, the residual amount of the participant's grant after making vendor payments for shelter and utility costs, if any, must be reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size. When a sanction under this subdivision is in effect, the job counselor must attempt to meet with the person face to face. During the face to face meeting, the job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face to face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face to face meeting; or~~

~~(ii) for failing a drug test two times, the participant is permanently disqualified from receiving MFIP assistance, both the cash and food portions. The assistance unit's MFIP grant must be reduced by the amount which would have otherwise been made available to the disqualified participant. Disqualification under this item does not make a~~

~~participant ineligible for the Supplemental Nutrition Assistance Program (SNAP). Before a disqualification under this provision is imposed, the job counselor must attempt to meet with the participant face to face. During the face to face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face to face meeting is not possible, the county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face to face meeting.~~

~~(3) A participant who fails a drug test the first time and is under a sanction due to other MFIP program requirements is considered to have more than one occurrence of noncompliance and is subject to the applicable level of sanction as specified under section 256J.46, subdivision 1, paragraph (d).~~

(b) Applicants requesting only SNAP benefits or participants receiving only SNAP benefits, who have been convicted of a felony-level drug offense that occurred after July 1, 1997, during the previous ten years from the date of application or recertification may, if otherwise eligible, receive SNAP benefits ~~if~~. The convicted applicant or participant is may be subject to random drug testing as a condition of continued eligibility. Following a positive test for an illegal controlled substance, the applicant is subject to the following sanctions: county must provide information about substance use disorder treatment programs to the applicant or participant.

~~(1) for failing a drug test the first time, SNAP benefits shall be reduced by an amount equal to 30 percent of the applicable SNAP benefit allotment. When a sanction under this clause is in effect, a job counselor must attempt to meet with the person face to face. During the face to face meeting, a job counselor must explain the consequences of a subsequent drug test failure and inform the participant of the right to appeal the sanction under section 256J.40. If a face to face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face to face meeting; and~~

~~(2) for failing a drug test two times, the participant is permanently disqualified from receiving SNAP benefits. Before a disqualification under this provision is imposed, a job counselor must attempt to meet with the participant face to face. During the face to face meeting, the job counselor must identify other resources that may be available to the participant to meet the needs of the family and inform the participant of the right to appeal the disqualification under section 256J.40. If a face to face meeting is not possible, a county agency must send the participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5, and must include the information required in the face to face meeting.~~

(c) For the purposes of this subdivision, "drug offense" means ~~an offense~~ a conviction that occurred during the previous ten years from the date of application or recertification of sections 152.021 to 152.025, 152.0261, 152.0262, 152.096, or 152.137. Drug offense also means a conviction in another jurisdiction of the possession, use, or distribution of a controlled substance, or conspiracy to commit any of these offenses, if the ~~offense~~ conviction occurred during the previous ten years from the date of application or recertification and the conviction is a felony offense in that jurisdiction, or in the case of New Jersey, a high misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 5. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 2b. **Census income.** "Census income" means income earned working as a census enumerator or decennial census worker responsible for recording the housing units and residents in a specific geographic area.

Sec. 6. Minnesota Statutes 2022, section 256P.01, is amended by adding a subdivision to read:

Subd. 5a. **Lived-experience engagement.** "Lived-experience engagement" means an intentional engagement of people with lived experience by a federal, Tribal, state, county, municipal, or nonprofit human services agency funded in part or in whole by federal, state, local government, Tribal Nation, public, private, or philanthropic funds to gather and share feedback on the impact of human services programs.

Sec. 7. Minnesota Statutes 2022, section 256P.02, subdivision 1a, is amended to read:

Subd. 1a. **Exemption.** Participants who qualify for child care assistance programs under chapter 119B are exempt from this section, except that the personal property identified in subdivision 2 is counted toward the asset limit of the child care assistance program under chapter 119B. Census income is not counted toward the asset limit of the child care assistance program under chapter 119B.

Sec. 8. Minnesota Statutes 2022, section 256P.02, subdivision 2, is amended to read:

Subd. 2. **Personal property limitations.** The equity value of an assistance unit's personal property listed in clauses (1) to (5) must not exceed \$10,000 for applicants and participants. For purposes of this subdivision, personal property is limited to:

- (1) cash not excluded under subdivisions 4 and 5;
- (2) bank accounts;
- (3) liquid stocks and bonds that can be readily accessed without a financial penalty;
- (4) vehicles not excluded under subdivision 3; and
- (5) the full value of business accounts used to pay expenses not related to the business.

Sec. 9. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to read:

Subd. 4. **Health and human services recipient engagement income.** Income received from lived-experience engagement, as defined in section 256P.01, subdivision 6, shall be excluded when determining the equity value of personal property.

Sec. 10. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to read:

Subd. 5. **Census income.** Census income is excluded when determining the equity value of personal property.

Sec. 11. Minnesota Statutes 2022, section 256P.06, subdivision 3, is amended to read:

Subd. 3. **Income inclusions.** The following must be included in determining the income of an assistance unit:

- (1) earned income; and
- (2) unearned income, which includes:
 - (i) interest and dividends from investments and savings;
 - (ii) capital gains as defined by the Internal Revenue Service from any sale of real property;

(iii) proceeds from rent and contract for deed payments in excess of the principal and interest portion owed on property;

(iv) income from trusts, excluding special needs and supplemental needs trusts;

(v) interest income from loans made by the participant or household;

(vi) cash prizes and winnings;

(vii) unemployment insurance income that is received by an adult member of the assistance unit unless the individual receiving unemployment insurance income is:

(A) 18 years of age and enrolled in a secondary school; or

(B) 18 or 19 years of age, a caregiver, and is enrolled in school at least half-time;

(viii) retirement, survivors, and disability insurance payments;

(ix) nonrecurring income over \$60 per quarter unless the nonrecurring income is: (A) from tax refunds, tax rebates, or tax credits; (B) a reimbursement, rebate, award, grant, or refund of personal or real property or costs or losses incurred when these payments are made by: a public agency; a court; solicitations through public appeal; a federal, state, or local unit of government; or a disaster assistance organization; (C) provided as an in-kind benefit; or (D) earmarked and used for the purpose for which it was intended, subject to verification requirements under section 256P.04;

(x) retirement benefits;

(xi) cash assistance benefits, as defined by each program in chapters 119B, 256D, 256I, and 256J;

~~(xii) Tribal per capita payments unless excluded by federal and state law;~~

~~(xiii)~~ (xii) income from members of the United States armed forces unless excluded from income taxes according to federal or state law;

~~(xiv)~~ (xiii) all child support payments for programs under chapters 119B, 256D, and 256I;

~~(xv)~~ (xiv) the amount of child support received that exceeds \$100 for assistance units with one child and \$200 for assistance units with two or more children for programs under chapter 256J;

~~(xvi)~~ (xv) spousal support; and

~~(xvii)~~ (xvi) workers' compensation.

Sec. 12. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision to read:

Subd. 4. Recipient engagement income. Income received from lived-experience engagement, as defined in section 256P.01, subdivision 5a, must not be counted as income for purposes of determining or redetermining eligibility or benefits.

EFFECTIVE DATE. This section is effective August 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 256P.06, is amended by adding a subdivision to read:

Subd. 5. **Census income.** Census income does not count as income for purposes of determining or redetermining eligibility or benefits.

Sec. 14. Minnesota Statutes 2022, section 609B.425, subdivision 2, is amended to read:

Subd. 2. **Benefit eligibility.** (a) For general assistance benefits and Minnesota supplemental aid under chapter 256D, a person convicted of a felony-level drug offense after July 1, 1997, is ineligible for general assistance benefits and Supplemental Security Income under chapter 256D until: during the previous ten years from the date of application or recertification may be subject to random drug testing. The county must provide information about substance use disorder treatment programs to a person who tests positive for an illegal controlled substance.

~~(1) five years after completing the terms of a court ordered sentence; or~~

~~(2) unless the person is participating in a drug treatment program, has successfully completed a program, or has been determined not to be in need of a drug treatment program.~~

~~(b) A person who becomes eligible for assistance under chapter 256D is subject to random drug testing and shall lose eligibility for benefits for five years beginning the month following:~~

~~(1) any positive test for an illegal controlled substance; or~~

~~(2) discharge of sentence for conviction of another drug felony.~~

~~(e) (b) Parole violators and fleeing felons are ineligible for benefits and persons fraudulently misrepresenting eligibility are also ineligible to receive benefits for ten years.~~

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 15. Minnesota Statutes 2022, section 609B.435, subdivision 2, is amended to read:

Subd. 2. **Drug offenders; random testing; sanctions.** A person who is an applicant for benefits from the Minnesota family investment program or MFIP, the vehicle for temporary assistance for needy families or TANF, and who has been convicted of a felony-level drug offense ~~shall~~ may be subject to ~~certain conditions, including~~ random drug testing, ~~in order to receive MFIP benefits.~~ Following any positive test for a controlled substance, the ~~convicted applicant or participant is subject to the following sanctions:~~ county must provide information about substance use disorder treatment programs to the applicant or participant.

~~(1) a first time drug test failure results in a reduction of benefits in an amount equal to 30 percent of the MFIP standard of need; and~~

~~(2) a second time drug test failure results in permanent disqualification from receiving MFIP assistance.~~

~~A similar disqualification sequence occurs if the applicant is receiving Supplemental Nutrition Assistance Program (SNAP) benefits.~~

EFFECTIVE DATE. This section is effective August 1, 2023.

ARTICLE 11
HOUSING SUPPORTS

Section 1. Minnesota Statutes 2022, section 256I.03, subdivision 7, is amended to read:

Subd. 7. **Countable income.** (a) "Countable income" means all income received by an applicant or recipient as described under section 256P.06, less any applicable exclusions or disregards. For a recipient of any cash benefit from the SSI program, countable income means the SSI benefit limit in effect at the time the person is a recipient of housing support, less the medical assistance personal needs allowance under section 256B.35. If the SSI limit or benefit is reduced for a person due to events other than receipt of additional income, countable income means actual income less any applicable exclusions and disregards.

(b) For a recipient of any cash benefit from the SSI program who does not live in a setting described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals the SSI benefit limit in effect at the time the person is a recipient of housing support, less the personal needs allowance under section 256B.35. If the SSI limit or benefit is reduced for a person due to events other than receipt of additional income, countable income equals actual income less any applicable exclusions and disregards.

(c) For a recipient of any cash benefit from the SSI program who lives in a setting as described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals 30 percent of the SSI benefit limit in effect at the time a person is a recipient of housing support. If the SSI limit or benefit is reduced for a person due to events other than receipt of additional income, countable income equals 30 percent of the actual income less any applicable exclusions and disregards. For recipients under this paragraph, the personal needs allowance described in section 256B.35 does not apply.

(d) Notwithstanding the earned income disregard described in section 256P.03, for a recipient of unearned income as defined in section 256P.06, subdivision 3, clause (2), other than SSI and the general assistance personal needs allowance who lives in a setting described in section 256I.04, subdivision 2a, paragraph (b), clause (2), countable income equals 30 percent of the recipient's total income after applicable exclusions and disregards. Total income includes any unearned income as defined in section 256P.06 and any earned income in the month the person is a recipient of housing support. For recipients under this paragraph, the personal needs allowance described in section 256B.35 does not apply.

(e) For a recipient who lives in a setting as described in section 256I.04, subdivision 2a, paragraph (b), clause (2), and receives general assistance, the personal needs allowance described in section 256B.35 is not countable unearned income.

EFFECTIVE DATE. This section is effective October 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 256I.04, subdivision 1, is amended to read:

Subdivision 1. **Individual eligibility requirements.** An individual is eligible for and entitled to a housing support payment to be made on the individual's behalf if the agency has approved the setting where the individual will receive housing support and the individual meets the requirements in paragraph (a), (b), ~~or~~ (c), or (d).

(a) The individual is aged, blind, or is over 18 years of age with a disability as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of section 256P.02, and the individual's countable income after deducting the (1) exclusions and disregards of the SSI program, (2) the medical assistance personal needs allowance under section 256B.35, and (3) an amount equal to the income actually made available to a community spouse by an elderly waiver participant under the provisions of sections 256B.0575, paragraph (a), clause (4), and 256B.058, subdivision 2, is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(b) The individual meets a category of eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1), (3), (4) to (8), and (13), and paragraph (b), if applicable, and the individual's resources are less than the standards specified by section 256P.02, and the individual's countable income as determined under section 256P.06, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the agency's agreement with the provider of housing support in which the individual resides.

(c) The individual lacks a fixed, adequate, nighttime residence upon discharge from a residential behavioral health treatment program, as determined by treatment staff from the residential behavioral health treatment program. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following discharge from treatment, plus two full months.

(d) The individual meets the criteria related to establishing a certified disability or disabling condition in paragraph (a) or (b) and lacks a fixed, adequate, nighttime residence upon discharge from a correctional facility, as determined by an authorized representative from a Minnesota-based correctional facility. An individual is eligible under this paragraph for up to three months, including a full or partial month from the individual's move-in date at a setting approved for housing support following release, plus two full months. People who meet the disabling condition criteria established in paragraph (a) or (b) will not have any countable income for the duration of eligibility under this paragraph.

EFFECTIVE DATE. This section is effective November 1, 2024.

Sec. 3. Minnesota Statutes 2022, section 256I.04, subdivision 3, is amended to read:

Subd. 3. **Moratorium on development of housing support beds.** (a) Agencies shall not enter into agreements for new housing support beds with total rates in excess of the MSA equivalent rate except:

(1) for establishments licensed under chapter 245D provided the facility is needed to meet the census reduction targets for persons with developmental disabilities at regional treatment centers;

(2) up to 80 beds in a single, specialized facility located in Hennepin County that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication, and planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the Housing Finance Agency under section 462A.05, subdivision 20a, paragraph (b);

(3) notwithstanding the provisions of subdivision 2a, for up to 226 supportive housing units in Anoka, Carver, Dakota, Hennepin, ~~or Ramsey~~, Scott, or Washington County for homeless adults with a mental illness, a history of substance abuse, or human immunodeficiency virus or acquired immunodeficiency syndrome. For purposes of this section, "homeless adult" means a person who is living on the street or in a shelter or discharged from a regional treatment center, community hospital, or residential treatment program and has no appropriate housing available and lacks the resources and support necessary to access appropriate housing. At least 70 percent of the supportive housing units must serve homeless adults with mental illness, substance abuse problems, or human immunodeficiency virus or acquired immunodeficiency syndrome who are about to be or, within the previous six months, have been discharged from a regional treatment center, or a state-contracted psychiatric bed in a community hospital, or a residential mental health or substance use disorder treatment program. If a person meets the requirements of subdivision 1, paragraph (a), and receives a federal or state housing subsidy, the housing support rate for that person is limited to the supplementary rate under section 256I.05, subdivision 1a, and is determined by subtracting the amount of the person's countable income that exceeds the MSA equivalent rate from the housing support supplementary service rate. A resident in a demonstration project site who no longer participates in the demonstration program shall retain eligibility for a housing support payment in an amount determined under section

256I.06, subdivision 8, using the MSA equivalent rate. Service funding under section 256I.05, subdivision 1a, will end June 30, 1997, if federal matching funds are available and the services can be provided through a managed care entity. If federal matching funds are not available, then service funding will continue under section 256I.05, subdivision 1a;

(4) for an additional two beds, resulting in a total of 32 beds, for a facility located in Hennepin County providing services for men with and recovering from substance use disorder that has had a housing support contract with the county and has been licensed as a board and lodge facility with special services since 1980;

(5) for a housing support provider located in the city of St. Cloud, or a county contiguous to the city of St. Cloud, that operates a 40-bed facility, that received financing through the Minnesota Housing Finance Agency Ending Long-Term Homelessness Initiative and serves clientele with substance use disorder, providing 24-hour-a-day supervision;

(6) for a new 65-bed facility in Crow Wing County that will serve persons with substance use disorder, operated by a housing support provider that currently operates a 304-bed facility in Minneapolis, and a 44-bed facility in Duluth;

(7) for a housing support provider that operates two ten-bed facilities, one located in Hennepin County and one located in Ramsey County, that provide community support and 24-hour-a-day supervision to serve the mental health needs of individuals who have chronically lived unsheltered; and

(8) for a facility authorized for recipients of housing support in Hennepin County with a capacity of up to 48 beds that has been licensed since 1978 as a board and lodging facility and that until August 1, 2007, operated as a licensed substance use disorder treatment program.

(b) An agency may enter into a housing support agreement for beds with rates in excess of the MSA equivalent rate in addition to those currently covered under a housing support agreement if the additional beds are only a replacement of beds with rates in excess of the MSA equivalent rate which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from housing support payment, or as a result of the downsizing of a setting authorized for recipients of housing support. The transfer of available beds from one agency to another can only occur by the agreement of both agencies.

Sec. 4. **HOUSING STABILIZATION SERVICES INFLATIONARY ADJUSTMENT.**

The commissioner of human services shall seek federal approval to apply biennial inflationary updates to housing stabilization services rates based on the consumer price index. Beginning January 1, 2024, the commissioner must update rates using the most recently available data from the consumer price index.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 12 LICENSING

Section 1. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

Subdivision 1. **Application for licensure.** (a) An individual, organization, or government entity that is subject to licensure under section 245A.03 must apply for a license. The application must be made on the forms and in the manner prescribed by the commissioner. The commissioner shall provide the applicant with instruction in completing the application and provide information about the rules and requirements of other state agencies that

affect the applicant. An applicant seeking licensure in Minnesota with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border. An applicant who intends to buy or otherwise acquire a program or services licensed under this chapter that is owned by another license holder must apply for a license under this chapter and comply with the application procedures in this section and section 245A.03.

The commissioner shall act on the application within 90 working days after a complete application and any required reports have been received from other state agencies or departments, counties, municipalities, or other political subdivisions. The commissioner shall not consider an application to be complete until the commissioner receives all of the required information.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.

(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

- (i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;
- (ii) nonpayment of claims submitted by the license holder for public program reimbursement;
- (iii) recovery of payments made for the service;
- (iv) disenrollment in the public payment program; or
- (v) other administrative, civil, or criminal penalties as provided by law.

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

Sec. 2. Minnesota Statutes 2022, section 245A.04, subdivision 7a, is amended to read:

Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner, in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any change that would alter the license information listed under subdivision 7, paragraph (a).

(b) A license holder must also notify the commissioner, in a manner prescribed by the commissioner, before making any change:

- (1) to the license holder's authorized agent as defined in section 245A.02, subdivision 3b;
- (2) to the license holder's controlling individual as defined in section 245A.02, subdivision 5a;
- (3) to the license holder information on file with the secretary of state;
- (4) in the location of the program or service licensed under this chapter; and
- (5) to the federal or state tax identification number associated with the license holder.

(c) When, for reasons beyond the license holder's control, a license holder cannot provide the commissioner with prior notice of the changes in paragraph (b), clauses (1) to (3), the license holder must notify the commissioner by the tenth business day after the change and must provide any additional information requested by the commissioner.

(d) When a license holder notifies the commissioner of a change to the license holder information on file with the secretary of state, the license holder must provide amended articles of incorporation and other documentation of the change.

(e) Upon implementation of the provider licensing and reporting hub, license holders must enter and update information in the hub in a manner prescribed by the commissioner.

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

Sec. 3. Minnesota Statutes 2022, section 245A.05, is amended to read:

245A.05 DENIAL OF APPLICATION.

(a) The commissioner may deny a license if an applicant or controlling individual:

(1) fails to submit a substantially complete application after receiving notice from the commissioner under section 245A.04, subdivision 1;

(2) fails to comply with applicable laws or rules;

(3) knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license or during an investigation;

(4) has a disqualification that has not been set aside under section 245C.22 and no variance has been granted;

(5) has an individual living in the household who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(6) is associated with an individual who received a background study under section 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to children or vulnerable adults, and who has a disqualification that has not been set aside under section 245C.22, and no variance has been granted;

(7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

(8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision 6;

(9) has a history of noncompliance as a license holder or controlling individual with applicable laws or rules, including but not limited to this chapter and chapters 119B and 245C;

(10) is prohibited from holding a license according to section 245.095; or

(11) for a family foster setting, has nondisqualifying background study information, as described in section 245C.05, subdivision 4, that reflects on the individual's ability to safely provide care to foster children.

(b) An applicant whose application has been denied by the commissioner must be given notice of the denial, which must state the reasons for the denial in plain language. Notice must be given by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. The notice must state the reasons the application was denied and must inform the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

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

Sec. 4. Minnesota Statutes 2022, section 245A.055, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of closure.** If a license is closed, the commissioner must notify the license holder of closure by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the notice of closure must be mailed to the last known address of the license holder and must inform the license holder why the license was closed and that the license holder has the right to request reconsideration of the closure. If the license holder believes that the license was closed in error, the license holder may ask the commissioner to reconsider the closure. The license holder's request for reconsideration must be made in writing and must include documentation that the licensed program has served a client in the previous 12 months. The request for reconsideration must be postmarked and sent to the commissioner or submitted through the provider licensing and reporting hub within 20 calendar days after the license holder receives the notice of closure. Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the reconsideration must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. A timely request for reconsideration stays imposition of the license closure until the commissioner issues a decision on the request for reconsideration.

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

Sec. 5. Minnesota Statutes 2022, section 245A.06, subdivision 1, is amended to read:

Subdivision 1. **Contents of correction orders and conditional licenses.** (a) If the commissioner finds that the applicant or license holder has failed to comply with an applicable law or rule and this failure does not imminently endanger the health, safety, or rights of the persons served by the program, the commissioner may issue a correction order and an order of conditional license to the applicant or license holder. When issuing a conditional license, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of persons served by the program. The correction order or conditional license must state the following in plain language:

- (1) the conditions that constitute a violation of the law or rule;
 - (2) the specific law or rule violated;
 - (3) the time allowed to correct each violation; and
 - (4) if a license is made conditional, the length and terms of the conditional license, and the reasons for making the license conditional.
- (b) Nothing in this section prohibits the commissioner from proposing a sanction as specified in section 245A.07, prior to issuing a correction order or conditional license.
- (c) The commissioner may issue a correction order and an order of conditional license to the applicant or license holder through the provider licensing and reporting hub.

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

Sec. 6. Minnesota Statutes 2022, section 245A.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of correction orders.** (a) If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the Department of Human Services to reconsider the parts of the correction order that are alleged to be in error. The request for

reconsideration must be made in writing and must be postmarked and sent to the commissioner within 20 calendar days after receipt of the correction order by the applicant or license holder or submitted in the provider licensing and reporting hub within 20 calendar days from the date the commissioner issued the order through the hub, and:

- (1) specify the parts of the correction order that are alleged to be in error;
- (2) explain why they are in error; and
- (3) include documentation to support the allegation of error.

Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. A request for reconsideration does not stay any provisions or requirements of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

(b) This paragraph applies only to licensed family child care providers. A licensed family child care provider who requests reconsideration of a correction order under paragraph (a) may also request, on a form and in the manner prescribed by the commissioner, that the commissioner expedite the review if:

- (1) the provider is challenging a violation and provides a description of how complying with the corrective action for that violation would require the substantial expenditure of funds or a significant change to their program; and
- (2) describes what actions the provider will take in lieu of the corrective action ordered to ensure the health and safety of children in care pending the commissioner's review of the correction order.

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

Sec. 7. Minnesota Statutes 2022, section 245A.06, subdivision 4, is amended to read:

Subd. 4. **Notice of conditional license; reconsideration of conditional license.** (a) If a license is made conditional, the license holder must be notified of the order by certified mail ~~or~~ by personal service, or through the provider licensing and reporting hub. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the conditional license was ordered and must inform the license holder of the right to request reconsideration of the conditional license by the commissioner. The license holder may request reconsideration of the order of conditional license by notifying the commissioner by certified mail ~~or~~ by personal service, or through the provider licensing and reporting hub. The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within ten calendar days after the license holder received the order. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the request must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. The license holder may submit with the request for reconsideration written argument or evidence in support of the request for reconsideration. A timely request for reconsideration shall stay imposition of the terms of the conditional license until the commissioner issues a decision on the request for reconsideration. If the commissioner issues a dual order of conditional license under this section and an order to pay a fine under section 245A.07, subdivision 3, the license holder has a right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The scope of the contested case hearing shall include the fine and the conditional license. In this case, a reconsideration of the conditional license will not be conducted under this section. If the license holder does not appeal the fine, the license holder does not have a right to a contested case hearing and a reconsideration of the conditional license must be conducted under this subdivision.

(b) The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 8. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend or revoke a license, or impose a fine if:

(1) a license holder fails to comply fully with applicable laws or rules including but not limited to the requirements of this chapter and chapter 245C;

(2) a license holder, a controlling individual, or an individual living in the household where the licensed services are provided or is otherwise subject to a background study has been disqualified and the disqualification was not set aside and no variance has been granted;

(3) a license holder knowingly withholds relevant information from or gives false or misleading information to the commissioner in connection with an application for a license, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules;

(4) a license holder is excluded from any program administered by the commissioner under section 245.095; or

(5) revocation is required under section 245A.04, subdivision 7, paragraph (d).

A license holder who has had a license issued under this chapter suspended, revoked, or has been ordered to pay a fine must be given notice of the action by certified mail ~~or, by personal service, or through the provider licensing and reporting hub~~. If mailed, the notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state in plain language the reasons the license was suspended or revoked, or a fine was ordered.

(b) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking a license. The appeal of an order suspending or revoking a license must be made in writing by certified mail ~~or, by personal service, or through the provider licensing and reporting hub~~. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the license has been suspended or revoked. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a timely appeal of an order suspending or revoking a license, the license holder may continue to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and (g), until the commissioner issues a final order on the suspension or revocation.

(c)(1) If the license holder was ordered to pay a fine, the notice must inform the license holder of the responsibility for payment of fines and the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an order to pay a fine must be made in writing by certified mail ~~or, by personal service, or through the provider licensing and reporting hub~~. If mailed, the appeal must be postmarked and sent to the commissioner within ten calendar days after the license holder receives notice that the fine has been ordered. If a request is made by personal service, it must be received by the commissioner within ten calendar days after the license holder received the order. If the order is issued through the provider hub, the appeal must be received by the commissioner within ten calendar days from the date the commissioner issued the order through the hub.

(2) The license holder shall pay the fines assessed on or before the payment date specified. If the license holder fails to fully comply with the order, the commissioner may issue a second fine or suspend the license until the license holder complies. If the license holder receives state funds, the state, county, or municipal agencies or

departments responsible for administering the funds shall withhold payments and recover any payments made while the license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine until the commissioner issues a final order.

(3) A license holder shall promptly notify the commissioner of human services, in writing, when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the commissioner determines that a violation has not been corrected as indicated by the order to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify the license holder by certified mail ~~or~~ by personal service, or through the provider licensing and reporting hub that a second fine has been assessed. The license holder may appeal the second fine as provided under this subdivision.

(4) Fines shall be assessed as follows:

(i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557 for which the license holder is determined responsible for the maltreatment under section 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

(ii) if the commissioner determines that a determination of maltreatment for which the license holder is responsible is the result of maltreatment that meets the definition of serious maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit \$5,000;

(iii) for a program that operates out of the license holder's home and a program licensed under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license holder shall not exceed \$1,000 for each determination of maltreatment;

(iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule governing matters of health, safety, or supervision, including but not limited to the provision of adequate staff-to-child or adult ratios, and failure to comply with background study requirements under chapter 245C; and

(v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

For purposes of this section, "occurrence" means each violation identified in the commissioner's fine order. Fines assessed against a license holder that holds a license to provide home and community-based services, as identified in section 245D.03, subdivision 1, and a community residential setting or day services facility license under chapter 245D where the services are provided, may be assessed against both licenses for the same occurrence, but the combined amount of the fines shall not exceed the amount specified in this clause for that occurrence.

(5) When a fine has been assessed, the license holder may not avoid payment by closing, selling, or otherwise transferring the licensed program to a third party. In such an event, the license holder will be personally liable for payment. In the case of a corporation, each controlling individual is personally and jointly liable for payment.

(d) Except for background study violations involving the failure to comply with an order to immediately remove an individual or an order to provide continuous, direct supervision, the commissioner shall not issue a fine under paragraph (c) relating to a background study violation to a license holder who self-corrects a background study violation before the commissioner discovers the violation. A license holder who has previously exercised the provisions of this paragraph to avoid a fine for a background study violation may not avoid a fine for a subsequent background study violation unless at least 365 days have passed since the license holder self-corrected the earlier background study violation.

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

Sec. 9. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision to read:

Subd. 10. **Licensing and reporting hub.** Upon implementation of the provider licensing and reporting hub, county staff who perform licensing functions must use the hub in the manner prescribed by the commissioner.

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

Sec. 10. Minnesota Statutes 2022, section 245H.01, subdivision 3, is amended to read:

Subd. 3. **Center operator or program operator.** "Center operator" or "program operator" means the person exercising supervision or control over the center's or program's operations, planning, and functioning. ~~There may be more than one designated center operator or program operator.~~

Sec. 11. Minnesota Statutes 2022, section 245H.01, is amended by adding a subdivision to read:

Subd. 4a. **Authorized agent.** "Authorized agent" means the individual designated by the certification holder that is responsible for communicating with the commissioner regarding all items pursuant to this chapter.

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

Sec. 12. Minnesota Statutes 2022, section 245H.03, subdivision 2, is amended to read:

Subd. 2. **Application submission.** The commissioner shall provide application instructions and information about the rules and requirements of other state agencies that affect the applicant. The certification application must be submitted in a manner prescribed by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner. The commissioner shall act on the application within 90 working days of receiving a completed application.

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

Sec. 13. Minnesota Statutes 2022, section 245H.03, subdivision 3, is amended to read:

Subd. 3. **Incomplete applications.** When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the documents submitted do not meet certification requirements, the commissioner shall provide the applicant written notice that the application is incomplete or deficient. In the notice, the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is complete. An applicant's failure to submit a complete application after receiving notice from the commissioner is basis for certification denial.

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

Sec. 14. Minnesota Statutes 2022, section 245H.03, subdivision 4, is amended to read:

Subd. 4. **Reconsideration of certification denial.** (a) The applicant may request reconsideration of the denial by notifying the commissioner by certified mail ~~or, by personal service, or through the provider licensing and reporting hub.~~ The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the order. If a request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the order. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. The applicant may submit with the request for reconsideration a written argument or evidence in support of the request for reconsideration.

(b) The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 15. Minnesota Statutes 2022, section 245H.06, subdivision 1, is amended to read:

Subdivision 1. **Correction order requirements.** (a) If the applicant or certification holder failed to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

- (1) the condition that constitutes a violation of the law or rule;
- (2) the specific law or rule violated; and
- (3) the time allowed to correct each violation.

(b) The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub.

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

Sec. 16. Minnesota Statutes 2022, section 245H.06, subdivision 2, is amended to read:

Subd. 2. **Reconsideration request.** (a) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. A request for reconsideration must be made in writing, and postmarked, or submitted through the provider licensing and reporting hub and sent to the commissioner within 20 calendar days after the applicant or certification holder received the correction order, and must:

- (1) specify the part of the correction order that is allegedly erroneous;
- (2) explain why the specified part is erroneous; and
- (3) include documentation to support the allegation of error.

(b) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(c) Upon implementation of the provider licensing and reporting hub, the provider must use the hub to request reconsideration. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 17. Minnesota Statutes 2022, section 245H.07, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner may decertify a center if a certification holder:

- (1) failed to comply with an applicable law or rule;

(2) knowingly withheld relevant information from or gave false or misleading information to the commissioner in connection with an application for certification, in connection with the background study status of an individual, during an investigation, or regarding compliance with applicable laws or rules; or

(3) has authorization to receive child care assistance payments revoked pursuant to chapter 119B.

(b) When considering decertification, the commissioner shall consider the nature, chronicity, or severity of the violation of law or rule.

(c) When a center is decertified, the center is ineligible to receive a child care assistance payment under chapter 119B.

(d) The commissioner may issue a decertification order to a certification holder through the provider licensing and reporting hub.

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

Sec. 18. Minnesota Statutes 2022, section 245H.07, subdivision 2, is amended to read:

Subd. 2. **Reconsideration of decertification.** (a) The certification holder may request reconsideration of the decertification by notifying the commissioner by certified mail ~~or, by personal service, or through the provider licensing and reporting hub.~~ The request must be made in writing. If sent by certified mail, the request must be postmarked and sent to the commissioner within 20 calendar days after the certification holder received the order. If a request is made by personal service, it must be received by the commissioner within 20 calendar days after the certification holder received the order. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. With the request for reconsideration, the certification holder may submit a written argument or evidence in support of the request for reconsideration.

(b) The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

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

Sec. 19. Minnesota Statutes 2022, section 245I.20, subdivision 10, is amended to read:

Subd. 10. **Application procedures.** (a) The applicant for certification must submit any documents that the commissioner requires on forms approved by the commissioner. Upon implementation of the provider licensing and reporting hub, applicants must use the hub in the manner prescribed by the commissioner.

(b) Upon submitting an application for certification, an applicant must pay the application fee required by section 245A.10, subdivision 3.

(c) The commissioner must act on an application within 90 working days of receiving a completed application.

(d) When the commissioner receives an application for initial certification that is incomplete because the applicant failed to submit required documents or is deficient because the submitted documents do not meet certification requirements, the commissioner must provide the applicant with written notice that the application is incomplete or deficient. In the notice, the commissioner must identify the particular documents that are missing or deficient and give the applicant 45 days to submit a second application that is complete. An applicant's failure to submit a complete application within 45 days after receiving notice from the commissioner is a basis for certification denial.

(e) The commissioner must give notice of a denial to an applicant when the commissioner has made the decision to deny the certification application. In the notice of denial, the commissioner must state the reasons for the denial in plain language. The commissioner must send or deliver the notice of denial to an applicant by certified mail ~~or~~, by personal service. In the notice of denial, the commissioner must state the reasons that the commissioner denied the application and must inform the applicant of the applicant's right to request a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail ~~or~~, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an applicant delivers an appeal by personal service, the commissioner must receive the appeal within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 20. Minnesota Statutes 2022, section 245I.20, subdivision 13, is amended to read:

Subd. 13. **Correction orders.** (a) If the applicant or certification holder fails to comply with a law or rule, the commissioner may issue a correction order. The correction order must state:

- (1) the condition that constitutes a violation of the law or rule;
- (2) the specific law or rule that the applicant or certification holder has violated; and
- (3) the time that the applicant or certification holder is allowed to correct each violation.

(b) If the applicant or certification holder believes that the commissioner's correction order is erroneous, the applicant or certification holder may ask the commissioner to reconsider the part of the correction order that is allegedly erroneous. An applicant or certification holder must make a request for reconsideration in writing. The request must be postmarked and sent to the commissioner or submitted in the provider licensing and reporting hub within 20 calendar days after the applicant or certification holder received the correction order; and the request must:

- (1) specify the part of the correction order that is allegedly erroneous;
- (2) explain why the specified part is erroneous; and
- (3) include documentation to support the allegation of error.

(c) A request for reconsideration does not stay any provision or requirement of the correction order. The commissioner's disposition of a request for reconsideration is final and not subject to appeal.

(d) If the commissioner finds that the applicant or certification holder failed to correct the violation specified in the correction order, the commissioner may decertify the certified mental health clinic according to subdivision 14.

(e) Nothing in this subdivision prohibits the commissioner from decertifying a mental health clinic according to subdivision 14.

(f) The commissioner may issue a correction order to the applicant or certification holder through the provider licensing and reporting hub. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub.

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

Sec. 21. Minnesota Statutes 2022, section 245I.20, subdivision 14, is amended to read:

Subd. 14. **Decertification.** (a) The commissioner may decertify a mental health clinic if a certification holder:

(1) failed to comply with an applicable law or rule; or

(2) knowingly withheld relevant information from or gave false or misleading information to the commissioner in connection with an application for certification, during an investigation, or regarding compliance with applicable laws or rules.

(b) When considering decertification of a mental health clinic, the commissioner must consider the nature, chronicity, or severity of the violation of law or rule and the effect of the violation on the health, safety, or rights of clients.

(c) If the commissioner decertifies a mental health clinic, the order of decertification must inform the certification holder of the right to have a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The commissioner may issue the order through the provider licensing and reporting hub. The certification holder may appeal the decertification. The certification holder must appeal a decertification in writing and send or deliver the appeal to the commissioner by certified mail ~~or by~~ personal service, or through the provider licensing and reporting hub. If the certification holder mails the appeal, the appeal must be postmarked and sent to the commissioner within ten calendar days after the certification holder receives the order of decertification. If the certification holder delivers an appeal by personal service, the commissioner must receive the appeal within ten calendar days after the certification holder received the order. If the order is issued through the provider hub, the request must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. If a certification holder submits a timely appeal of an order of decertification, the certification holder may continue to operate the program until the commissioner issues a final order on the decertification.

(d) If the commissioner decertifies a mental health clinic pursuant to paragraph (a), clause (1), based on a determination that the mental health clinic was responsible for maltreatment, and if the certification holder appeals the decertification according to paragraph (c), and appeals the maltreatment determination under section 260E.33, the final decertification determination is stayed until the commissioner issues a final decision regarding the maltreatment appeal.

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

Sec. 22. Minnesota Statutes 2022, section 245I.20, subdivision 16, is amended to read:

Subd. 16. **Notifications required and noncompliance.** (a) A certification holder must notify the commissioner, in a manner prescribed by the commissioner, and obtain the commissioner's approval before making any change to the name of the certification holder or the location of the mental health clinic. Upon implementation of the provider licensing and reporting hub, certification holders must enter and update information in the hub in a manner prescribed by the commissioner.

(b) Changes in mental health clinic organization, staffing, treatment, or quality assurance procedures that affect the ability of the certification holder to comply with the minimum standards of this section must be reported in writing by the certification holder to the commissioner within 15 days of the occurrence. Review of the change must be conducted by the commissioner. A certification holder with changes resulting in noncompliance in minimum standards must receive written notice and may have up to 180 days to correct the areas of noncompliance before being decertified. Interim procedures to resolve the noncompliance on a temporary basis must be developed and submitted in writing to the commissioner for approval within 30 days of the commissioner's determination of

the noncompliance. Not reporting an occurrence of a change that results in noncompliance within 15 days, failure to develop an approved interim procedure within 30 days of the determination of the noncompliance, or nonresolution of the noncompliance within 180 days will result in immediate decertification.

(c) The mental health clinic may be required to submit written information to the department to document that the mental health clinic has maintained compliance with this section and mental health clinic procedures.

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

Sec. 23. Minnesota Statutes 2022, section 260E.09, is amended to read:

260E.09 REPORTING REQUIREMENTS.

(a) An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under section 260E.06, subdivision 1, to report shall be followed within 72 hours, exclusive of weekends and holidays, by a report in writing to the appropriate police department, the county sheriff, the agency responsible for assessing or investigating the report, or the local welfare agency.

(b) Any report shall be of sufficient content to identify the child, any person believed to be responsible for the maltreatment of the child if the person is known, the nature and extent of the maltreatment, and the name and address of the reporter. The local welfare agency or agency responsible for assessing or investigating the report shall accept a report made under section 260E.06 notwithstanding refusal by a reporter to provide the reporter's name or address as long as the report is otherwise sufficient under this paragraph.

(c) Notwithstanding paragraph (a), upon implementation of the provider licensing and reporting hub, an individual who has an account with the provider licensing and reporting hub and is required to report suspected maltreatment as a licensed program under section 260E.06, subdivision 1, may submit a written report in the hub in a manner prescribed by the commissioner and is not required to make an oral report. A report submitted through the provider licensing and reporting hub must be made immediately.

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

Sec. 24. Minnesota Statutes 2022, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.71, with those of property tax refund filers, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services as necessary for income verification for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2, as well as the medical assistance program under chapter 256B.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, the Supplemental Nutrition Assistance Program (SNAP), Minnesota supplemental aid program, and child care assistance have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

(j) The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a.

(k) The commissioner shall disclose information to the commissioner of human services to verify the income and tax identification information of:

(1) an applicant under section 245A.04, subdivision 1;

(2) an applicant under section 245H.03;

(3) an applicant under section 245I.20;

(4) a license holder; or

(5) a certification holder.

ARTICLE 13 MISCELLANEOUS

Section 1. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to read:

Subd. 5. Mammogram; diagnostic services and testing. If a health care provider determines an enrollee requires additional diagnostic services or testing after a mammogram, a health plan must provide coverage for the additional diagnostic services or testing with no cost-sharing, including co-pay, deductible, or coinsurance.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or sold on or after that date.

Sec. 2. Minnesota Statutes 2022, section 62A.30, is amended by adding a subdivision to read:

Subd. 6. **Application.** If the application of subdivision 5 before an enrollee has met their health plan's deductible would result in: (1) health savings account ineligibility under United States Code, title 26, section 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section 18022(e), then subdivision 5 shall apply to diagnostic services or testing only after the enrollee has met their health plan's deductible.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or sold on or after that date.

Sec. 3. **[62Q.481] COST-SHARING FOR PRESCRIPTION DRUGS AND RELATED MEDICAL SUPPLIES TO TREAT CHRONIC DISEASE.**

Subdivision 1. **Cost-sharing limits.** (a) A health plan must limit the amount of any enrollee cost-sharing for prescription drugs prescribed to treat a chronic disease to no more than \$25 per one-month supply for each prescription drug regardless of the amount or type of medication required to fill the prescription and to no more than \$50 per month in total for all related medical supplies. The cost-sharing limit for related medical supplies does not increase with the number of chronic diseases for which an enrollee is treated. Coverage under this section shall not be subject to any deductible.

(b) If application of this section before an enrollee has met their plan's deductible would result in: (1) health savings account ineligibility under United States Code, title 26, section 223; or (2) catastrophic health plan ineligibility under United States Code, title 42, section 18022(e), then this section shall apply to that specific prescription drug or related medical supply only after the enrollee has met their plan's deductible.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Chronic disease" means diabetes, asthma, and allergies requiring the use of epinephrine auto-injectors.

(c) "Cost-sharing" means co-payments and coinsurance.

(d) "Related medical supplies" means syringes, insulin pens, insulin pumps, test strips, glucometers, continuous glucose monitors, epinephrine auto-injectors, asthma inhalers, and other medical supply items necessary to effectively and appropriately treat a chronic disease or administer a prescription drug prescribed to treat a chronic disease.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to health plans offered, issued, or renewed on or after that date.

Sec. 4. Minnesota Statutes 2022, section 121A.28, is amended to read:

121A.28 LAW ENFORCEMENT RECORDS.

A law enforcement agency shall provide notice of any drug incident occurring within the agency's jurisdiction, in which the agency has probable cause to believe a student violated section 152.021, 152.022, 152.023, 152.024, 152.025, 152.0262, 152.027, ~~152.092~~, 152.097, or 340A.503, subdivision 1, 2, or 3. The notice shall be in writing and shall be provided, within two weeks after an incident occurs, to the chemical abuse preassessment team in the school where the student is enrolled.

Sec. 5. Minnesota Statutes 2022, section 151.01, is amended by adding a subdivision to read:

Subd. 43. Syringe services provider. "Syringe services provider" means a community-based public health program that offers cost-free comprehensive harm reduction services which may include: providing sterile needles, syringes, and other injection equipment; making safe disposal containers for needles and syringes available; educating participants and others about overdose prevention, safer injection practices, and infectious disease prevention; providing blood-borne pathogen testing or referrals to blood-borne pathogen testing; offering referrals to substance use disorder treatment, including substance use disorder treatment with medications for opioid use disorder; and providing referrals to medical treatment and services, mental health programs and services, and other social services.

Sec. 6. Minnesota Statutes 2022, section 151.40, subdivision 1, is amended to read:

Subdivision 1. **Generally.** It is unlawful for any person to ~~possess, control,~~ manufacture, sell, furnish, dispense, or otherwise dispose of hypodermic syringes or needles or any instrument or implement which can be adapted for subcutaneous injections, except for:

(1) the following persons when acting in the course of their practice or employment:

- (i) licensed practitioners and their employees, agents, or delegates;
- (ii) licensed pharmacies and their employees or agents;
- (iii) licensed pharmacists;
- (iv) registered nurses and licensed practical nurses;
- (v) registered medical technologists;
- (vi) medical interns and residents;
- (vii) licensed drug wholesalers and their employees or agents;
- (viii) licensed hospitals;
- (ix) bona fide hospitals in which animals are treated;
- (x) licensed nursing homes;
- (xi) licensed morticians;
- (xii) syringe and needle manufacturers and their dealers and agents;
- (xiii) persons engaged in animal husbandry;
- (xiv) clinical laboratories and their employees;

(xv) persons engaged in bona fide research or education or industrial use of hypodermic syringes and needles provided such persons cannot use hypodermic syringes and needles for the administration of drugs to human beings unless such drugs are prescribed, dispensed, and administered by a person lawfully authorized to do so; ~~and~~

(xvi) persons who administer drugs pursuant to an order or direction of a licensed practitioner; and

(xvii) syringe services providers and their employees and agents;

(2) a person who self-administers drugs pursuant to either the prescription or the direction of a practitioner, or a family member, caregiver, or other individual who is designated by such person to assist the person in obtaining and using needles and syringes for the administration of such drugs;

(3) a person who is disposing of hypodermic syringes and needles through an activity or program developed under section 325F.785; ~~or~~

(4) a person who sells, ~~possesses~~, or handles hypodermic syringes and needles pursuant to subdivision 2; or

(5) a participant receiving services from a syringe services provider who accesses or receives new syringes or needles from a syringe services provider or returns used syringes or needles to a syringe services provider.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 151.40, subdivision 2, is amended to read:

Subd. 2. **Sales of limited quantities of clean needles and syringes.** (a) A registered pharmacy or a licensed pharmacist may sell, without the prescription or direction of a practitioner, unused hypodermic needles and syringes ~~in quantities of ten or fewer~~, provided the pharmacy or pharmacist complies with all of the requirements of this subdivision.

(b) At any location where hypodermic needles and syringes are kept for retail sale under this subdivision, the needles and syringes shall be stored in a manner that makes them available only to authorized personnel and not openly available to customers.

(c) A registered pharmacy or licensed pharmacist that sells hypodermic needles or syringes under this subdivision may give the purchaser the materials developed by the commissioner of health under section 325F.785.

(d) A registered pharmacy or licensed pharmacist that sells hypodermic needles or syringes under this subdivision must certify to the commissioner of health participation in an activity, including but not limited to those developed under section 325F.785, that supports proper disposal of used hypodermic needles or syringes.

Sec. 8. Minnesota Statutes 2022, section 151.74, subdivision 3, is amended to read:

Subd. 3. **Access to urgent-need insulin.** (a) MNsure shall develop an application form to be used by an individual who is in urgent need of insulin. The application must ask the individual to attest to the eligibility requirements described in subdivision 2. The form shall be accessible through MNsure's website. MNsure shall also make the form available to pharmacies and health care providers who prescribe or dispense insulin, hospital emergency departments, urgent care clinics, and community health clinics. By submitting a completed, signed, and dated application to a pharmacy, the individual attests that the information contained in the application is correct.

(b) If the individual is in urgent need of insulin, the individual may present a completed, signed, and dated application form to a pharmacy. The individual must also:

(1) have a valid insulin prescription; and

(2) present the pharmacist with identification indicating Minnesota residency in the form of a valid Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual in urgent need of insulin is under the age of 18, the individual's parent or legal guardian must provide the pharmacist with proof of residency.

(c) Upon receipt of a completed and signed application, the pharmacist shall dispense the prescribed insulin in an amount that will provide the individual with a 30-day supply. The pharmacy must notify the health care practitioner who issued the prescription order no later than 72 hours after the insulin is dispensed.

(d) The pharmacy may submit to the manufacturer of the dispensed insulin product or to the manufacturer's vendor a claim for payment that is in accordance with the National Council for Prescription Drug Program standards for electronic claims processing, unless the manufacturer agrees to send to the pharmacy a replacement supply of the same insulin as dispensed in the amount dispensed. If the pharmacy submits an electronic claim to the manufacturer or the manufacturer's vendor, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

(e) The pharmacy may collect an insulin co-payment from the individual to cover the pharmacy's costs of processing and dispensing in an amount not to exceed \$35 for the 30-day supply of insulin dispensed.

(f) The pharmacy shall also provide each eligible individual with the information sheet described in subdivision 7 and a list of trained navigators provided by the Board of Pharmacy for the individual to contact if the individual is in need of accessing ongoing insulin coverage options, including assistance in:

(1) applying for medical assistance or MinnesotaCare;

(2) applying for a qualified health plan offered through MNsure, subject to open and special enrollment periods;

(3) accessing information on providers who participate in prescription drug discount programs, including providers who are authorized to participate in the 340B program under section 340b of the federal Public Health Services Act, United States Code, title 42, section 256b; and

(4) accessing insulin manufacturers' patient assistance programs, co-payment assistance programs, and other foundation-based programs.

(g) The pharmacist shall retain a copy of the application form submitted by the individual to the pharmacy for reporting and auditing purposes.

Sec. 9. Minnesota Statutes 2022, section 151.74, subdivision 4, is amended to read:

Subd. 4. **Continuing safety net program; general.** (a) Each manufacturer shall make a patient assistance program available to any individual who meets the requirements of this subdivision. Each manufacturer's patient assistance programs must meet the requirements of this section. Each manufacturer shall provide the Board of Pharmacy with information regarding the manufacturer's patient assistance program, including contact information for individuals to call for assistance in accessing their patient assistance program.

(b) To be eligible to participate in a manufacturer's patient assistance program, the individual must:

(1) be a Minnesota resident with a valid Minnesota identification card that indicates Minnesota residency in the form of a Minnesota identification card, driver's license or permit, individual taxpayer identification number, or Tribal identification card as defined in section 171.072, paragraph (b). If the individual is under the age of 18, the individual's parent or legal guardian must provide proof of residency;

(2) have a family income that is equal to or less than 400 percent of the federal poverty guidelines;

(3) not be enrolled in medical assistance or MinnesotaCare;

(4) not be eligible to receive health care through a federally funded program or receive prescription drug benefits through the Department of Veterans Affairs; and

(5) not be enrolled in prescription drug coverage through an individual or group health plan that limits the total amount of cost-sharing that an enrollee is required to pay for a 30-day supply of insulin, including co-payments, deductibles, or coinsurance to \$75 or less, regardless of the type or amount of insulin needed.

(c) Notwithstanding the requirement in paragraph (b), clause (4), an individual who is enrolled in Medicare Part D is eligible for a manufacturer's patient assistance program if the individual has spent \$1,000 on prescription drugs in the current calendar year and meets the eligibility requirements in paragraph (b), clauses (1) to (3).

(d) An individual who is interested in participating in a manufacturer's patient assistance program may apply directly to the manufacturer; apply through the individual's health care practitioner, if the practitioner participates; or contact a trained navigator for assistance in finding a long-term insulin supply solution, including assistance in applying to a manufacturer's patient assistance program.

Sec. 10. Minnesota Statutes 2022, section 152.01, subdivision 18, is amended to read:

Subd. 18. **Drug paraphernalia.** (a) Except as otherwise provided in paragraph (b), "drug paraphernalia" means all equipment, products, and materials of any kind, except those items used in conjunction with permitted uses of controlled substances under this chapter or the Uniform Controlled Substances Act, which are knowingly or intentionally used primarily in (1) manufacturing a controlled substance, (2) injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance, or (3) testing the strength, effectiveness, or purity of a controlled substance, or (4) enhancing the effect of a controlled substance.

(b) "Drug paraphernalia" does not include the possession, manufacture, delivery, or sale of: (1) ~~hypodermic needles or syringes in accordance with section 151.40, subdivision 2~~ hypodermic syringes or needles or any instrument or implement that can be adapted for subcutaneous injections; or (2) products that detect the presence of fentanyl or a fentanyl analog in a controlled substance.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 152.205, is amended to read:

152.205 LOCAL REGULATIONS.

Sections 152.01, subdivision 18, and ~~152.092~~ 152.093 to 152.095 do not preempt enforcement or preclude adoption of municipal or county ordinances prohibiting or otherwise regulating the manufacture, delivery, possession, or advertisement of drug paraphernalia.

Sec. 12. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Cost-sharing for prescription drugs and related medical supplies to treat chronic disease must comply with the requirements of section 62Q.481.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 13. Minnesota Statutes 2022, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Co-payments, coinsurance, and deductibles do not apply to children under the age of 21 and to American Indians as defined in Code of Federal Regulations, title 42, section 600.5.

(b) The commissioner shall adjust co-payments, coinsurance, and deductibles for covered services in a manner sufficient to maintain the actuarial value of the benefit to 94 percent. The cost-sharing changes described in this paragraph do not apply to eligible recipients or services exempt from cost-sharing under state law. The cost-sharing changes described in this paragraph shall not be implemented prior to January 1, 2016.

(c) The cost-sharing changes authorized under paragraph (b) must satisfy the requirements for cost-sharing under the Basic Health Program as set forth in Code of Federal Regulations, title 42, sections 600.510 and 600.520.

(d) Co-payments, coinsurance, and deductibles do not apply to additional diagnostic services or testing that a health care provider determines an enrollee requires after a mammogram, as specified under section 62A.30, subdivision 5.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 152.092, is repealed.

ARTICLE 14 FORECAST ADJUSTMENTS

Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2021, First Special Session chapter 7, article 15, and Laws 2021, First Special Session chapter 7, article 16, from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2023" used in this article means that the appropriations listed are available for the fiscal year ending June 30, 2023.

APPROPRIATIONS
Available for the Year
Ending June 30
2023

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$(1,453,441,000)**

Appropriations by Fund

2023

<u>General</u>	<u>(1,228,684,000)</u>
<u>Health Care Access</u>	<u>(203,530,000)</u>
<u>Federal TANF</u>	<u>(21,227,000)</u>

Subd. 2. **Forecasted Programs**

(a) **Minnesota Family Investment Program (MFIP)/Diversionary Work Program (DWP)**

Appropriations by Fund

2023

<u>General</u>	<u>(99,000)</u>
<u>Federal TANF</u>	<u>(21,227,000)</u>

(b) **MFIP Child Care Assistance** (36,957,000)

(c) **General Assistance** (1,632,000)

(d) **Minnesota Supplemental Aid** 783,000

(e) **Housing Support** 180,000

(f) **Northstar Care for Children** (18,038,000)

(g) **MinnesotaCare** (203,530,000)

This appropriation is from the health care access fund.

(h) **Medical Assistance**

Appropriations by Fund

2023

<u>General</u>	<u>(1,172,921,000)</u>
<u>Health Care Access</u>	<u>0</u>

(2) the child care assistance programs under Minnesota Statutes, sections 119B.03 and 119B.05, and county child care administrative costs under Minnesota Statutes, section 119B.15;

(3) state and county MFIP administrative costs under Minnesota Statutes, chapters 256J and 256K;

(4) state, county, and Tribal MFIP employment services under Minnesota Statutes, chapters 256J and 256K;

(5) expenditures made on behalf of legal noncitizen MFIP recipients who qualify for the MinnesotaCare program under Minnesota Statutes, chapter 256L;

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671;

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674; and

(8) qualifying Head Start expenditures under Minnesota Statutes, section 119A.50.

(b) Nonfederal Expenditures; Reporting. For the activities listed in paragraph (a), clauses (2) to (8), the commissioner may report only expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) Limitations; Exceptions. The commissioner must not claim an amount of TANF maintenance of effort in excess of the 75 percent standard in Code of Federal Regulations, title 45, section 263.1(a)(2), except:

(1) to the extent necessary to meet the 80 percent standard under Code of Federal Regulations, title 45, section 263.1(a)(1), if it is determined by the commissioner that the state will not meet the TANF work participation target rate for the current year;

(2) to provide any additional amounts under Code of Federal Regulations, title 45, section 264.5, that relate to replacement of TANF funds due to the operation of TANF penalties; and

(3) to provide any additional amounts that may contribute to avoiding or reducing TANF work participation penalties through the operation of the excess maintenance of effort provisions of Code of Federal Regulations, title 45, section 261.43(a)(2).

(d) Supplemental Expenditures. For the purposes of paragraph (c), the commissioner may supplement the maintenance of effort claim with working family credit expenditures or other qualified

expenditures to the extent such expenditures are otherwise available after considering the expenditures allowed in this subdivision.

(e) Reduction of Appropriations; Exception. The requirement in Minnesota Statutes, section 256.011, subdivision 3, that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law does not apply if the grants or aids are federal TANF funds.

(f) IT Appropriations Generally. This appropriation includes funds for information technology projects, services, and support. Notwithstanding Minnesota Statutes, section 16E.0466, funding for information technology project costs must be incorporated into the service level agreement and paid to the Minnesota IT Services by the Department of Human Services under the rates and mechanism specified in that agreement.

(g) Receipts for Systems Project. Appropriations and federal receipts for information technology systems projects for MAXIS, PRISM, MMIS, ISDS, METS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for information technology projects approved by the commissioner of the Minnesota IT Services funded by the legislature and approved by the commissioner of management and budget may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel and is available for ongoing development and operations.

(h) Federal SNAP Education and Training Grants. Federal funds available during fiscal years 2024 and 2025 for Supplemental Nutrition Assistance Program Education and Training and SNAP Quality Control Performance Bonus grants are appropriated to the commissioner of human services for the purposes allowable under the terms of the federal award. This paragraph is effective the day following final enactment.

Subd. 3. Central Office; Operations

Appropriations by Fund

<u>General</u>	<u>286,688,000</u>	<u>249,734,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>4,721,000</u>	<u>5,169,000</u>
<u>Health Care Access</u>	<u>9,347,000</u>	<u>11,244,000</u>
<u>Federal TANF</u>	<u>1,090,000</u>	<u>1,194,000</u>

(a) Administrative Recovery; Set-Aside. The commissioner may invoice local entities through the SWIFT accounting system as an alternative means to recover the actual cost of administering the following provisions:

(1) the statewide data management system authorized in Minnesota Statutes, section 125A.744, subdivision 3;

(2) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 245.495, paragraph (b);

(3) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256B.0625, subdivision 20, paragraph (k);

(4) targeted case management under Minnesota Statutes, section 256B.0924, subdivision 6, paragraph (g);

(5) residential services for children with severe emotional disturbance under Minnesota Statutes, section 256B.0945, subdivision 4, paragraph (d); and

(6) repayment of the special revenue maximization account as provided under Minnesota Statutes, section 256F.10, subdivision 6, paragraph (b).

(b) Tribal Nations Fraud Prevention Program Grants. \$400,000 in fiscal year 2024 is from the general fund for start-up grants to the Red Lake Nation, White Earth Nation, and Mille Lacs Band of Ojibwe to develop a fraud prevention program. This appropriation is available until June 30, 2025.

(c) Base Level Adjustment. The general fund base is \$221,875,000 in fiscal year 2026 and \$238,783,000 in fiscal year 2027. The state government special revenue base is \$4,765,000 in fiscal year 2026 and \$4,765,000 in fiscal year 2027.

Subd. 4. Central Office; Children and Families

Appropriations by Fund

<u>General</u>	<u>18,791,000</u>	<u>18,797,000</u>
<u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

Subd. 5. Central Office; Health Care

Appropriations by Fund

<u>General</u>	<u>36,477,000</u>	<u>36,316,000</u>
<u>Health Care Access</u>	<u>28,168,000</u>	<u>28,168,000</u>

(a) Improved Accessibility. \$1,350,000 in fiscal year 2024 is from the general fund to improve the accessibility of Minnesota health care programs applications, forms, and other consumer support resources and services to enrollees with limited English proficiency.

(b) Improvements to Application, Enrollment, Service Delivery. \$510,000 in fiscal year 2024 and \$1,020,000 in fiscal year 2025 are from the general fund for contracts with community-based organizations to facilitate conversations with applicants and enrollees in Minnesota health care programs to improve the application, enrollment, and service delivery experience in medical assistance and MinnesotaCare.

(c) Base Level Adjustment. The general fund base is \$50,462,000 in fiscal year 2026 and \$64,939,000 in fiscal year 2027.

Subd. 6. Central Office; Continuing Care for Older Adults

Appropriations by Fund

General	<u>38,726,000</u>	<u>34,688,000</u>
State Government		
Special Revenue	<u>125,000</u>	<u>125,000</u>

Subd. 7. Central Office; Behavioral Health, Housing, and Deaf and Hard-of-Hearing Services

27,739,000 27,862,000

(a) Evaluation of Outcomes; PATH Grants. \$150,000 in fiscal year 2025 is for evaluating outcomes for the additional grant funding for the expansion of base funding for the PATH grants. This is a onetime appropriation.

(b) Online Locator. \$1,720,000 in fiscal year 2024 and \$1,720,000 in fiscal year 2025 are for an online behavioral health program locator with continued expansion of the provider database allowing people to research and access mental health and substance use disorder treatment options.

(c) Base Level Adjustment. The general fund base is \$26,107,000 in fiscal year 2026 and \$25,746,000 in fiscal year 2027.

Subd. 8. Forecasted Programs; MFIP/DWP

77,000 108,000

Subd. 9. Forecasted Programs; General Assistance

52,018,000 74,455,000

Emergency General Assistance. The amount appropriated for emergency general assistance is limited to no more than \$6,729,812 in fiscal year 2024 and \$6,729,812 in fiscal year 2025. Funds to counties shall be allocated by the commissioner using the allocation method under Minnesota Statutes, section 256D.06.

Subd. 10. Forecasted Programs; Minnesota Supplemental Aid

58,320,000 59,865,000

Subd. 11. Forecasted Programs; Housing Support

211,692,000 224,225,000

Subd. 12. Forecasted Programs; MinnesotaCare89,306,00060,533,000These appropriations are from the health care access fund.**Subd. 13. Forecasted Programs; Medical Assistance**Appropriations by Fund

<u>General</u>	<u>1,078,348,000</u>	<u>791,406,000</u>
<u>Health Care Access</u>	<u>869,524,000</u>	<u>1,194,975,000</u>

Base Level Adjustment. The health care access fund base is \$589,959,000 in fiscal year 2026, \$1,147,261,000 in fiscal year 2027, and \$612,099,000 in fiscal year 2028.

Subd. 14. Forecasted Programs; Behavioral Health Fund351,000350,000**Subd. 15. Grant Programs; Health Care Grants**Appropriations by Fund

<u>General</u>	<u>7,311,000</u>	<u>7,311,000</u>
<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>

(a) **Indian Health Board.** \$2,500,000 in fiscal year 2024 and \$2,500,000 in fiscal year 2025 are from the general fund for funding to the Indian Health Board of Minneapolis to support continued access to health care coverage through Minnesota health care programs, improve access to quality care, and increase vaccination rates among urban American Indians. The general fund base for this appropriation is \$2,500,000 in fiscal year 2026 and \$0 in fiscal year 2027.

(b) **Base Level Adjustment.** The general fund base is \$7,311,000 in fiscal year 2026 and \$4,811,000 in fiscal year 2027.

Subd. 16. Grant Programs; Disabilities Grants500,0001,000,000

(a) **Transition to Community Initiative.** \$500,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for the transition to community initiative grant funding under Laws 2021, First Special Session chapter 7, article 17, section 6.

(b) **Base Level Adjustment.** The general fund base is \$1,000,000 in fiscal year 2026 and \$100,000 in fiscal year 2027.

Subd. 17. Grant Programs; Housing Support Grants19,464,00011,464,000

Heading Home Corps. \$1,100,000 in fiscal year 2024 and \$1,100,000 in fiscal year 2025 are for the AmeriCorps Heading Home Corps program.

Subd. 18. Grant Programs; Adult Mental Health Grants127,912,000137,925,000

(a) **White Earth Nation; Adult Mental Health Initiative.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are for adult mental health initiative grants to the White Earth Nation. This is a onetime appropriation.

(b) **Transition to Community Initiative.** \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for the transition to community initiative grant funding under Laws 2021, First Special Session chapter 7, article 17, section 6.

(c) **Mobile Crisis Grants.** \$4,000,000 in fiscal year 2024 and \$8,000,000 in fiscal year 2025 are for the mobile crisis grants under Laws 2021, First Special Session chapter 7, article 17, section 11. The base for this appropriation is \$5,000,000 in fiscal year 2026 and \$5,000,000 in fiscal year 2027.

(d) **Mobile Crisis Funds to Tribal Nations.** \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for mobile crisis funds to Tribal Nations. This is a onetime appropriation.

(e) **Engagement Services Pilot Grants.** \$250,000 in fiscal year 2024 is for grants to counties to establish pilot projects to provide engagement services under Minnesota Statutes, section 253B.041. Counties receiving grants must develop a system to respond to individual requests for engagement services, conduct outreach to families and engagement services providers, and evaluate the impact of engagement services in decreasing civil commitments, increasing engagement in treatment, decreasing police involvement with individuals exhibiting symptoms of serious mental illness, and other measures.

(f) **Base Level Adjustment.** The general fund base is \$132,297,000 in fiscal year 2026 and \$132,297,000 in fiscal year 2027.

Subd. 19. Grant Programs; Child Mental Health Grants50,128,00043,426,000

(a) **School-Linked Behavioral Health Services.** \$11,248,000 in fiscal year 2024 and \$8,400,000 in fiscal year 2025 are for school-linked behavioral health services and for school-linked behavioral health services in intermediate school districts. The base for this appropriation is \$2,500,000 in fiscal year 2026 and \$2,500,000 in fiscal year 2027.

(b) **Psychiatric Residential Treatment Facility Specialization Grants.** \$1,050,000 in fiscal year 2024 and \$1,050,000 in fiscal year 2025 are for psychiatric residential treatment facilities specialization grants for staffing costs to treat and support behavioral health conditions and support children and families.

(c) **Base Level Adjustment.** The general fund base is \$37,526,000 in fiscal year 2026 and \$37,526,000 in fiscal year 2027.

Subd. 20. Grant Programs; Chemical Dependency Treatment Support Grants

Appropriations by Fund

<u>General</u>	<u>1,350,000</u>	<u>1,350,000</u>
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Subd. 21. Technical Activities	<u>71,493,000</u>	<u>71,493,000</u>
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This appropriation is from the federal TANF fund.

Sec. 3. COMMISSIONER OF HEALTH

Subdivision 1. Total Appropriation	<u>\$473,085,000</u>	<u>\$435,666,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>326,653,000</u>	<u>279,093,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>83,373,000</u>	<u>85,902,000</u>
<u>Health Care Access</u>	<u>38,857,000</u>	<u>41,557,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Health Improvement

Appropriations by Fund

<u>General</u>	<u>268,786,000</u>	<u>225,336,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>12,392,000</u>	<u>12,682,000</u>
<u>Health Care Access</u>	<u>38,857,000</u>	<u>41,557,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

(a) **Telehealth; Payment Parity.** Of the amount appropriated in Laws 2021, First Special Session chapter 7, article 16, section 3, subdivision 2, \$1,200,000 from the general fund in fiscal year 2023 is for the studies of telehealth expansion and payment parity and is available until June 30, 2024.

(b) **Adolescent Mental Health Promotion.** \$2,790,000 in fiscal year 2024 and \$2,790,000 in fiscal year 2025 are from the general fund for adolescent mental health promotion. Of this appropriation each year, \$2,250,000 is for grants and \$540,000 is for administration. This is a onetime appropriation.

(c) Advancing Equity Through Capacity Building and Resource Allocation. \$1,986,000 in fiscal year 2024 and \$1,986,000 in fiscal year 2025 are from the general fund to advance equity in procurement and grantmaking. Of this appropriation each year, \$1,000,000 is for grants and \$986,000 is for administration. This is a onetime appropriation.

(d) Community Solutions for Healthy Child Development Grants. \$4,980,000 in fiscal year 2024 and \$5,055,000 in fiscal year 2025 are from the general fund to improve child development outcomes and well-being of children of color and American Indian children and their families under Minnesota Statutes, section 145.9257. Of this appropriation in fiscal year 2024, \$4,000,000 is for grants and \$980,000 is for administration and in fiscal year 2025, \$4,000,000 is for grants and \$1,055,000 is for administration.

(e) Comprehensive Overdose and Morbidity Prevention Act. \$8,164,000 in fiscal year 2024 and \$8,164,000 in fiscal year 2025 are from the general fund for comprehensive overdose and morbidity prevention strategies under Minnesota Statutes, section 144.0528. Of this appropriation each year, \$6,250,000 is for grants and \$1,644,000 is for administration.

(f) Emergency Preparedness and Response. \$12,400,000 in fiscal year 2024 and \$12,400,000 in fiscal year 2025 are from the general fund for public health emergency preparedness and response, the sustainability of the strategic stockpile, and COVID-19 pandemic response transition. Of this appropriation each year, \$8,400,000 is for grants and \$4,000,000 is for administration. The general fund base for this appropriation is \$11,400,000 in fiscal year 2026, of which \$8,400,000 is for grants and \$3,000,000 is for administration, and \$11,400,000 in fiscal year 2027, of which \$8,400,000 is for grants and \$3,000,000 is for administration.

(g) Healthy Beginnings, Healthy Families. \$12,052,000 in fiscal year 2024 and \$11,853,000 in fiscal year 2025 are from the general fund for a comprehensive approach to ensure healthy outcomes for children and families. Of this appropriation in fiscal year 2024, \$8,750,000 is for grants and \$2,339,000 is for administration and in fiscal year 2025, \$8,750,000 is for grants and \$1,682,000 is for administration. This is a onetime appropriation.

(h) No Surprises Act Enforcement. \$1,210,000 in fiscal year 2024 and \$1,090,000 in fiscal year 2025 are from the general fund for implementation of the federal No Surprises Act portion of the Consolidated Appropriations Act, 2021, under Minnesota Statutes, section 62Q.021, and assessment of feasibility of a statewide provider directory. The general fund base for this appropriation is \$855,000 in fiscal year 2026 and \$855,000 in fiscal year 2027.

(i) **African American Health.** \$2,182,000 in fiscal year 2024 and \$2,182,000 in fiscal year 2025 are from the general fund to establish an Office of African American Health at the Minnesota Department of Health under Minnesota Statutes, section 144.0755, and for grants under Minnesota Statutes, section 144.0756. Of this appropriation each year, \$1,000,000 is for grants and \$1,182,000 is for administration. The general fund base for this appropriation is \$2,182,000 in fiscal year 2026, of which \$1,000,000 is for grants and \$1,182,000 is for administration, and \$2,117,000 in fiscal year 2027, of which \$1,000,000 is for grants and \$1,117,000 is for administration.

(j) **American Indian Health.** \$2,089,000 in fiscal year 2024 and \$2,089,000 in fiscal year 2025 are from the general fund for the Office of American Indian Health at the Minnesota Department of Health under Minnesota Statutes, section 144.0757. Of this appropriation each year, \$1,000,000 is for grants and \$1,089,000 is for administration.

(k) **Public Health System Transformation.** \$17,120,000 in fiscal year 2024 and \$17,120,000 in fiscal year 2025 are from the general fund for public health system transformation. Of this appropriation each year:

(1) \$15,000,000 is for grants to community health boards under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f);

(2) \$750,000 is for grants to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2b;

(3) \$500,000 is for a public health AmeriCorps program grant under Minnesota Statutes, section 144.0759; and

(4) \$870,000 is for oversight and administration of activities under this paragraph.

The base for this appropriation is \$8,000,000 in fiscal year 2026 and \$8,000,000 in fiscal year 2027.

(l) **Health Care Workforce.** \$6,120,000 in fiscal year 2024 and \$7,400,000 in fiscal year 2025 are from the general fund to revitalize the Minnesota health care workforce. The general fund base for this appropriation is \$6,850,000 in fiscal year 2026 and \$7,100,000 in fiscal year 2027. Of this appropriation:

(1) \$750,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are for rural training tracks and rural clinicals grants under Minnesota Statutes, section 144.1508;

(2) \$220,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are for immigrant international medical graduate training grants under Minnesota Statutes, section 144.1911;

(3) \$3,250,000 in fiscal year 2024 and \$3,300,000 in fiscal year 2025 are for site-based clinical training grants under Minnesota Statutes, section 144.1505. The base for this appropriation is \$3,000,000 in fiscal year 2026 and \$3,000,000 in fiscal year 2027;

(4) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for mental health for health care professionals grants. These appropriations are available until June 30, 2027, and are onetime appropriations;

(5) \$400,000 in fiscal year 2024 and \$400,000 in fiscal year 2025 are for primary care employee recruitment education loan forgiveness under Minnesota Statutes, section 144.1504;

(6) \$750,000 in fiscal year 2024 and \$750,000 in fiscal year 2025 are for administration of the grant programs and loan forgiveness programs under this paragraph; and

(7) \$250,000 in fiscal year 2024 and \$250,000 in fiscal year 2025 are for workforce research and data on shortages, maldistribution of health care providers in Minnesota, and determinants of practicing in rural areas.

(m) **School Health.** \$1,432,000 in fiscal year 2024 and \$1,932,000 in fiscal year 2025 are from the general fund for school-based health centers under Minnesota Statutes, section 145.903. Of this appropriation each year, \$800,000 is for grants and \$632,000 is for administration. The general fund base for this appropriation is \$2,983,000 in fiscal year 2026, of which \$2,300,000 is for grants and \$683,000 is for administration, and \$2,983,000 in fiscal year 2027, of which \$2,300,000 is for grants and \$683,000 is for administration.

(n) **Long COVID.** \$3,146,000 in fiscal year 2024 and \$3,146,000 in fiscal year 2025 are from the general fund to address long COVID and post-COVID conditions. Of this appropriation each year, \$900,000 is for grants and \$2,246,000 is for administration. This is a onetime appropriation.

(o) **Home Visiting for Priority Populations.** \$2,500,000 in fiscal year 2024 and \$2,500,000 in fiscal year 2025 are from the general fund to expand home visiting for priority populations under Minnesota Statutes, section 145.87. Of this appropriation each year, \$2,250,000 is for grants to promising practices home visiting programs as defined in Minnesota Statutes, section 145.87, subdivision 1, paragraph (e), and \$250,000 is for administration.

(p) **Clinical Dental Education Innovation Grants.** \$1,182,000 in fiscal year 2024 and \$1,182,000 in fiscal year 2025 are from the general fund for clinical dental education innovation grants under Minnesota Statutes, section 144.1913. Of this appropriation each year, \$1,122,000 is for grants and \$60,000 is for administration.

(q) **Medical Education and Research Costs.** \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 are from the general fund for administration of the medical education and research costs program under Minnesota Statutes, section 62J.692.

(r) **Health Care Affordability Commission and Advisory Council.** \$4,131,000 in fiscal year 2024 and \$4,773,000 in fiscal year 2025 are from the general fund for the costs of the Health Care Affordability Commission and the Health Care Affordability Advisory Council, including the costs to the commissioner to provide technical and administrative support. The general fund base for this appropriation is \$4,787,000 in fiscal year 2026 and \$4,784,000 in fiscal year 2027.

(s) **Economic Analysis; Analytic Tool.** \$4,020,000 in fiscal year 2024 and \$580,000 in fiscal year 2025 are from the general fund to contract for and conduct an economic analysis of the benefits and costs of universal health care system reform models and to develop a related analytic tool. The general fund base for this appropriation is \$580,000 in fiscal year 2026 and \$0 in fiscal year 2027. This appropriation is available until June 30, 2027.

(t) **Keeping Nurses at the Bedside Act.** \$11,553,000 in fiscal year 2024 and \$11,558,000 in fiscal year 2025 are from the general fund for the Keeping Nurses at the Bedside Act. Of these appropriations:

(1) \$5,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for mental health grants for health care professionals under Laws 2022, chapter 99, article 1, section 46;

(2) notwithstanding the priorities and distribution requirements under Minnesota Statutes, section 144.1501, \$5,050,000 in fiscal year 2024 and \$5,050,000 in fiscal year 2025 are for the health professional education loan forgiveness program under Minnesota Statutes, section 144.1501, of which:

(i) \$5,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for distribution to eligible nurses who have agreed to work as hospital nurses in accordance with Minnesota Statutes, section 144.1501, subdivision 2, paragraph (a), clause (7); and

(ii) \$50,000 in fiscal year 2024 and \$50,000 in fiscal year 2025 are for distribution to eligible nurses who have agreed to teach in accordance with Minnesota Statutes, section 144.1501, subdivision 2, paragraph (a), clause (3); and

(3) \$1,503,000 in fiscal year 2024 and \$1,508,000 in fiscal year 2025 are for the commissioner of health to administer Minnesota Statutes, section 144.7057; to perform the grading duties described in Minnesota Statutes, section 144.7058; to continue the prevention of violence in health care programs and to create violence prevention resources for hospitals and other health care providers to use to train their staff on violence prevention; for work to identify potential links between adverse events and understaffing; and for a report on the current status of the state's nursing workforce employed by hospitals.

(u) **Supporting Healthy Development of Babies During Pregnancy and Postpartum.** \$260,000 in fiscal year 2024 is from the general fund for a grant to the Amherst H. Wilder Foundation for the African American Babies Coalition initiative for community-driven training and education on best practices to support healthy development of babies during pregnancy and postpartum. The grant must be used to build capacity in, train, educate, or improve practices among individuals, from youth to elders, serving families with members who are Black, Indigenous, or People of Color during pregnancy and postpartum. This appropriation is available until June 30, 2025.

(v) **Critical Access Dental Infrastructure Program.** \$20,000,000 in fiscal year 2024 is from the general fund for the critical access dental infrastructure program. This appropriation is available until June 30, 2026.

(w) **Workplace Safety Grants Program.** \$10,000,000 in fiscal year 2024 is from the general fund for the workplace safety grants program for health care entities and human services providers. This appropriation is available until June 30, 2025.

(x) **Analyses and Reports; Health Care Transactions.** \$2,000,000 in fiscal year 2024 is from the general fund to conduct analyses of the impacts of health care transactions on health care cost, quality, and competition, and to issue public reports on health care transactions in Minnesota and their impacts. This appropriation is available until June 30, 2025.

(y) **Provider Orders for Life-sustaining Treatment Registry.** \$530,000 in fiscal year 2024 and \$1,655,000 in fiscal year 2025 are from the general fund to study and implement a statewide registry for provider orders for life-sustaining treatment. The general fund base for this appropriation is \$658,000 in fiscal year 2026 and \$658,000 in fiscal year 2027.

(z) **Emmett Louis Till Victims Recovery Program.** \$500,000 in fiscal year 2024 is from the general fund for the Emmett Louis Till victims recovery program. This appropriation is available until June 30, 2025.

(aa) **Task Force on Pregnancy Health and Substance Use Disorders.** \$100,000 in fiscal year 2024 is from the general fund for the Task Force on Pregnancy Health and Substance Use Disorders. This appropriation is available until December 1, 2024.

(bb) **Labor Trafficking Services Programs.** \$546,000 in fiscal year 2024 and \$546,000 in fiscal year 2025 are from the general fund for grants for comprehensive, trauma-informed, and culturally specific services for victims of labor trafficking or labor exploitation. This is a onetime appropriation.

(cc) **Psychedelic Medicine Task Force.** \$200,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are from the general fund for the Psychedelic Medicine Task Force. This is a onetime appropriation.

(dd) **Help Me Connect.** \$463,000 in fiscal year 2024 and \$921,000 in fiscal year 2025 are from the general fund for the Help Me Connect system. This is a onetime appropriation.

(ee) **TANF Appropriations.** (1) TANF funds must be used as follows:

(i) \$3,579,000 in fiscal year 2024 and \$3,579,000 in fiscal year 2025 are from the TANF fund for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1;

(ii) \$2,000,000 in fiscal year 2024 and \$2,000,000 in fiscal year 2025 are from the TANF fund for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7;

(iii) \$4,978,000 in fiscal year 2024 and \$4,978,000 in fiscal year 2025 are from the TANF fund for the family home visiting grant program under Minnesota Statutes, section 145A.17. \$4,000,000 in each fiscal year must be distributed to community health boards under Minnesota Statutes, section 145A.131, subdivision 1. \$978,000 in each fiscal year must be distributed to Tribal governments under Minnesota Statutes, section 145A.14, subdivision 2a;

(iv) \$1,156,000 in fiscal year 2024 and \$1,156,000 in fiscal year 2025 are from the TANF fund for family planning grants under Minnesota Statutes, section 145.925; and

(v) the commissioner may use up to 6.23 percent of the funds appropriated from the TANF fund each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section

145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

(2) **TANF Carryforward.** Any unexpended balance of the TANF appropriation in the first year does not cancel but is available in the second year.

(ff) **Base Level Adjustments.** The general fund base is \$193,895,000 in fiscal year 2026 and \$193,403,000 in fiscal year 2027. The health care access fund base is \$42,157,000 in fiscal year 2026 and \$41,557,000 in fiscal year 2027.

Subd. 3. Health Protection

Appropriations by Fund

<u>General</u>	<u>39,375,000</u>	<u>35,352,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>70,981,000</u>	<u>73,220,000</u>

(a) **Lead Remediation in Schools and Child Care Settings.** \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are from the general fund to reduce lead in drinking water in schools and child care facilities under Minnesota Statutes, section 145.9272. Of this appropriation in fiscal year 2024, \$146,000 is for grants and \$354,000 is for administration and in fiscal year 2025, \$239,000 is for grants and \$261,000 is for administration.

(b) **Antimicrobial Stewardship.** \$312,000 in fiscal year 2024 and \$312,000 in fiscal year 2025 are from the general fund for the Minnesota One Health Antimicrobial Stewardship Collaborative under Minnesota Statutes, section 144.0526.

(c) **Comprehensive Overdose and Morbidity Prevention Act; Public Health Laboratory and Infectious Disease Prevention.** \$1,544,000 in fiscal year 2024 and \$1,544,000 in fiscal year 2025 are from the general fund for comprehensive overdose and morbidity prevention strategies under Minnesota Statutes, section 144.0528. Of this appropriation in fiscal year 2024, \$960,000 is for grants and \$584,000 is for administration and in fiscal year 2025, \$960,000 is for grants and \$584,000 is for administration.

(d) **HIV Prevention Health Equity.** \$2,267,000 in fiscal year 2024 and \$2,267,000 in fiscal year 2025 are from the general fund for equity in HIV prevention. Of this appropriation each year, \$1,264,000 is for grants under Minnesota Statutes, section 145.924, and \$1,003,000 is for administration. This is a onetime appropriation.

(e) Uninsured and Underinsured Adult Vaccine Program. \$1,470,000 in fiscal year 2024 and \$1,470,000 in fiscal year 2025 are from the general fund for the program for vaccines for uninsured and underinsured adults. This is a onetime appropriation.

(f) Climate Resiliency. \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are from the general fund for climate resiliency actions. This is a onetime appropriation.

(g) Transfer to Public Health Response Contingency Account. The commissioner shall transfer \$4,804,000 in fiscal year 2024 from the general fund to the public health response contingency account established in Minnesota Statutes, section 144.4199. This is a onetime transfer.

(h) Base Level Adjustments. The general fund base is \$31,115,000 in fiscal year 2026 and \$31,115,000 in fiscal year 2027.

Subd. 4. Health Operations

Appropriations by Fund

<u>General</u>	<u>18,492,000</u>	<u>18,405,000</u>
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Sec. 4. HEALTH-RELATED BOARDS

<u>Subdivision 1. Total Appropriation</u>	<u>\$31,292,000</u>	<u>\$32,040,000</u>
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Appropriations by Fund

<u>General Fund</u>	<u>468,000</u>	<u>468,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>30,748,000</u>	<u>31,534,000</u>
<u>Health Care Access</u>	<u>76,000</u>	<u>38,000</u>

This appropriation is from the state government special revenue fund unless specified otherwise. The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Board of Behavioral Health and Therapy</u>	<u>1,022,000</u>	<u>1,044,000</u>
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<u>Subd. 3. Board of Chiropractic Examiners</u>	<u>773,000</u>	<u>790,000</u>
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<u>Subd. 4. Board of Dentistry</u>	<u>4,100,000</u>	<u>4,163,000</u>
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(a) Administrative Services Unit; Operating Costs. Of this appropriation, \$1,936,000 in fiscal year 2024 and \$1,960,000 in fiscal year 2025 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services it performs for other agencies.

(b) Administrative Services Unit; Volunteer Health Care Provider Program. Of this appropriation, \$150,000 in fiscal year 2024 and \$150,000 in fiscal year 2025 are to pay for medical professional liability coverage required under Minnesota Statutes, section 214.40.

(c) Administrative Services Unit; Retirement Costs. Of this appropriation, \$237,000 in fiscal year 2024 and \$237,000 in fiscal year 2025 are for the administrative services unit to pay for the retirement costs of health-related board employees. This funding may be transferred to the health board incurring retirement costs. Any board that has an unexpended balance for an amount transferred under this paragraph shall transfer the unexpended amount to the administrative services unit. If the amount appropriated in the first year of the biennium is not sufficient, the amount from the second year of the biennium is available.

(d) Administrative Services Unit; Contested Cases and Other Legal Proceedings. Of this appropriation, \$200,000 in fiscal year 2024 and \$200,000 in fiscal year 2025 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards funded under this section. Upon certification by a health-related board to the administrative services unit that costs will be incurred and that there is insufficient money available to pay for the costs out of money currently available to that board, the administrative services unit is authorized to transfer money from this appropriation to the board for payment of those costs with the approval of the commissioner of management and budget. The commissioner of management and budget must require any board that has an unexpended balance for an amount transferred under this paragraph to transfer the unexpended amount to the administrative services unit to be deposited in the state government special revenue fund.

Subd. 5. <u>Board of Dietetics and Nutrition Practice</u>	<u>213,000</u>	<u>217,000</u>
Subd. 6. <u>Board of Executives for Long-term Services and Supports</u>	<u>705,000</u>	<u>736,000</u>
Subd. 7. <u>Board of Marriage and Family Therapy</u>	<u>443,000</u>	<u>456,000</u>
Subd. 8. <u>Board of Medical Practice</u>	<u>5,779,000</u>	<u>5,971,000</u>
Subd. 9. <u>Board of Nursing</u>	<u>6,039,000</u>	<u>6,275,000</u>
Subd. 10. <u>Board of Occupational Therapy Practice</u>	<u>468,000</u>	<u>480,000</u>
Subd. 11. <u>Board of Optometry</u>	<u>270,000</u>	<u>280,000</u>
Subd. 12. <u>Board of Pharmacy</u>		

Appropriations by Fund

<u>General Fund</u>	<u>468,000</u>	<u>468,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>5,226,000</u>	<u>5,206,000</u>
<u>Health Care Access</u>	<u>76,000</u>	<u>38,000</u>

(a) **Medication Repository Program.** \$468,000 in fiscal year 2024 and \$468,000 in fiscal year 2025 are from the general fund for transfer to the central repository to administer the medication repository program under Minnesota Statutes, section 151.555.

(b) **Base Level Adjustment.** The state government special revenue fund base is \$5,056,000 in fiscal year 2026 and \$5,056,000 in fiscal year 2027. The health care access fund base is \$0 in fiscal year 2026 and \$0 in fiscal year 2027.

<u>Subd. 13. Board of Physical Therapy</u>	<u>678,000</u>	<u>694,000</u>
<u>Subd. 14. Board of Podiatric Medicine</u>	<u>253,000</u>	<u>257,000</u>
<u>Subd. 15. Board of Psychology</u>	<u>2,618,000</u>	<u>2,734,000</u>

Health Professionals Service Program. This appropriation includes \$1,234,000 in fiscal year 2024 and \$1,324,000 in fiscal year 2025 for the health professional services program.

<u>Subd. 16. Board of Social Work</u>	<u>1,779,000</u>	<u>1,839,000</u>
<u>Subd. 17. Board of Veterinary Medicine</u>	<u>382,000</u>	<u>392,000</u>

<u>Sec. 5. EMERGENCY MEDICAL SERVICES REGULATORY BOARD</u>	<u>\$6,800,000</u>	<u>\$6,176,000</u>
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(a) **Cooper/Sams Volunteer Ambulance Program.** \$950,000 in fiscal year 2024 and \$950,000 in fiscal year 2025 are for the Cooper/Sams volunteer ambulance program under Minnesota Statutes, section 144E.40.

(1) Of this appropriation, \$861,000 in fiscal year 2024 and \$861,000 in fiscal year 2025 are for the ambulance service personnel longevity award and incentive program under Minnesota Statutes, section 144E.40.

(2) Of this appropriation, \$89,000 in fiscal year 2024 and \$89,000 in fiscal year 2025 are for operations of the ambulance service personnel longevity award and incentive program under Minnesota Statutes, section 144E.40.

(b) **EMS RB Operations.** \$2,421,000 in fiscal year 2024 and \$2,480,000 in fiscal year 2025 are for board operations.

(c) **Regional Grants for Continuing Education.** \$585,000 in fiscal year 2024 and \$585,000 in fiscal year 2025 are for regional emergency medical services programs to be distributed equally to the eight emergency medical service regions under Minnesota Statutes, section 144E.52.

(d) **Ambulance Training Grants.** \$361,000 in fiscal year 2024 and \$361,000 in fiscal year 2025 are for training grants under Minnesota Statutes, section 144E.35.

(e) **Medical Resource Communication Center Grants.** \$1,683,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are for medical resource communication center grants under Minnesota Statutes, section 144E.53. This is a onetime appropriation.

(f) **Grants to Regional Emergency Medical Services Program.** \$800,000 in fiscal year 2024 and \$800,000 in fiscal year 2025 are for grants to regional emergency medical services programs, to be distributed among the eight emergency medical services regions according to Minnesota Statutes, section 144E.50.

(g) **Base Level Adjustment.** The general fund base is \$5,176,000 in fiscal year 2026 and \$5,176,000 in fiscal year 2027.

Sec. 6. **MNSURE.**

\$22,373,000

\$34,810,000

(a) **Transfer.** The general fund appropriations must be transferred to the enterprise account established under Minnesota Statutes, section 62V.07, for the purpose of establishing a single end-to-end IT system with seamless, real-time interoperability between qualified health plan eligibility and enrollment services.

(b) **Base Level Adjustment.** The general fund base is \$3,591,000 in fiscal year 2026, \$3,530,000 in fiscal year 2027, and \$7,055,000 in fiscal year 2028.

Sec. 7. **RARE DISEASE ADVISORY COUNCIL**

\$314,000

\$326,000

Sec. 8. Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 32, as amended by Laws 2022, chapter 98, article 15, section 7, is amended to read:

Subd. 32. **Grant Programs; Child Mental Health Grants**

30,167,000

30,182,000

(a) **Children's Residential Facilities.** \$1,964,000 in fiscal year 2022 and \$1,979,000 in fiscal year 2023 are to reimburse counties and Tribal governments for a portion of the costs of treatment in children's residential facilities. The commissioner shall distribute the appropriation to counties and Tribal governments proportionally based on a methodology developed by the commissioner. ~~The fiscal year 2022 appropriation is available until June 30, 2023~~ base for this activity is \$0 in fiscal year 2025.

(b) **Base Level Adjustment.** The general fund base is \$29,580,000 in fiscal year 2024 and ~~\$27,705,000~~ \$25,726,000 in fiscal year 2025.

Sec. 9. **ASSET DISREGARDS.**

\$351,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of human services to implement a temporary asset disregard program in the medical assistance program. This is a onetime appropriation.

Sec. 10. **TRANSFERS.**

Subdivision 1. **Grants.** The commissioner of human services, with the approval of the commissioner of management and budget, may transfer unencumbered appropriation balances for the biennium ending June 30, 2025, within fiscal years among MFIP; general assistance; medical assistance; MinnesotaCare; MFIP child care assistance under Minnesota Statutes, section 119B.05; Minnesota supplemental aid program; housing support program; the entitlement portion of Northstar Care for Children under Minnesota Statutes, chapter 256N; and the entitlement portion of the behavioral health fund between fiscal years of the biennium. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services quarterly about transfers made under this subdivision.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Department of Human Services as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioners shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance quarterly about transfers made under this section.

Sec. 11. **TRANSFERS; ADMINISTRATION.**

Positions, salary money, and nonsalary administrative money may be transferred within the Department of Health as the commissioner considers necessary with the advance approval of the commissioner of management and budget. The commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over health finance quarterly about transfers made under this section.

Sec. 12. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

The commissioner of health shall not use indirect cost allocations to pay for the operational costs of any program for which they are responsible.

Sec. 13. **APPROPRIATIONS GIVEN EFFECT ONCE.**

If an appropriation or transfer in this article is enacted more than once during the 2023 regular session, the appropriation or transfer must be given effect once.

Sec. 14. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2025, unless a different expiration date is explicit."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions on health care administration and affordability, the Minnesota Department of Health, health-related licensing boards, human services background studies, behavioral health, Department of Human Services operations and policy, economic assistance, and housing supports; requiring reports; making forecast adjustments; appropriating money; amending Minnesota Statutes 2022, sections 12A.08, subdivision 3; 13.3805, subdivision 1; 16A.151, subdivision 2; 62A.045; 62A.30, by adding subdivisions; 62A.673, subdivision 2; 62J.17, subdivision 5a; 62J.692, subdivisions 1, 3, 4, 5, 8; 62J.84, subdivisions 2, 3, 4, 6, 7, 8, 9, by adding subdivisions; 62Q.01, by adding a subdivision; 62Q.021, by adding a subdivision; 62Q.55, subdivision 5; 62Q.556; 62Q.56, subdivision 2; 62Q.73, subdivisions 1, 7; 62U.04, subdivisions 4, 5, 5a, 11, by adding subdivisions; 62V.05, subdivision 4a, by adding a subdivision; 121A.28; 121A.335; 122A.18, subdivision 8; 144.122; 144.1481, subdivision 1; 144.1501, subdivisions 1, 2, 3, 4, 5; 144.1505; 144.2151; 144.222; 144.226, subdivisions 3, 4; 144.382, by adding subdivisions; 144.55, subdivision 3; 144.566; 144.608, subdivision 1; 144.615, subdivision 7; 144.651, by adding a subdivision; 144.653, subdivision 5; 144.6535, subdivisions 1, 2, 4; 144.69; 144.7055; 144.7067, subdivision 1; 144.9501, subdivisions 9, 17, 26a, 26b, by adding subdivisions; 144.9505, subdivisions 1, 1g, 1h; 144.9508, subdivision 2; 144A.06, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivision 3b; 144A.474, subdivisions 3, 9, 12; 144A.4791, subdivision 10; 144E.001, subdivision 1, by adding a subdivision; 144E.101, subdivisions 6, 7; 144E.103, subdivision 1; 144E.35; 144G.16, subdivision 7; 144G.18; 144G.57, subdivision 8; 145.411, subdivisions 1, 5; 145.423, subdivision 1; 145.87, subdivision 4; 145.924; 145.925; 145A.131, subdivisions 1, 5; 145A.14, by adding a subdivision; 147.02, subdivision 1; 147.03, subdivision 1; 147.037, subdivision 1; 147.141; 147A.08; 147A.16; 147B.02, subdivisions 4, 7; 148.261, subdivision 1; 148.512, subdivisions 10a, 10b, by adding subdivisions; 148.513, by adding a subdivision; 148.515, subdivision 6; 148.5175; 148.5195, subdivision 3; 148.5196, subdivision 1; 148.5197; 148.5198; 148B.392, subdivision 2; 148F.11, by adding a subdivision; 150A.08, subdivisions 1, 5; 150A.091, by adding a subdivision; 150A.13, subdivision 10; 151.01, subdivision 27, by adding a subdivision; 151.065, subdivisions 1, 2, 3, 4, 6; 151.37, subdivision 12; 151.40, subdivisions 1, 2; 151.555; 151.74, subdivisions 3, 4; 152.01, subdivision 18; 152.205; 153A.13, subdivisions 3, 4, 5, 6, 7, 9, 10, 11, by adding subdivisions; 153A.14, subdivisions 1, 2, 2h, 2i, 2j, 4, 4a, 4b, 4c, 4e, 6, 9, 11, by adding a subdivision; 153A.15, subdivisions 1, 2, 4; 153A.17; 153A.175; 153A.18; 153A.20; 245.4661, subdivision 9; 245.4663, subdivisions 1, 4; 245.469, subdivision 3; 245.4901, subdivision 4, by adding a subdivision; 245.735, subdivisions 3, 5, 6, by adding subdivisions; 245A.02, subdivisions 5a, 10b; 245A.04, subdivisions 1, 7, 7a; 245A.041, by adding a subdivision; 245A.05; 245A.055, subdivision 2; 245A.06, subdivisions 1, 2, 4; 245A.07, subdivisions 2a, 3; 245A.10, subdivisions 3, 4; 245A.16, subdivision 1, by adding a subdivision; 245C.02, subdivisions 6a, 11c, 13e, by adding subdivisions; 245C.03, subdivisions 1, 1a, 4, 5, 5a; 245C.031, subdivisions 1, 4; 245C.05, subdivisions 1, 4, by adding a subdivision; 245C.07; 245C.08, subdivision 1; 245C.10, subdivisions 1d, 2, 2a, 3, 4, 5, 6, 8, 9, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, by adding a subdivision; 245C.31, subdivision 1; 245C.32, subdivision 2; 245C.33, subdivision 4; 245G.01, by adding a subdivision; 245G.11, subdivision 10; 245H.01, subdivision 3, by adding a subdivision; 245H.03, subdivisions 2, 3, 4; 245H.06, subdivisions 1, 2; 245H.07, subdivisions 1, 2; 245H.13, subdivision 9; 245I.04, subdivisions 14, 16; 245I.05, subdivision 3; 245I.08, subdivisions 2, 3, 4; 245I.10, subdivisions 2, 3, 5, 6, 7, 8; 245I.11, subdivisions 3, 4; 245I.20, subdivisions 5, 6, 10, 13, 14, 16; 254B.02, subdivision 5; 254B.05, subdivisions 1, 1a; 256.01, by adding a subdivision; 256.0471, subdivision 1; 256.478, subdivisions 1, 2, by adding subdivisions; 256.9685, subdivisions 1a, 1b; 256.9686, by adding a subdivision; 256.969, subdivisions 2b, 9, 25, by adding a subdivision; 256B.04, subdivisions 14, 15; 256B.055, subdivision 17; 256B.056, subdivision 7, by adding a subdivision; 256B.0616, subdivisions 3, 4, 5; 256B.0622, subdivisions 7a, 7b, 7c, 8; 256B.0623, subdivision 4; 256B.0624, subdivisions 5, 8; 256B.0625, subdivisions 3a, 5m, 9, 13c, 13e, 16, 22, 28b, 30, 31, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.064; 256B.0757, subdivision 4c; 256B.0941, subdivision 2a, by adding subdivisions; 256B.0946, subdivision 6; 256B.0947, subdivision 7a, by adding a subdivision; 256B.196, subdivision 2; 256B.27, subdivision 3; 256B.434, subdivision 4f; 256B.69, subdivisions 4, 5a, 6d, 28, 36; 256B.692, subdivisions 1, 2; 256B.75; 256B.76, subdivisions 1, 2; 256B.764; 256D.01, subdivision 1a; 256D.02, by adding a subdivision; 256D.024, subdivision 1; 256D.06, subdivision 5; 256D.07; 256I.03, subdivisions 7, 15, by adding a subdivision; 256I.04, subdivisions 1, 2, 3; 256I.06, subdivision 3; 256I.09; 256J.08, subdivision 21; 256J.09,

subdivision 3; 256J.26, subdivision 1; 256J.95, subdivision 5; 256L.03, subdivisions 1, 5; 256L.04, subdivisions 1c, 7a, 10, by adding a subdivision; 256L.07, subdivision 1; 256L.15, subdivision 2; 256P.01, by adding subdivisions; 256P.02, subdivisions 1a, 2, by adding subdivisions; 256P.04, by adding a subdivision; 256P.06, subdivision 3, by adding subdivisions; 260C.007, subdivision 26d; 260E.09; 270B.14, subdivision 1; 297F.10, subdivision 1; 403.161; 403.162; 518A.39, subdivision 2; 524.5-118; 609B.425, subdivision 2; 609B.435, subdivision 2; Laws 2017, First Special Session chapter 6, article 5, section 11, as amended; Laws 2021, First Special Session chapter 7, article 6, section 26; article 16, section 2, subdivision 32, as amended; Laws 2022, chapter 99, article 1, section 46; article 3, section 9; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; 115; 144; 144E; 145; 148; 245; 245A; 245C; 256; repealing Minnesota Statutes 2022, sections 62J.692, subdivisions 4a, 7, 7a; 62J.84, subdivision 5; 62Q.145; 62U.10, subdivisions 6, 7, 8; 137.38, subdivision 1; 144.059, subdivision 10; 144.9505, subdivision 3; 145.1621; 145.411, subdivisions 2, 4; 145.412; 145.413, subdivisions 2, 3; 145.4131; 145.4132; 145.4133; 145.4134; 145.4135; 145.4136; 145.415; 145.416; 145.423, subdivisions 2, 3, 4, 5, 6, 7, 8, 9; 145.4235; 145.4241; 145.4242; 145.4243; 145.4244; 145.4245; 145.4246; 145.4247; 145.4248; 145.4249; 152.092; 153A.14, subdivision 5; 245A.22; 245C.02, subdivisions 9, 14b; 245C.031, subdivisions 5, 6, 7; 245C.032; 245C.30, subdivision 1a; 245C.301; 256.9685, subdivisions 1c, 1d; 256B.011; 256B.40; 256B.69, subdivision 5c; 256I.03, subdivision 6; 261.28; 393.07, subdivision 11; Minnesota Rules, parts 4615.3600; 4640.1500; 4640.1600; 4640.1700; 4640.1800; 4640.1900; 4640.2000; 4640.2100; 4640.2200; 4640.2300; 4640.2400; 4640.2500; 4640.2600; 4640.2700; 4640.2800; 4640.2900; 4640.3000; 4640.3100; 4640.3200; 4640.3300; 4640.3400; 4640.3500; 4640.3600; 4640.3700; 4640.3800; 4640.3900; 4640.4000; 4640.4100; 4640.4200; 4640.4300; 4640.6100; 4640.6200; 4640.6300; 4640.6400; 4645.0300; 4645.0400; 4645.0500; 4645.0600; 4645.0700; 4645.0800; 4645.0900; 4645.1000; 4645.1100; 4645.1200; 4645.1300; 4645.1400; 4645.1500; 4645.1600; 4645.1700; 4645.1800; 4645.1900; 4645.2000; 4645.2100; 4645.2200; 4645.2300; 4645.2400; 4645.2500; 4645.2600; 4645.2700; 4645.2800; 4645.2900; 4645.3000; 4645.3100; 4645.3200; 4645.3300; 4645.3400; 4645.3500; 4645.3600; 4645.3700; 4645.3800; 4645.3805; 4645.3900; 4645.4000; 4645.4100; 4645.4200; 4645.4300; 4645.4400; 4645.4500; 4645.4600; 4645.4700; 4645.4800; 4645.4900; 4645.5100; 4645.5200; 4700.1900; 4700.2000; 4700.2100; 4700.2210; 4700.2300, subparts 1, 3, 4, 4a, 5; 4700.2410; 4700.2420; 4700.2500; 5610.0100; 5610.0200; 5610.0300; 9505.0235; 9505.0505, subpart 18; 9505.0520, subpart 9b."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 3100, A bill for an act relating to retirement; Teachers Retirement Association; providing for unreduced retirement at age 60 or older with at least 30 years of service; providing for a onetime 2.5 percent post-retirement adjustment; increasing employee and employer contributions; extending the amortization date; reducing the assumption for investment rate of return; increasing the pension adjustment revenue for school districts; appropriating money; amending Minnesota Statutes 2022, sections 126C.10, subdivision 37; 354.42, subdivisions 2, 3; 354.435, subdivision 4; 354.436, subdivision 3; 354.44, subdivision 6; 356.215, subdivisions 8, 11; 356.415, subdivision 1d; 356.59, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
INVESTMENT RATE OF RETURN ACTUARIAL ASSUMPTION

Section 1. Minnesota Statutes 2022, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable following investment return assumption:

plan	investment return assumption
general state employees retirement plan	7.5% <u>7%</u>
correctional state employees retirement plan	7.5 <u>7</u>
State Patrol retirement plan	7.5 <u>7</u>
legislators retirement plan, and for the constitutional officers calculation of total plan liabilities	0
judges retirement plan	7.5 <u>7</u>
general public employees retirement plan	7.5 <u>7</u>
public employees police and fire retirement plan	7.5 <u>7</u>
local government correctional service retirement plan	7.5 <u>7</u>
teachers retirement plan	7.5 <u>7</u>
St. Paul teachers retirement plan	7.5 <u>7</u>
Bloomington Fire Department Relief Association	6
local monthly benefit volunteer firefighter relief associations	5
monthly benefit retirement plans in the statewide volunteer firefighter retirement plan	6

(b) The actuarial valuation for each of the covered retirement plans listed in section 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take into account the postretirement adjustment rate or rates applicable to the plan as specified in section 354A.29, subdivision 7, or 356.415, whichever applies.

(c) The actuarial valuation must use the applicable salary increase and payroll growth assumptions found in the appendix to the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision 10. The appendix must be updated whenever new assumptions have been approved or deemed approved under subdivision 18.

(d) The assumptions set forth in the appendix to the standards for actuarial work continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

EFFECTIVE DATE. This section is effective June 30, 2023.

ARTICLE 2
COLAS

Section 1. Minnesota Statutes 2022, section 356.415, subdivision 1, is amended to read:

Subdivision 1. **Annual postretirement adjustments; Minnesota State Retirement System general state employees retirement plan, legislators retirement plan, and unclassified state employees retirement program.**

(a) ~~Except as set forth in paragraph (e),~~ Recipients of a retirement annuity, disability benefit, or survivor benefit from the general state employees retirement plan, the legislators retirement plan, or the unclassified state employees retirement program are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

(1) effective January 1, 2019, through December 31, 2023, a postretirement increase of one percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment;

(2) effective January 1, 2019, through December 31, 2023, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, a postretirement increase of 1/12 of one percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient;

(3) effective January 1, 2024, and thereafter, a postretirement increase of 1.5 percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(4) effective January 1, 2024, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the covered retirement plan requesting that the increase not be made.

~~(c) Members who retire on or after January 1, 2024, under the general state employees retirement plan, the legislators retirement plan, or the unclassified state employees retirement program are entitled to an annual postretirement adjustment of the member's retirement annuity, effective as of each January 1, beginning with the year following the year in which the member attains normal retirement age, as follows:~~

~~(1) if a member has been receiving an annuity for at least 12 full months as of the June 30 of the calendar year immediately before the date of the adjustment, a postretirement increase equal to the percentage specified in paragraph (a), clause (3), must be applied, effective on January 1, to the amount of the member's monthly annuity;~~

~~(2) if a member has been receiving an annuity for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the date of adjustment, a postretirement increase of 1/12 of the percentage specified in paragraph (a), clause (4), for each month that the member has been receiving an annuity must be applied, effective on January 1, to the amount of the member's monthly annuity; or~~

~~(3) if a member has been receiving an annuity for fewer than seven months before the date of adjustment, a postretirement increase shall not be applied until the next January 1 and the amount of the adjustment shall be the amount determined under clause (2).~~

~~(d) Paragraph (e) does not apply to members who retire under section 352.116, subdivision 1, paragraph (e).~~

Sec. 2. Minnesota Statutes 2022, section 356.415, subdivision 1b, is amended to read:

Subd. 1b. **Annual postretirement adjustments; PERA; general employees retirement plan.** (a) Annuities, disability benefits, and survivor benefits being paid from the general employees retirement plan of the Public Employees Retirement Association shall be increased effective each January 1 by the percentage of increase determined under this subdivision. The increase to the annuity or benefit shall be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b), after taking into account any reduction to the percentage of increase required under paragraph (c).

(b) The percentage of increase shall be one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than two percent. If the cost-of-living adjustment announced by the federal Social Security Administration is greater than two percent, the percentage of increase shall be 50 percent of the cost-of-living adjustment announced by the federal Social Security Administration, but in no event may the percentage of increase exceed 1.5 percent.

(c)(1) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least one month, but less than 12 full months, as of the June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit was received as of June 30 of the preceding calendar year and the denominator of which is 12.

~~(d) Effective for members who retire on or after January 1, 2024, annuities shall not be increased under paragraphs (a) to (c) until January 1 of the year following the year in which the member reaches normal retirement age. January 1 of the year following the year in which the member reaches normal retirement age shall be considered the effective date of the increase under paragraph (c). If a member has been receiving an annuity for fewer than seven months as of the January 1 of the year following the year in which the member reaches normal retirement age, no increase shall be paid until January 1 of the next year.~~

~~(e) (d)~~ An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

~~(f) Paragraph (d) does not apply to members who retire under section 353.30, subdivision 1a.~~

Sec. 3. Minnesota Statutes 2022, section 356.415, subdivision 1g, is amended to read:

Subd. 1g. **Annual postretirement adjustments; PERA local government correctional retirement plan.** (a) Annuities, disability benefits, and survivor benefits being paid from the local government correctional retirement plan of the Public Employees Retirement Association shall be increased effective each January 1 by the percentage of increase determined under this subdivision. The increase to the annuity or benefit shall be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b), after taking into account any reduction to the percentage of increase required under paragraph ~~(e)~~ (d).

(b) As of each January 1, the percentage of increase ~~shall~~ must be one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than one percent. If the cost-of-living adjustment announced by the federal Social Security Administration is greater than one percent, the percentage of increase ~~shall~~ must be the same as the cost-of-living adjustment announced by the federal Social Security Administration, but in no event may the percentage of increase exceed the applicable maximum percentage in effect on January 1 under paragraph (c).

(c) The applicable maximum percentage in effect on January 1 is 2.5 percent, ~~until unless~~ either of the following ~~occurs is true~~, in which case the applicable maximum percentage is 1.5 percent ~~and remains at 1.5 percent thereafter~~:

(1) the market value of assets equals or is less than 85 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial valuations; or

(2) the market value of assets equals or is less than 80 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent annual actuarial valuation. If, on January 1 after a year during which the applicable maximum percentage was 1.5 percent, neither clause (1) or (2) is true, then the applicable maximum percentage is 2.5 percent.

~~(e)~~ (d)(1) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least one month, but less than 12 full months, as of the June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit was received as of June 30 of the preceding calendar year and the denominator of which is 12.

~~(d)~~ (e) An increase in annuity or benefit payments under this section must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

Sec. 4. **POSTRETIREMENT ADJUSTMENT FOR CALENDAR YEAR 2024 FOR COORDINATED MEMBERS.**

(a) Notwithstanding Minnesota Statutes, sections 354A.29, subdivision 7, and 356.415, subdivisions 1 to 1b, 1d, and 1f, the postretirement adjustment for the year beginning January 1, 2024, and ending December 31, 2024, must be 2.5 percent for eligible recipients of a retirement annuity, disability benefit, or survivor benefit from the Minnesota State Retirement System, Public Employees Retirement Association, Teachers Retirement Association, or St. Paul Teachers Retirement Fund Association.

(b) A recipient is an eligible recipient if:

(1) the recipient's annuity or benefit is attributable to service as a member of the legislators plan, as a coordinated member of a pension plan administered by the Minnesota State Retirement System, Public Employees Retirement Association, Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association, and is not from the public employees police and fire plan or the State Patrol retirement plan; and

(2) the recipient has received monthly benefits for at least 12 full months as of June 30, 2023.

(c) This adjustment must not be compounded and is in effect for calendar year 2024 only.

(d) The increase in excess of the current statutory postretirement adjustment for calendar year 2024 must be distributed to each recipient in a lump sum payment as soon as administratively practicable but no later than March 31, 2024.

Sec. 5. **POSTRETIREMENT ADJUSTMENT FOR CALENDAR YEAR 2024 FOR BASIC MEMBERS.**

(a) Notwithstanding Minnesota Statutes, sections 354A.29, subdivision 7, and 356.415, subdivisions 1b to 1e, the postretirement adjustment for the year beginning January 1, 2024, and ending December 31, 2024, must be four percent for eligible recipients of a retirement annuity, disability benefit, or survivor benefit from the Minnesota State Retirement System, Public Employees Retirement Association, Teachers Retirement Association, or St. Paul Teachers Retirement Fund Association.

(b) A recipient is an eligible recipient if:

(1) the recipient's annuity or benefit is attributable to service as a basic member of the Public Employees Retirement Association general employees retirement plan, the Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association or is an annuity or benefit from the public employees police and fire plan or the State Patrol retirement plan; and

(2) the recipient has received monthly benefits for at least twelve full months as of June 30, 2023, and, for recipients of monthly benefits from the public employees police and fire plan, a postretirement adjustment on those benefits.

(c) This adjustment must not be compounded and is in effect for calendar year 2024 only.

(d) The increase in excess of the current statutory postretirement adjustment for calendar year 2024 must be distributed to each recipient in a lump sum payment as soon as administratively practicable but no later than March 31, 2024.

ARTICLE 3

MINNESOTA STATE RETIREMENT SYSTEM

Section 1. Minnesota Statutes 2022, section 352.04, subdivision 2, is amended to read:

Subd. 2. **Employee contributions.** (a) The employee contribution to the fund must be equal to the following percent of salary:

from July 1, 2014, to June 30, 2018	5.5
from July 1, 2018, to June 30, 2019	5.75
after June 30 from July 1, 2019, to June 30, 2023	6
<u>from July 1, 2023, to June 30, 2025</u>	<u>5.5</u>
<u>after June 30, 2025</u>	<u>6</u>

(b) These contributions must be made by deduction from salary as provided in subdivision 4.

(c) Contribution increases under paragraph (a) must be paid starting the first day of the first full pay period after the effective date of the increase.

Sec. 2. Minnesota Statutes 2022, section 352.115, subdivision 1, is amended to read:

Subdivision 1. **Age and service requirements.** After separation from state service, any employee ~~(1)~~ who has attained the age of at least 55 years ~~and who is entitled, upon application, to a retirement annuity if the employee:~~

(1) has received credit for at least three years of allowable service if and was employed before July 1, 2010, or after;

(2) has received credit for at least five or more years of allowable service if employed after June 30, 2010, or ~~(2)~~ who and terminated employment before July 1, 2023;

(3) was actively employed on July 1, 2023, and has earned three years of allowable service prior to the employee's retirement application;

(4) has three or more years of allowable service if employed after June 30, 2023; or

(5) has received credit for at least 30 years of allowable service regardless of age, is entitled upon application to a retirement annuity.

Sec. 3. Minnesota Statutes 2022, section 352.92, subdivision 2a, is amended to read:

Subd. 2a. **Supplemental employer contribution.** (a) Effective July 1, 2019, the employer shall pay a supplemental contribution. The supplemental contribution is 1.45 percent of salary for covered correctional employees from July 1, 2019, through June 30, 2020; 2.95 percent of salary for covered correctional employees from July 1, 2020, through June 30, 2021; and 4.45 percent of salary for covered correctional employees thereafter. The supplemental contribution rate of 4.45 percent remains in effect until, for three consecutive years, the market value of the assets of the correctional state employees retirement plan of the Minnesota State Retirement System equals or exceeds the actuarial accrued liability of the plan as determined by the actuary retained under section 356.214. The expiration of the supplemental employer contribution is effective the first day of the first full pay period of the fiscal year immediately following the issuance of the third actuarial valuation upon which the expiration is based.

(b) The supplemental contribution under paragraph (a) must be paid starting the first day of the first full pay period after June 30, 2018.

Sec. 4. Minnesota Statutes 2022, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. **Employer contributions and supplemental employer contribution.** (a) In addition to member contributions, department heads shall pay a sum equal to the specified percentage of the salary upon which deductions were made, which constitutes the employer contribution to the fund as follows:

from July 1, 2014, to June 30, 2016	20.1
from July 1, 2016, to June 30, 2018	21.6
from July 1, 2018, to June 30, 2019	22.35
after June 30, 2019	23.1

(b) Department contributions must be paid out of money appropriated to departments for this purpose.

(c) Contribution increases under paragraph (a) must be paid starting the first day of the first full pay period after the effective date of the increase.

(d) Effective July 1, 2018, department heads shall pay a supplemental employer contribution. The supplemental contribution is 1.75 percent of the salary upon which deductions are made from July 1, 2018, through June 30, 2019; three percent of the salary upon which deductions are made from July 1, 2019, through June 30, 2020; five percent of the salary which deductions are made from July 1, 2020, through June 30, 2021; and seven percent of the salary upon which deductions are made thereafter. The supplemental contribution must be paid starting the first day of the first full pay period after June 30, 2018. The supplemental contribution rate of seven percent remains in effect until, for three consecutive years, the market value of the assets of the State Patrol retirement plan of the Minnesota State Retirement System equals or exceeds the actuarial accrued liability of the plan as determined by the actuary retained under section 356.214. The expiration of the supplemental employer contribution is effective the first day of the first full pay period of the fiscal year immediately following the issuance of the third actuarial valuation upon which the expiration is based.

Sec. 5. Minnesota Statutes 2022, section 490.123, subdivision 5, is amended to read:

Subd. 5. **Direct state aid.** (a) The state shall pay \$6,000,000 annually to the judges' retirement fund. The aid is payable each July 1. The amount required is annually appropriated from the general fund to the judges' retirement fund.

(b) The aid under paragraph (a) continues until the earlier of:

(1) the first day of the fiscal year following ~~the three consecutive~~ three consecutive fiscal ~~year~~ years in which the actuarial value of assets of the fund equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215; or

(2) July 1, 2048.

ARTICLE 4 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2022, section 353.01, subdivision 47, is amended to read:

Subd. 47. **Vesting.** (a) "Vesting" means obtaining a nonforfeitable entitlement to an annuity or benefit from a retirement plan administered by the Public Employees Retirement Association by having credit for sufficient allowable service under paragraph (b), (c), or (d), whichever applies.

(b) For purposes of qualifying for an annuity or benefit as a basic or coordinated plan member of the general employees retirement plan of the Public Employees Retirement Association: ~~(1), a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the general employees retirement plan; and,~~

~~(2) a public employee who first becomes a member of the association after June 30, 2010, is 100 percent vested when the person has accrued credit for not less than five years of allowable service in the general employees retirement plan.~~

(c) For purposes of qualifying for an annuity or benefit as a member of the local government correctional service retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the local government correctional service retirement plan; and

(2) a public employee who first becomes a member of the association after June 30, 2010, is vested at the following percentages when the person has accrued credit for allowable service in the local government correctional service retirement plan, as follows:

- (i) 50 percent after five years;
- (ii) 60 percent after six years;
- (iii) 70 percent after seven years;
- (iv) 80 percent after eight years;
- (v) 90 percent after nine years; and
- (vi) 100 percent after ten years.

(d) For purposes of qualifying for an annuity or benefit as a member of the public employees police and fire retirement plan:

(1) a public employee who first became a member of the association before July 1, 2010, is 100 percent vested when the person has accrued credit for not less than three years of allowable service in the public employees police and fire retirement plan;

(2) a public employee who first becomes a member of the association after June 30, 2010, and before July 1, 2014, is vested at the following percentages when the person has accrued credited allowable service in the public employees police and fire retirement plan, as follows:

- (i) 50 percent after five years;
- (ii) 60 percent after six years;
- (iii) 70 percent after seven years;
- (iv) 80 percent after eight years;
- (v) 90 percent after nine years; and
- (vi) 100 percent after ten years; and

(3) a public employee who first becomes a member of the association after June 30, 2014, is vested at the following percentages when the person has accrued credit for allowable service in the public employees police and fire retirement plan, as follows:

- (i) 50 percent after ten years;
- (ii) 55 percent after 11 years;
- (iii) 60 percent after 12 years;
- (iv) 65 percent after 13 years;

- (v) 70 percent after 14 years;
- (vi) 75 percent after 15 years;
- (vii) 80 percent after 16 years;
- (viii) 85 percent after 17 years;
- (ix) 90 percent after 18 years;
- (x) 95 percent after 19 years; and
- (xi) 100 percent after 20 or more years.

ARTICLE 5
ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION

Section 1. Minnesota Statutes 2022, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by each member ~~of the St. Paul Teachers Retirement Fund Association~~ is the percentage of total salary specified below for the applicable ~~association and~~ program:

Program	Percentage of Total Salary
St. Paul Teachers Retirement Fund Association	
basic program after June 30, 2016, <u>through June 30, 2023</u>	10 percent
basic program after June 30, 2023, <u>through June 30, 2025</u>	10.25 percent
<u>basic program after June 30, 2025</u>	<u>11.25 percent</u>
coordinated program after June 30, 2016, <u>through June 30, 2023</u>	7.5 percent
coordinated program after June 30, 2023, <u>through June 30, 2025</u>	7.75 percent
<u>coordinated program after June 30, 2025</u>	<u>8.75 percent</u>

(b) Contributions must be made by deduction from salary and must be remitted directly to the St. Paul Teachers Retirement Fund Association at least once each month.

(c) When an employee contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

Sec. 2. Minnesota Statutes 2022, section 354A.31, is amended by adding a subdivision to read:

Subd. 5a. **Unreduced early retirement.** If a member retires on or after July 1, 2023, when the member is at least age 62 and has at least 30 years of service, the member is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4.

Sec. 3. Minnesota Statutes 2022, section 354A.31, subdivision 7, is amended to read:

Subd. 7. **Reduction for early retirement.** (a) This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), in conjunction with subdivision 6. An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity reduced as described in paragraph (b) if the person retires on or after July 1, 2019, or in paragraph (c) if the person retires before July 1, 2019, as applicable.

(b)(1) Unless the member is eligible for an unreduced early retirement annuity under subdivision 5a, a coordinated member who retires before the normal retirement age and on or after July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), reduced as described in clause ~~(1) or (2), as applicable.~~

~~(1) (2)~~ If the member retires when the member is younger than age 62 or with fewer than 30 years of service, the annuity must be reduced by an early reduction factor for each year that the member's age of retirement precedes normal retirement age. The early reduction factors are four percent per year for members whose age at retirement is at least 55 but not yet 59 and seven percent per year for members whose age at retirement is at least 59 but not yet normal retirement age. The resulting annuity must be further adjusted to take into account augmentation as if the employee had deferred receipt of the annuity until normal retirement age and the annuity were augmented at the applicable annual rate, compounded annually, from the day the annuity begins to accrue until normal retirement age. The applicable annual rate is the rate in effect on the employee's effective date of retirement and shall be considered as fixed for the employee. The applicable annual rates are the following:

(i) until June 30, 2019, 2.5 percent;

(ii) a rate that changes each month, beginning July 1, 2019, through June 30, 2024, which is determined by reducing the rate in item (i) to zero in equal monthly increments over the five-year period; and

(iii) after June 30, 2024, zero percent.

After June 30, 2024, the reduced annuity commencing before normal retirement age under this clause shall not take into account any augmentation.

~~(2) If the member retires when the member is at least age 62 or older and has at least 30 years of service, the member is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early retirement factor specified for members "Age 62 or older with 30 years of service" in the table in paragraph (c).~~

(c) Unless the member is eligible for an unreduced early retirement annuity under subdivision 5a, a coordinated member who retires before the normal retirement age and before July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early retirement factor specified below:

Normal retirement age:	Under age 62 or less than 30 years of service		Age 62 or older with 30 years of service	
	65	66	65	66
Age at retirement				
55	0.5376	0.4592		
56	0.5745	0.4992		
57	0.6092	0.5370		
58	0.6419	0.5726		
59	0.6726	0.6062		
60	0.7354	0.6726		
61	0.7947	0.7354		
62	0.8507	0.7947	0.8831	0.8389
63	0.9035	0.8507	0.9246	0.8831
64	0.9533	0.9035	0.9635	0.9246
65	1.0000	0.9533	1.0000	0.9635
66		1.0000		1.0000

For normal retirement ages between ages 65 and 66, the early retirement factors must be determined by linear interpolation between the early retirement factors applicable for normal retirement ages 65 and 66.

ARTICLE 6
APPROPRIATIONS

Section 1. **APPROPRIATION; ONETIME DIRECT STATE AIDS.**

Subdivision 1. **Appropriation.** \$485,900,000 in fiscal year 2024 is appropriated from the general fund to the commissioner of management and budget to transfer onetime state aid to the fund for each pension plan as specified in subdivision 2 and pay onetime state aid to St. Paul Teachers Retirement Fund Association in the amount specified in subdivision 2.

Subd. 2. **Direct state aids** On October 1, 2023, the commissioner must allocate the amount appropriated in subdivision 1 among the funds for the pension plans as follows:

<u>Plan</u>	<u>Amount</u>
<u>general state employees retirement plan</u>	\$76,439,615
<u>correctional state employees retirement plan</u>	\$10,446,018
<u>State Patrol retirement plan</u>	\$11,970,568
<u>legislators retirement plan</u>	\$90,714
<u>judges retirement plan</u>	\$293,032
<u>general public employees retirement plan</u>	\$170,093,422
<u>public employees police and fire retirement plan</u>	\$19,397,371
<u>local government correctional service retirement plan</u>	\$5,255,535
<u>Teachers Retirement Association</u>	\$176,166,838
<u>St. Paul Teachers Retirement Fund Association</u>	\$15,746,887

Sec. 2. **STATEWIDE VOLUNTEER FIREFIGHTER PLAN INCENTIVE PROGRAM.**

Subdivision 1. **Definitions.** For purposes of this section:

(1) "association" means the Public Employees Retirement Association;

(2) "commission" means the Legislative Commission on Pensions and Retirement;

(3) "incentive program" means the program established by this section for paying monetary incentives to join the statewide plan, to be deposited in the account of each fire department joining the statewide plan and used to fund retirement benefits for the fire department's volunteer firefighters;

(4) "relief association" means volunteer firefighter relief association; and

(5) "statewide plan" means the statewide volunteer firefighter plan.

Subd. 2. **Statewide volunteer firefighter plan incentive program.** (a) The executive director of the association must prepare an outline of the incentive program. This outline must be delivered to the members of the commission by January 5, 2024. The incentive program must benefit fire departments joining the statewide plan on or after July 1, 2023, and the first payments must be made no later than December 31, 2024.

(b) The executive director of the association must work with the staff of the commission to prepare legislation to add a defined contribution component to the statewide plan and make other statutory changes as appropriate to encourage fire departments and their affiliated relief associations to join the statewide plan. The proposed legislation must be delivered to members of the commission no later than January 5, 2024.

(c) The executive director of the association must prepare an annual report on the incentive program to be delivered to the commission until the appropriation is expended.

Subd. 3. **Account created; appropriation.** The statewide volunteer firefighter incentive account is created within the special revenue fund. Money in the account, including interest, is appropriated to the commissioner of management and budget for deposit, at the direction of the executive director of the association, into the plan account of each fire department that joins the statewide volunteer firefighter plan.

Subd. 4. **Transfer.** \$5,000,000 in fiscal year 2024 is transferred from the general fund to the statewide volunteer firefighter incentive account established under subdivision 3.

Sec. 3. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

\$100,000 in fiscal year 2024 is appropriated from the general fund to the Legislative Coordinating Commission for the Legislative Commission on Pensions and Retirement to provide funding for additional independent actuarial cost assessments for the Legislative Commission on Pensions and Retirement to make informed decisions on pension policy and legislation."

Delete the title and insert:

"A bill for an act relating to retirement; reducing the actuarial assumption for investment rate of return; eliminating the delay to normal retirement age on the commencement of postretirement adjustments and reducing the vesting requirement for the general employees retirement plans of the Minnesota State Retirement System and the Public Employees Retirement Association; modifying the postretirement adjustment for the local government correctional service retirement plan; providing a onetime postretirement adjustment to all pension plan members; temporarily reducing the employee contribution rate for the general state employees retirement plan; modifying the expiration date for supplemental employer contributions to the State Patrol and correctional state employees plans and for the state aid to the judges plan; providing for an unreduced retirement annuity upon reaching age 62 with 30 years of service and increasing the employee contribution rate for the St. Paul Teachers Retirement Fund Association; appropriating money for onetime direct state aids to the pension plans, an incentive program for paying monetary incentives to join the statewide volunteer firefighter plan, and the Legislative Commission on Pensions and Retirement for actuarial services to assess the actuarial cost of pension legislation; amending Minnesota Statutes 2022, sections 352.04, subdivision 2; 352.115, subdivision 1; 352.92, subdivision 2a; 352B.02, subdivision 1c; 353.01, subdivision 47; 354A.12, subdivision 1; 354A.31, subdivision 7, by adding a subdivision; 356.215, subdivision 8; 356.415, subdivisions 1, 1b, 1g; 490.123, subdivision 5."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 447, 1830, 1937, 2887 and 3100 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Keeler introduced:

H. F. No. 3213, A bill for an act relating to capital investment; appropriating money for rail grade separation projects in the city of Moorhead.

The bill was read for the first time and referred to the Committee on Capital Investment.

Pinto introduced:

H. F. No. 3214, A bill for an act relating to capital investment; appropriating money for an inclusive and accessible playground in St. Paul; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Demuth introduced:

H. F. No. 3215, A bill for an act relating to capital investment; appropriating money for rehabilitation of publicly owned infrastructure in the city of Rockville; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Demuth and Anderson, P. H., introduced:

H. F. No. 3216, A bill for an act relating to taxation; property; authorizing property tax exemption for certain property owned by Independent School District No. 745, Albany; appropriating money.

The bill was read for the first time and referred to the Committee on Taxes.

Dotseth introduced:

H. F. No. 3217, A bill for an act relating to capital investment; appropriating money for local road projects in Sturgeon Lake; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Mekeland introduced:

H. F. No. 3218, A bill for an act relating to taxation; sales and use; providing a refundable construction exemption for Becker Public School District.

The bill was read for the first time and referred to the Committee on Taxes.

Knudsen, Kresha and Joy introduced:

H. F. No. 3219, A bill for an act relating to capital investment; appropriating money for the children's museum in the city of Baxter.

The bill was read for the first time and referred to the Committee on Capital Investment.

Quam introduced:

H. F. No. 3220, A bill for an act relating to taxation; repealing the gross revenues tax on hospitals and health care providers; making related technical changes; amending Minnesota Statutes 2022, sections 16A.724, subdivision 2; 62J.041, subdivision 1; 214.16, subdivision 3; 256B.04, subdivision 25; 256B.0625, subdivision 13e; 270B.14, subdivision 1; 289A.38, subdivision 6; repealing Minnesota Statutes 2022, sections 13.4967, subdivision 3; 295.50, subdivisions 1, 1a, 2, 2a, 2b, 3, 4, 6, 6a, 7, 7a, 9b, 9c, 10a, 10b, 10c, 12b, 13, 13a, 14, 15, 16; 295.51, subdivisions 1, 1a; 295.52, subdivisions 1, 1a, 2, 3, 4, 4a, 5, 6, 8; 295.53, subdivisions 1, 2, 3, 4a; 295.54; 295.55; 295.56; 295.57; 295.58; 295.581; 295.582; 295.59; Minnesota Rules, parts 4650.0102, subpart 24e; 4652.0100, subpart 20.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Bakeberg; Myers; Kresha; Bennett; Daniels; Mueller; Nash; Perryman; Hudson; Wiens; Pfarr; Harder; Knudsen; West; Garofalo; Robbins; Dotseth; Skraba; Backer; Davids; Petersburg; Neu Brindley; Johnson; Baker; Wiener; Murphy; Igo; Engen; Gillman; Koznick; Franson; Altendorf; Nadeau; Nelson, N., and Davis introduced:

H. F. No. 3221, A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, literacy and learning, special education, education innovation, and education excellence; making forecast adjustments; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 120B.024, subdivision 1; 120B.12; 121A.031, subdivision 1; 122A.092, subdivision 5; 122A.18, subdivision 7a, by adding a subdivision; 122A.185, subdivision 1; 122A.187, subdivision 5; 122A.31, subdivision 1; 123B.86, subdivision 3; 124D.085; 124D.09, subdivisions 5, 12; 124D.093, subdivisions 3, 4; 124D.98, by adding a subdivision; 124E.11; 125A.76, subdivision 2e; 126C.10, subdivisions 2, 18a; 126C.44; 127A.05, by adding subdivisions; 127A.353, subdivisions 2, 4; 144.4165; Laws 2017, First Special Session chapter 5, article 2, section 52; Laws 2021, First Special Session chapter 13, article 1, section 10, subdivisions 2, 3, 4, 5, 6, 7, 9; article 2, section 4, subdivisions 2, 3, 4, 12, 27; article 3, section 7, subdivision 7; article 5, section 3, subdivisions 2, 3, 4; article 7, section 2, subdivisions 2, 3; article 8, section 3, subdivisions 2, 3, 4; article 9, section 4, subdivisions 5, 6, 12; article 10, section 1, subdivisions 2, 8; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 125A; repealing Minnesota Statutes 2022, section 122A.06, subdivision 4; Laws 2017, First Special Session chapter 5, article 2, section 52, subdivision 3.

The bill was read for the first time and referred to the Committee on Education Policy.

Zeleznikar, Knudsen, Davis, Mekeland, Harder, Engen, Dotseth, Hudella and Skraba introduced:

H. F. No. 3222, A bill for an act relating to health; establishing a temporary hold on assessing fines against assisted living facilities; requiring repayment of certain fines assessed against assisted living facilities.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Fischer introduced:

H. F. No. 3223, A bill for an act relating to capital investment; appropriating money for a barrier against an invasive carp species of fish on the Mississippi River; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Niska, O'Neill, Hudson, Engen, Robbins, Joy, Skraba, Schultz, Dotseth, Harder, Knudsen, Perryman and Wiens introduced:

H. F. No. 3224, A bill for an act relating to emergency management; requiring legislative approval to extend a declared emergency beyond five days; protecting citizen rights; requiring legislative enactment before certain executive orders and rules may have the force and effect of law; defining terms; repealing certain criminal penalties; amending Minnesota Statutes 2022, sections 12.03, subdivision 1e, by adding subdivisions; 12.21, subdivision 3; 12.31, subdivisions 2, 3; 12.32; 12.36; 12.61, subdivision 2; repealing Minnesota Statutes 2022, section 12.45.

The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy.

Hansen, R.; Clardy and Richardson introduced:

H. F. No. 3225, A bill for an act relating to capital investment; appropriating money for capital improvements to the water treatment plant in the city of Inver Grove Heights; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, April 17, 2023 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 2310, 2105 and 2324.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Wolgamott.

Johnson was excused for the remainder of today's session.

CALENDAR FOR THE DAY

H. F. No. 1019, A bill for an act relating to civil actions; modifying the survival of certain causes of action; amending Minnesota Statutes 2022, sections 573.01; 573.02, subdivisions 1, 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 77 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Noor	Seencer-Mura
Agbaje	Engen	Her	Kozlowski	Norris	Skraba
Bahner	Feist	Hicks	Kraft	Olson, L.	Smith
Becker-Finn	Finke	Hill	Lee, F.	O'Neill	Stephenson
Berg	Fischer	Hollins	Lee, K.	Pelowski	Tabke
Bierman	Frazier	Hornstein	Liebling	Pérez-Vega	Urdahl
Brand	Frederick	Howard	Lillie	Pinto	Vang
Carroll	Freiberg	Huot	Lislegard	Pryor	West
Cha	Gomez	Hussein	Long	Pursell	Wolgamott
Clardy	Greenman	Jordan	Moller	Rehm	Xiong
Coulter	Grossell	Keeler	Nelson, M.	Reyer	Youakim
Curran	Hansen, R.	Klevorn	Newton	Richardson	Spk. Hortman
Edelson	Hanson, J.	Koegel	Niska	Scott	

Those who voted in the negative were:

Altendorf	Davids	Harder	Kresha	Neu Brindley	Schomacker
Anderson, P. H.	Davis	Heintzeman	Mekeland	Novotny	Schultz
Bakeberg	Demuth	Hudella	Mueller	Olson, B.	Swedzinski
Baker	Dotseth	Igo	Murphy	Perryman	Torkelson
Bennett	Fogelman	Jacob	Myers	Petersburg	Wiener
Bliss	Franson	Joy	Nadeau	Pfarr	Wiens
Burkel	Garofalo	Knudsen	Nash	Quam	Witte
Daniels	Gillman	Koznick	Nelson, N.	Robbins	Zeleznikar

The bill was passed and its title agreed to.

H. F. No. 463 was reported to the House.

Anderson, P. H., moved to amend H. F. No. 463 as follows:

Page 1, line 6, delete "\$50,000,000" and insert "\$100,000,000"

Page 1, line 21, delete "\$50,000" and insert "\$100,000"

Page 2, line 3, delete "\$50,050,000" and insert "\$100,100,000"

A roll call was requested and properly seconded.

The question was taken on the Anderson, P. H., amendment and the roll was called. There were 59 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudella	Mueller	Olson, B.	Skraba
Anderson, P. H.	Dotseth	Hudson	Murphy	O'Neill	Swedzinski
Bakeberg	Engen	Igo	Myers	Perryman	Torkelson
Baker	Fogelman	Jacob	Nadeau	Petersburg	Urdahl
Bennett	Franson	Joy	Nash	Pfarr	West
Bliss	Garofalo	Knudsen	Nelson, N.	Quam	Wiener
Burkel	Gillman	Koznick	Neu Brindley	Robbins	Wiens
Daniels	Grossell	Kresha	Niska	Schomacker	Witte
Davids	Harder	McDonald	Novotny	Schultz	Zeleznikar
Davis	Heintzeman	Mekeland	O'Driscoll	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Richardson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Sencer-Mura
Bahner	Feist	Her	Kotzya-Witthuhn	Noor	Smith
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Stephenson
Berg	Fischer	Hill	Kraft	Olson, L.	Tabke
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Vang
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

H. F. No. 463, A bill for an act relating to capital investment; appropriating money for the Rural Finance Authority; authorizing the sale and issuance of state bonds.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Berg	Curran	Feist	Gillman	Hemmingsen-Jaeger
Agbaje	Bierman	Daniels	Finke	Gomez	Her
Altendorf	Bliss	Davids	Fischer	Greenman	Hicks
Anderson, P. H.	Brand	Davis	Fogelman	Grossell	Hill
Bahner	Burkel	Demuth	Franson	Hansen, R.	Hollins
Bakeberg	Carroll	Dotseth	Frazier	Hanson, J.	Hornstein
Baker	Cha	Edelson	Frederick	Harder	Howard
Becker-Finn	Clardy	Elkins	Freiberg	Hassan	Hudella
Bennett	Coulter	Engen	Garofalo	Heintzeman	Hudson

Huot	Kraft	Myers	Olson, L.	Richardson	Vang
Hussein	Kresha	Nadeau	O'Neill	Robbins	West
Igo	Lee, F.	Nash	Pelowski	Schomacker	Wiener
Jacob	Lee, K.	Nelson, M.	Pérez-Vega	Schultz	Wiens
Jordan	Liebling	Nelson, N.	Perryman	Scott	Witte
Joy	Lillie	Neu Brindley	Petersburg	Sencer-Mura	Wolgamott
Keeler	Lislegard	Newton	Pfarr	Skraba	Xiong
Klevorn	Long	Niska	Smith	Stephenson	Youakim
Knudsen	McDonald	Noor	Pryor	Swedzinski	Zeleznikar
Koegel	Mekeland	Norris	Pursell	Tabke	Spk. Hortman
Kotyza-Witthuhn	Moller	Novotny	Quam	Torkelson	
Kozlowski	Mueller	O'Driscoll	Rehm	Urdahl	
Koznick	Murphy	Olson, B.	Reyer		

The bill was passed and its title agreed to.

H. F. No. 2204, A bill for an act relating to metropolitan government; providing for redistricting of the Metropolitan Council districts; amending Minnesota Statutes 2022, section 473.123, by adding a subdivision; repealing Minnesota Statutes 2022, section 473.123, subdivision 3e.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Acomb	Davids	Her	Kozlowski	Newton	Schomacker
Agbaje	Edelson	Hicks	Koznick	Niska	Schultz
Anderson, P. H.	Elkins	Hill	Kraft	Noor	Sencer-Mura
Bahner	Feist	Hollins	Kresha	Norris	Skraba
Bakeberg	Finke	Hornstein	Lee, F.	Novotny	Smith
Baker	Fischer	Howard	Lee, K.	O'Driscoll	Stephenson
Becker-Finn	Franson	Hudella	Liebling	Olson, B.	Swedzinski
Bennett	Frazier	Hudson	Lillie	Olson, L.	Tabke
Berg	Frederick	Huot	Lislegard	O'Neill	Urdahl
Bierman	Freiberg	Hussein	Long	Pelowski	Vang
Bliss	Garofalo	Igo	McDonald	Pérez-Vega	West
Brand	Gomez	Jacob	Mekeland	Petersburg	Wiener
Burkel	Greenman	Jordan	Moller	Pfarr	Wiens
Carroll	Hansen, R.	Joy	Mueller	Pinto	Witte
Cha	Hanson, J.	Keeler	Myers	Pryor	Wolgamott
Clardy	Harder	Klevorn	Nash	Pursell	Xiong
Coulter	Hassan	Knudsen	Nelson, M.	Rehm	Youakim
Curran	Heintzeman	Koegel	Nelson, N.	Reyer	Zeleznikar
Daniels	Hemmingsen-Jaeger	Kotyza-Witthuhn	Neu Brindley	Richardson	Spk. Hortman

Those who voted in the negative were:

Altendorf	Dotseth	Gillman	Perryman	Torkelson
Davis	Engen	Grossell	Quam	
Demuth	Fogelman	Murphy	Scott	

The bill was passed and its title agreed to.

H. F. No. 3 was reported to the House.

Greenman moved to amend H. F. No. 3, the fifth engrossment, as follows:

Page 12, line 22, delete "and the individual thereafter attempts to vote or votes"

Page 12, line 23, delete everything after "state" and insert a period

Page 12, line 24, delete everything before "This"

Page 12, delete line 34

Page 13, delete line 13

Page 23, line 6, after "general" insert ", a county attorney,"

Page 23, line 10, after "general," insert "a county attorney,"

A roll call was requested and properly seconded.

The question was taken on the Greenman amendment and the roll was called. There were 70 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Richardson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Sencer-Mura
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Smith
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Stephenson
Berg	Fischer	Hill	Kraft	Olson, L.	Tabke
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Vang
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

Those who voted in the negative were:

Altendorf	Demuth	Hudella	Mueller	Olson, B.	Skraba
Anderson, P. H.	Dotseth	Hudson	Murphy	O'Neill	Swedzinski
Bakeberg	Engen	Igo	Myers	Perryman	Torkelson
Baker	Fogelman	Jacob	Nadeau	Petersburg	Urdahl
Bennett	Franson	Joy	Nash	Pfarr	West
Bliss	Garofalo	Knudsen	Nelson, N.	Quam	Wiener
Burkel	Gillman	Koznick	Neu Brindley	Robbins	Wiens
Daniels	Grossell	Kresha	Niska	Schomacker	Witte
Davids	Harder	McDonald	Novotny	Schultz	Zelevnikar
Davis	Heintzeman	Mekeland	O'Driscoll	Scott	

The motion prevailed and the amendment was adopted.

Torkelson moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 24, line 7, before ""Expressly" insert "(a)"

Page 24, after line 17, insert:

"(b) Paragraph (a), clause (2), applies only during the 60 days before a regular or special general election and 30 days before a regular or special primary election, except that it does not apply during any period during which the legislature is convened in a regular or special session, or during the 14 days immediately following adjournment of that session."

The motion did not prevail and the amendment was not adopted.

Torkelson moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 24, delete section 1 and insert:

"Section 1. Minnesota Statutes 2022, section 10A.121, subdivision 1, is amended to read:

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or fund, or a ballot question political committee or fund, may:

- (1) pay costs associated with its fundraising and general operations;
- (2) pay for communications that do not constitute contributions or approved expenditures;
- (3) make contributions to independent expenditure or ballot question political committees or funds;
- (4) make independent expenditures;
- (5) make expenditures to promote or defeat ballot questions;
- (6) return a contribution to its source;
- (7) for a political fund, record bookkeeping entries transferring the association's general treasury money allocated for political purposes back to the general treasury of the association; ~~and~~
- (8) for a political fund, return general treasury money transferred to a separate depository to the general depository of the association; ~~and~~
- (9) make disbursements for electioneering communications.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 2. Minnesota Statutes 2022, section 10A.20, subdivision 12, is amended to read:

Subd. 12. **Failure to file; late fees; penalty.** (a) If an individual or association fails to file a report required by this section or section 10A.202, the board may impose a late filing fee and a civil penalty as provided in this subdivision.

(b) If an individual or association fails to file a report required by this section that is due January 31, the board may impose a late filing fee of \$25 per day, not to exceed \$1,000, commencing the day after the report was due.

(c) If an individual or association fails to file a report required by ~~this section that is due before a primary or general election,~~ subdivision 2, 2a, or 5, or by section 10A.202, the board may impose a late filing fee of \$50 per day, not to exceed \$1,000, commencing on the day after the date the statement was due, provided that if the total receipts received during the reporting period or total expenditure reportable under section 10A.202 exceeds \$25,000, then the board may impose a late filing fee of up to two percent of the amount that should have been reported, per day, commencing on the day after the report was due, not to exceed 100 percent of the amount that should have been reported.

(d) If an individual or association has been assessed a late filing fee or civil penalty under this subdivision during the prior four years, the board may impose a late filing fee, a civil penalty, or both, of up to twice the amount otherwise authorized by this subdivision.

(e) Within ten business days after the report was due or receipt by the board of information disclosing the potential failure to file, the board must send notice by certified mail ~~to an individual who fails to file a report within ten business days after the report was due~~ that the individual or association may be subject to a civil penalty for failure to file the report. An individual who fails to file the report within seven days after the certified mail notice was sent by the board is subject to a civil penalty imposed by the board of up to ~~\$1,000~~ \$2,000 in addition to the late filing fees imposed by this subdivision.

Sec. 3. [10A.201] ELECTIONEERING COMMUNICATIONS; DEFINITIONS.

Subdivision 1. Definitions. The terms defined in this section apply to this section and to section 10A.202.

Subd. 2. Broadcast, cable, or satellite communication. "Broadcast, cable, or satellite communication" means a communication that is publicly distributed by a television station, radio station, cable television system, or satellite system.

Subd. 3. Can be received by 10,000 or more individuals. (a) "Can be received by 10,000 or more individuals" means:

(1) in the case of a communication transmitted by an FM radio broadcast station or network, where the district lies entirely within the station's or network's protected or primary service contour, that the population of the district is 10,000 or more;

(2) in the case of a communication transmitted by an FM radio broadcast station or network, where a portion of the district lies outside of the protected or primary service contour, that the population of the part of the district lying within the station's or network's protected or primary service contour is 10,000 or more;

(3) in the case of a communication transmitted by an AM radio broadcast station or network, where the district lies entirely within the station's or network's most outward service area, that the population of the district is 10,000 or more;

(4) in the case of a communication transmitted by an AM radio broadcast station or network, where a portion of the district lies outside of the station's or network's most outward service area, that the population of the part of the district lying within the station's or network's most outward service area is 10,000 or more;

(5) in the case of a communication appearing on a television broadcast station or network, where the district lies entirely within the station's or network's Grade B broadcast contour, that the population of the district is 10,000 or more;

(6) in the case of a communication appearing on a television broadcast station or network, where a portion of the district lies outside of the Grade B broadcast contour:

(i) that the population of the part of the district lying within the station's or network's Grade B broadcast contour is 10,000 or more; or

(ii) that the population of the part of the district lying within the station's or network's broadcast contour, when combined with the viewership of that television station or network by cable and satellite subscribers within the district lying outside the broadcast contour, is 10,000 or more;

(7) in the case of a communication appearing exclusively on a cable or satellite television system, but not on a broadcast station or network, that the viewership of the cable system or satellite system lying within a district is 10,000 or more; or

(8) in the case of a communication appearing on a cable television network, that the total cable and satellite viewership within a district is 10,000 or more.

(b) Cable or satellite television viewership is determined by multiplying the number of subscribers within a district, or a part thereof, as appropriate, by the current national average household size, as determined by the Bureau of the Census.

(c) A determination that a communication can be received by 10,000 or more individuals based on the application of the formula in this section shall create a rebuttable presumption that may be overcome by demonstrating that:

(1) one or more cable or satellite systems did not carry the network on which the communication was publicly distributed at the time the communication was publicly distributed; and

(2) applying the formula to the remaining cable and satellite systems results in a determination that the cable network or systems upon which the communication was publicly distributed could not be received by 10,000 individuals or more.

Subd. 4. Direct costs of producing or airing electioneering communications. "Direct costs of producing or airing electioneering communications" means:

(1) costs charged by a vendor, including studio rental time, staff salaries, costs of video or audio recording media, and talent; and

(2) the cost of airtime on broadcast, cable, or satellite radio and television stations, studio time, material costs, and the charges for a broker to purchase the airtime.

Subd. 5. Disclosure date. "Disclosure date" means:

(1) the first date on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000; or

(2) any other date during the same calendar year on which an electioneering communication is publicly distributed, provided that the person making the electioneering communication has made one or more disbursements, or has executed one or more contracts to make disbursements, for the direct costs of producing or airing one or more electioneering communications aggregating in excess of \$10,000 since the most recent disclosure date during that calendar year.

Subd. 6. Electioneering communication. (a) "Electioneering communication" means any broadcast, cable, or satellite communication that:

(1) refers to a clearly identified candidate for state office;

(2) is publicly distributed within 60 days before a general election for the office sought by the candidate; or within 30 days before a primary election, or a convention or caucus of a political party that has authority to nominate a candidate, for the office sought by the candidate, and the candidate referenced is seeking the nomination of that political party; and

(3) is targeted to the relevant electorate, in the case of a candidate for senate, house of representatives, or other office elected by district.

(b) A communication is not an electioneering communication if it:

(1) is publicly disseminated through a means of communication other than a broadcast, cable, or satellite television or radio station;

(2) appears in a news story, commentary, or editorial distributed through the facilities of any broadcast, cable, or satellite television or radio station, unless such facilities are owned or controlled by any political party, political committee, or candidate, provided that a news story distributed through a broadcast, cable, or satellite television or radio station owned or controlled by any political party, political committee, or candidate is not an electioneering communication if the news story meets the requirements described in Code of Federal Regulations, title 11, section 100.132(a) and (b);

(3) constitutes an expenditure or independent expenditure, provided that the expenditure or independent expenditure is required to be reported under this chapter;

(4) constitutes a candidate debate or forum, or that solely promotes such a debate or forum and is made by or on behalf of the person sponsoring the debate or forum;

(5) is paid for by a candidate; or

(6) is publicly distributed during any period during which the legislature is convened in a regular or special session, or during the 14 days immediately following adjournment of that session.

Subd. 7. Identification. "Identification" means, in the case of an individual, the individual's full name, including first name, middle name or initial, if available, and last name; mailing address; occupation; and the name of the individual's employer; and, in the case of a person who is not an individual, the person's name and principal place of business.

Subd. 8. Individuals sharing or exercising direction or control. "Individuals sharing or exercising direction or control" means officers, directors, executive directors or the equivalent, partners, and in the case of unincorporated organizations, owners, of the entity or person making the disbursement for the electioneering communication.

Subd. 9. Publicly distributed. "Publicly distributed" means aired, broadcast, cablecast, or otherwise disseminated through the facilities of a television station, radio station, cable television system, or satellite system.

Subd. 10. Refers to a clearly identified candidate. "Refers to a clearly identified candidate" means that the candidate's name, nickname, photograph, or drawing appears, or the identity of the candidate is otherwise apparent through an unambiguous reference such as "the governor," "your legislator," or "the incumbent," or through an unambiguous reference to the candidate's status as a candidate such as "the [political party] gubernatorial nominee" or "the [political party] candidate for senate."

Subd. 11. **Targeted to the relevant electorate.** "Targeted to the relevant electorate" means the communication can be received by 10,000 or more individuals:

(1) in the district the candidate seeks to represent, in the case of a candidate for representative, senator, or other office represented by district; or

(2) in the entire state, if the candidate seeks a statewide office.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 4. **[10A.202] ELECTIONEERING COMMUNICATION; REPORTING REQUIREMENTS.**

Subdivision 1. **Reports required.** Any person who has made an electioneering communication, as defined in section 10A.201, aggregating in excess of \$10,000 during any calendar year shall file a statement with the board no later than 11:59 p.m. on the day following the disclosure date. The statement shall be filed under penalty of perjury, and must contain the information set forth in subdivision 2. Political committees that make a communication described in section 10A.201 must report the communication as a campaign expenditure or independent expenditure as otherwise provided by this chapter and are not required to file a report under this section.

Subd. 2. **Content of report.** A statement of electioneering communications required by this section shall disclose the following information:

(1) the identification of the person who made the disbursement or who executed a contract to make a disbursement and, if the person is not an individual, the person's principal place of business;

(2) the identification of any individual sharing or exercising direction or control over the activities of the person who made the disbursement or who executed a contract to make a disbursement;

(3) the identification of the custodian of the books and accounts from which the disbursements were made;

(4) the amount of each disbursement, or amount obligated, of more than \$200 during the period covered by the statement, the date the disbursement was made or the contract was executed, and the identification of the person to whom that disbursement was made;

(5) all clearly identified candidates referred to in the electioneering communication and the elections in which they are candidates;

(6) the disclosure date;

(7) if the disbursements were paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each donor who donated an amount aggregating \$1,000 or more to the segregated bank account, aggregating since the first day of the preceding calendar year;

(8) if the disbursements were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, and were not made by a corporation or labor organization, the name and address of each donor who donated an amount aggregating \$1,000 or more to the person making the disbursement, aggregating since the first day of the preceding calendar year; and

(9) if the disbursements were made by a corporation or labor organization and were not paid exclusively from a segregated bank account consisting of funds provided solely by persons other than national banks, corporations organized by federal law or the laws of this state, or foreign nationals, the name and address of each person who made a donation aggregating \$1,000 or more to the corporation or labor organization, aggregating since the first day of the preceding calendar year, which was made for the purpose of furthering electioneering communications.

Subd. 3. **Recordkeeping.** All persons who make electioneering communications or who accept donations for the purpose of making electioneering communications must maintain records as necessary to comply with the requirements of this section.

Subd. 4. **Disclaimer required.** An electioneering communication must include a disclaimer in the same manner as required for campaign material under section 211B.04, subdivision 1, paragraph (c).

Subd. 5. **Late fees; failure to file; penalties.** A person who fails to file a report required by this section is subject to the late fees and penalties provided in section 10A.20, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 5. Minnesota Statutes 2022, section 10A.244, is amended to read:

10A.244 VOLUNTARY INACTIVE STATUS; POLITICAL FUNDS.

Subdivision 1. **Election of voluntary inactive status.** An association that has a political fund registered under this chapter may elect to have the fund placed on voluntary inactive status if the following conditions are met:

(1) the association makes a written request for inactive status;

(2) the association has filed all periodic reports required by this chapter and has received no contributions into its political fund and made no expenditures or disbursements, including disbursements for electioneering communications, through its political fund since the last date included on the association's most recent report; and

(3) the association has satisfied all obligations to the state for late filing fees and civil penalties imposed by the board or the board has waived this requirement.

Subd. 2. **Effect of voluntary inactive status.** After an association has complied with the requirements of subdivision 1:

(1) the board must notify the association that its political fund has been placed in voluntary inactive status and of the terms of this section;

(2) the board must stop sending the association reports, forms, and notices of report due dates that are periodically sent to entities registered with the board;

(3) the association is not required to file periodic disclosure reports for its political fund as otherwise required under this chapter;

(4) the association may not accept contributions into its political fund and may not make expenditures, contributions, or disbursements, including disbursements for electioneering communications, through its political fund; and

(5) if the association maintains a separate depository account for its political fund, it may continue to pay bank service charges and receive interest paid on that account while its political fund is in inactive status.

Subd. 3. **Resumption of active status or termination.** (a) An association that has placed its political fund in voluntary inactive status may resume active status upon written notice to the board.

(b) A political fund placed in voluntary inactive status must resume active status within 14 days of the date that it has accepted contributions or made expenditures, contributions, or disbursements, including disbursements for electioneering communications, that aggregate more than \$750 since the political fund was placed on inactive status. If, after meeting this threshold, the association does not notify the board that its fund has resumed active status, the board may place the association's political fund in active status and notify the association of the change in status.

(c) An association that has placed its political fund in voluntary inactive status may terminate the registration of the fund without returning it to active status.

Subd. 4. **Penalty for financial activity while in voluntary inactive status.** If an association fails to notify the board of its political fund's resumption of active status under subdivision 3, the board may impose a civil penalty of \$50 per day, not to exceed \$1,000 commencing on the 15th calendar day after the fund resumed active status.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date.

Sec. 6. Minnesota Statutes 2022, section 10A.25, subdivision 3a, is amended to read:

Subd. 3a. **Independent expenditures and electioneering communications.** The principal campaign committee of a candidate must not make independent expenditures or disbursements for electioneering communications. If the principal campaign committee of a candidate makes a contribution to an independent expenditure committee or independent expenditure fund on or after January 1 of the year the candidate's office will appear on the ballot, the independent expenditure committee or independent expenditure fund must not make an independent expenditure for that candidate.

EFFECTIVE DATE. This section is effective January 1, 2024, and applies to expenditures and electioneering communications made on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Neu Brindley moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 4, line 7, before "An" insert "(a)"

Page 4, after line 13, insert:

"(b) Notwithstanding paragraph (a), an individual who has been convicted of a felony must not be permitted to preregister to vote."

A roll call was requested and properly seconded.

POINT OF ORDER

Neu Brindley raised a point of order pursuant to section 61 of "Mason's Manual of Legislative Procedure," relating to Interruption of Members Speaking. Speaker pro tempore Wolgamott ruled the point of order well taken.

The question recurred on the Neu Brindley amendment and the roll was called. There were 59 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudella	Mueller	Olson, B.	Skraba
Anderson, P. H.	Dotseth	Hudson	Murphy	O'Neill	Swedzinski
Bakeberg	Engen	Igo	Myers	Perryman	Torkelson
Baker	Fogelman	Jacob	Nadeau	Petersburg	Urdahl
Bennett	Franson	Joy	Nash	Pfarr	West
Bliss	Garofalo	Knudsen	Nelson, N.	Quam	Wiener
Burkel	Gillman	Koznick	Neu Brindley	Robbins	Wiens
Daniels	Grossell	Kresha	Niska	Schomacker	Witte
Davids	Harder	McDonald	Novotny	Schultz	Zeleznikar
Davis	Heintzeman	Mekeland	O'Driscoll	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Richardson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Sencer-Mura
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Smith
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Stephenson
Berg	Fischer	Hill	Kraft	Olson, L.	Tabke
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Vang
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

The motion did not prevail and the amendment was not adopted.

Quam moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 1, after line 17, insert:

"Section 1. Minnesota Statutes 2022, section 13.607, is amended by adding a subdivision to read:

Subd. 6a. **Registered voter lists.** Data on registered voters is governed by section 201.022, subdivision 4.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to requests for data made on or after that date."

Page 3, after line 13, insert:

"Sec. 3. Minnesota Statutes 2022, section 201.022, is amended by adding a subdivision to read:

Subd. 4. **Data.** (a) Except as provided in this subdivision, all data in the statewide voter registration system is public data on individuals, as defined in section 13.02, subdivision 15.

(b) The following data is private data on individuals, as defined in section 13.02, subdivision 12: a voter's date of birth, driver's license number, identification card number, military identification card number, passport number, or any part of a voter's Social Security number.

(c) Information maintained on the presidential primary political party list required by section 201.091, subdivision 4a, is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.

(d) Upon receipt of a statement signed by the voter that withholding the voter's name from the public is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public the name of the registered voter. Data withheld pursuant to this paragraph is private data on individuals, as defined in section 13.02, subdivision 12.

(e) Any person requesting public data must state in writing that any information obtained from the statewide voter registration system will not be used for purposes unrelated to elections, political activities, or law enforcement.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to requests for data made on or after that date."

Page 7, delete section 8 and insert:

"Sec. 8. Minnesota Statutes 2022, section 201.091, subdivision 4, is amended to read:

Subd. 4. **Public information lists.** The county auditor shall make available for inspection a public information list which must contain the name, address, year of birth, and voting history of each registered voter in the county. Data on applicants submitted pursuant to section 201.061, subdivision 1b, are not part of the public information list until the voter is registered or has voting history. The list must not include ~~the party choice of any voter who voted in a presidential nomination primary.~~ data classified as private data on individuals pursuant to section 201.022, subdivision 4. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists ~~and other information from the statewide registration system~~ for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

~~Upon receipt of a statement signed by the voter that withholding the voter's name from the public information list is required for the safety of the voter or the voter's family, the secretary of state and county auditor must withhold from the public information list the name of a registered voter.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to requests for data made on or after that date.

Sec. 9. Minnesota Statutes 2022, section 201.091, subdivision 4a, is amended to read:

Subd. 4a. **Presidential nomination primary political party list.** The secretary of state must maintain a list of the voters who voted in a presidential nomination primary and the political party each voter selected. ~~Information maintained on the list is private data on individuals as defined under section 13.02, subdivision 12, except that the secretary of state must provide the list to the chair of each major political party.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to requests for data made on or after that date.

Sec. 10. Minnesota Statutes 2022, section 201.091, is amended by adding a subdivision to read:

Subd. 10. **Requests for data.** Nothing in this section prevents a person from requesting public data as described in section 201.022, subdivision 4.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to requests for data made on or after that date."

Page 20, after line 14, insert:

"Sec. 20. **REPEALER.**

Minnesota Statutes 2022, sections 13.607, subdivision 6; and 201.091, subdivision 9, are repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Keeler was excused between the hours of 4:35 p.m. and 9:20 p.m.

Altendorf moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 24, after line 27, insert:

"(c) An individual residing outside of Minnesota, or any entity headquartered outside of Minnesota, must not make a contribution to a political committee, political fund, or party unit. A political committee, political fund, or party unit must not accept a contribution that is prohibited by this paragraph."

The motion did not prevail and the amendment was not adopted.

Niska moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 25, line 15, delete "one" and insert "50"

Page 25, line 16, after the semicolon, insert "or"

Page 25, line 18, delete "five" and insert "50"

Page 25, line 19, delete the semicolon and insert a period

Page 25, delete lines 20 to 23

Page 27, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Niska amendment and the roll was called. There were 59 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudella	Mueller	Olson, B.	Skraba
Anderson, P. H.	Dotseth	Hudson	Murphy	O'Neill	Swedzinski
Bakeberg	Engen	Igo	Myers	Perryman	Torkelson
Baker	Fogelman	Jacob	Nadeau	Petersburg	Urdahl
Bennett	Franson	Joy	Nash	Pfarr	West
Bliss	Garofalo	Knudsen	Nelson, N.	Quam	Wiener
Burkel	Gillman	Koznick	Neu Brindley	Robbins	Wiens
Daniels	Grossell	Kresha	Niska	Schomacker	Witte
Davids	Harder	McDonald	Novotny	Schultz	Zeleznikar
Davis	Heintzeman	Mekeland	O'Driscoll	Scott	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Koegel	Newton	Sencer-Mura
Agbaje	Elkins	Hemmingsen-Jaeger	Kotyza-Witthuhn	Noor	Smith
Bahner	Feist	Her	Kozlowski	Norris	Stephenson
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Tabke
Berg	Fischer	Hill	Lee, F.	Pelowski	Vang
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Klevorn	Nelson, M.	Richardson	

The motion did not prevail and the amendment was not adopted.

Gillman was excused for the remainder of today's session.

Niska moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 25, line 13, delete "clause (1) or (3)" and insert "or labor union"

Page 25, line 20, delete "or"

Page 25, line 23, delete the period and insert a semicolon

Page 25, after line 23, insert:

"(4) in the case of a nonprofit corporation:

(i) five percent or more of the membership of the board of directors or other governing body of the nonprofit corporation are individuals who are not United States citizens;

(ii) five percent or more of the nonprofit corporation's annual contribution receipts are from individuals who are not United States citizens or entities that are not headquartered in the United States; or

(iii) five percent or more of the nonprofit corporation's total contributors, regardless of the amount of each contribution, are individuals who are not United States citizens or entities that are not headquartered in the United States; or

(5) in the case of a labor union, five percent or more of the total union membership consists of individuals who are not United States citizens."

Page 26, line 20, after the semicolon, insert "or"

Page 26, line 22, delete the semicolon and insert a period

Page 26, delete lines 23 to 25

Page 27, line 4, delete "clause (1) or (3)."

Page 27, line 9, after "officer" insert ", executive director, or labor union manager, as applicable."

Page 27, line 12, delete "the" and insert "a for profit"

A roll call was requested and properly seconded.

Hemmingsen-Jaeger was excused between the hours of 6:00 p.m. and 8:55 p.m.

The question was taken on the Niska amendment and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Altendorf	Daniels	Franson	Hudson	McDonald	Nelson, N.
Anderson, P. H.	Davids	Garofalo	Igo	Mekeland	Neu Brindley
Bakeberg	Davis	Grossell	Jacob	Mueller	Niska
Baker	Demuth	Harder	Joy	Murphy	Novotny
Bennett	Dotseth	Heintzeman	Knudsen	Myers	O'Driscoll
Bliss	Engen	Hill	Koznick	Nadeau	Olson, B.
Burkel	Fogelman	Hudella	Kresha	Nash	O'Neill

Perryman	Quam	Schultz	Torkelson	Wiener	Zeleznikar
Petersburg	Robbins	Scott	Urdahl	Wiens	
Pfarr	Schomacker	Skraba	West	Witte	

Those who voted in the negative were:

Acomb	Curran	Hansen, R.	Klevorn	Moller	Rehm
Agbaje	Edelson	Hanson, J.	Koegel	Nelson, M.	Reyer
Bahner	Elkins	Hassan	Kotyza-Witthuhn	Newton	Richardson
Becker-Finn	Feist	Her	Kozlowski	Noor	Sencer-Mura
Berg	Finke	Hicks	Kraft	Norris	Smith
Bierman	Fischer	Hollins	Lee, F.	Olson, L.	Stephenson
Brand	Frazier	Hornstein	Lee, K.	Pelowski	Tabke
Carroll	Frederick	Howard	Liebling	Pérez-Vega	Wolgamott
Cha	Freiberg	Huot	Lillie	Pinto	Xiong
Clardy	Gomez	Hussein	Lislegard	Pryor	Youakim
Coulter	Greenman	Jordan	Long	Pursell	Spk. Hortman

The motion did not prevail and the amendment was not adopted.

Davis moved to amend H. F. No. 3, the fifth engrossment, as amended, as follows:

Page 3, after line 13, insert:

"Sec. 3. Minnesota Statutes 2022, section 171.072, is amended to read:

171.072 TRIBAL IDENTIFICATION CARD.

(a) If a Minnesota identification card is deemed an acceptable form of identification in Minnesota Statutes or Rules, a tribal identification card is also an acceptable form of identification. A tribal identification card is a primary document for purposes of Minnesota Rules, part 7410.0400, and successor rules, when an applicant applies for a noncompliant license or identification card.

(b) For purposes of this section, "tribal identification card" means an unexpired identification card issued by a Minnesota tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the legal name, date of birth, signature, and picture of the enrolled tribal member.

(c) The tribal identification card must contain security features that make it as impervious to alteration as is reasonably practicable in its design and quality of material and technology. The security features must use materials that are not readily available to the general public. The tribal identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

(d) ~~Except as provided in paragraph (a), the requirements of this section do not apply: (1) except as provided in paragraph (a), to an application for a driver's license or Minnesota identification card under this chapter; or (2) to tribal identification cards used to prove an individual's residence for purposes of section 201.061, subdivision 3.~~

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Page 4, after line 4, insert:

"Sec. 5. Minnesota Statutes 2022, section 201.061, subdivision 1a, is amended to read:

Subd. 1a. **Incomplete registration by mail.** ~~If the county auditor determines that a voter who has submitted a voter registration application by mail has not previously voted in this state for a federal office and has also not presented a document authorized for election day registration in section 201.061, subdivision 3, to the county auditor, and the county auditor is unable to verify the voter's driver's license, state identification, or last four digits of the voter's Social Security number as provided by the voter on the voter registration application whether the voter is eligible to vote,~~ then the county auditor must notify the voter that the registration is incomplete and to complete registration by using one of the following methods:

(1) ~~presenting to the auditor~~ submitting a completed voter registration application more than 20 days before the election ~~a document authorized for election day registration in section 201.061, subdivision 3;~~

(2) registering in person before or on election day; or

(3) if voting by absentee ballot or by mail, following election day registration procedures for absentee voters as described in section 203B.04, subdivision 4; ~~or~~

(4) ~~providing proof of residence by any of the methods authorized for election day registration in section 201.061, subdivision 3.~~

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 4, after line 14, insert:

"Sec. 6. Minnesota Statutes 2022, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, ~~by and completing a voter registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:~~ and

(1) ~~presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;~~

(2) ~~presenting any document approved by the secretary of state as proper identification;~~

(3) ~~presenting one of the following:~~

(i) ~~a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or~~

(ii) ~~a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or~~

(4) ~~having a voter who is registered to vote in the precinct, or an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to eight proof of residence~~

~~oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof of residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof of residence oaths. For each proof of residence oath, the form must include a statement that the individual: (i) is registered to vote in the precinct or is an employee of a residential facility in the precinct, (ii) personally knows that the voter is a resident of the precinct, and (iii) is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.~~

~~The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.~~

~~(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.~~

~~(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; setting authorized to provide housing support as defined in section 256L.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.~~

~~(d) For tribal band members, an individual may prove residence for purposes of registering by:~~

~~(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or~~

~~(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B. For purposes of registration under this subdivision, the voter registration application must be printed on or affixed to a provisional ballot envelope and contain the information required by section 201.071, subdivision 1. An individual who registers on election day is entitled to cast a provisional ballot pursuant to section 204C.135.~~

~~(e) (b) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.~~

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 7. Minnesota Statutes 2022, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration at the polling place on election day shall be conducted by the election judges. Before registering an individual to vote at the polling place, the election judge must review any list of absentee election day registrants provided by the county auditor or municipal clerk to see if the person has already voted by absentee ballot. If the person's name appears on the list, the election judge must not

allow the individual to register or to vote in the polling place. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration applications ~~and forms for oaths~~ shall be available at each polling place. ~~If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the individual's registration application. Registration applications completed on election day shall be forwarded to the county auditor who shall add the name of each voter to the registration system unless the information forwarded is substantially deficient. A county auditor who finds an election day registration substantially deficient shall give written notice to the individual whose registration is found deficient. An election day registration shall not be found deficient solely because the individual who provided proof of residence was ineligible to do so.~~

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 8, after line 7, insert:

"Sec. 9. Minnesota Statutes 2022, section 201.121, subdivision 1, is amended to read:

Subdivision 1. **Entry of registration information.** (a) At the time a voter registration application is properly completed, submitted, and received in accordance with sections 201.061 and 201.071, the county auditor shall enter the information contained on it into the statewide registration system. Voter registration applications completed before election day must be entered into the statewide registration system within ten days after they have been submitted to the county auditor, but no later than three days after the election. ~~Voter registration applications completed on election day must be entered into the statewide registration system within 42 as soon as possible, but no later than three days after the election, unless the county auditor notifies the secretary of state before the deadline has expired that the deadline will not be met. Upon receipt of a notification under this paragraph, the secretary of state must extend the deadline for that county auditor by an additional 28 days. The secretary of state may waive a county's obligations under this paragraph if, on good cause shown, the county demonstrates its permanent inability to comply.~~

~~The secretary of state must post data on each county's compliance with this paragraph on the secretary of state's website including, as applicable, the date each county fully complied or the deadline by which a county's compliance must be complete.~~

(b) Upon receiving a completed voter registration application, the secretary of state may electronically transmit the information on the application to the appropriate county auditor as soon as possible for review by the county auditor before final entry into the statewide registration system. The secretary of state may mail the voter registration application to the county auditor.

(c) Within ten days after the county auditor has entered information from a voter registration application into the statewide registration system, the secretary of state shall compare the voter's name, date of birth, and driver's license number, state identification number, or the last four digits of the Social Security number with the same information contained in the Department of Public Safety database. For applications received on election day, this must be completed within three days after the county auditor or municipal clerk has entered the information into the statewide voter registration system.

(d) The secretary of state shall provide a report to the county auditor on a weekly basis that includes a list of voters whose name, date of birth, or identification number have been compared with the same information in the Department of Public Safety database and cannot be verified as provided in this subdivision. The report must list separately those voters who have submitted a voter registration application by mail and have not voted in a federal election in this state. For the six days following an election, the secretary of state must provide this report daily to county auditors and municipal clerks.

(e) The county auditor shall compile a list of voters for whom the county auditor and the secretary of state are unable to conclude that information on the voter registration application and the corresponding information in the Department of Public Safety database relate to the same person.

(f) The county auditor shall send a notice of incomplete registration to any voter whose name appears on the list and change the voter's status to "incomplete." A voter who receives a notice of incomplete registration from the county auditor may either provide the information required to complete the registration at least 21 days before the next election or at the polling place on election day.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 13, after line 13, insert:

"Sec. 11. Minnesota Statutes 2022, section 201.225, subdivision 2, is amended to read:

Subd. 2. **Technology requirements.** An electronic roster must:

(1) be able to be loaded with a data file that includes voter registration data in a file format prescribed by the secretary of state;

(2) allow for data to be exported in a file format prescribed by the secretary of state;

(3) allow for data to be entered manually or by scanning a Minnesota driver's license or identification card to locate a voter record or populate a voter registration application that would be printed and signed and dated by the voter. ~~The printed registration application can be either a printed form, labels printed with voter information to be affixed to a preprinted form, or a combination of both~~ and affixed to the provisional ballot envelope;

(4) allow an election judge to update data that was populated from a scanned driver's license or identification card;

(5) cue an election judge to ask for and input data that is not populated from a scanned driver's license or identification card that is otherwise required to be collected from the voter or an election judge;

(6) immediately alert the election judge if the voter has provided information that indicates that the voter is not eligible to vote;

(7) immediately alert the election judge if the electronic roster indicates that a voter has already voted in that precinct, the voter's registration status is challenged, or it appears the voter resides in a different precinct;

(8) provide immediate instructions on how to resolve a particular type of challenge when a voter's record is challenged;

(9) provide for a printed voter signature certificate, containing the voter's name, address of residence, date of birth, voter identification number, the oath required by section 204C.10, and a space for the voter's original signature. The printed voter signature certificate can be either a printed form or a label printed with the voter's information to be affixed to the oath;

(10) contain only preregistered voters within the precinct, and not contain preregistered voter data on voters registered outside of the precinct;

(11) be only networked within the polling location on election day, except for the purpose of updating absentee ballot records;

(12) meet minimum security, reliability, and networking standards established by the Office of the Secretary of State in consultation with the Department of Information Technology Services;

(13) be capable of providing a voter's correct polling place; and

(14) perform any other functions necessary for the efficient and secure administration of the participating election, as determined by the secretary of state.

Electronic rosters used only for election day registration do not need to comply with clauses (1), (8), and (10). Electronic rosters used only for preregistered voter processing do not need to comply with clauses (4) and (5).

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 12. Minnesota Statutes 2022, section 201.225, subdivision 5, is amended to read:

Subd. 5. **Election day.** (a) Precincts may use electronic rosters for election day registration, to process preregistered voters, or both. ~~The printed election day registration applications must be reviewed when electronic records are processed in the statewide voter registration system.~~ The election judges shall determine the number of ballots to be counted by counting the number of original voter signature certificates or the number of voter receipts.

(b) Each precinct using electronic rosters shall have a paper backup system approved by the secretary of state present at the polling place to use in the event that the election judges are unable to use the electronic roster.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 14, after line 31, insert:

"Sec. 12. Minnesota Statutes 2022, section 203B.04, subdivision 4, is amended to read:

Subd. 4. **Registration at time of application.** An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by ~~including~~ submitting a completed voter registration application with the absentee ballot. ~~The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. If the absentee ballot and voter registration application are returned by mail, the voter registration must be placed into the return envelope along with the signature envelope.~~ A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 17, after line 21, insert:

"Sec. 15. Minnesota Statutes 2022, section 203B.07, subdivision 3, is amended to read:

Subd. 3. **Eligibility certificate.** A certificate of eligibility to vote by absentee ballot shall be printed on the back of the return envelope. The certificate shall contain space for the voter's Minnesota driver's license number, state identification number, or the last four digits of the voter's Social Security number, or to indicate that the voter does not have one of these numbers. The space must be designed to ensure that the voter provides the same type of identification as provided on the voter's absentee ballot application for purposes of comparison. The certificate must also contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot and space for a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:

(1) the ballots were displayed to that individual unmarked; and

(2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; ~~and~~

~~(3) if the voter was not previously registered, the voter has provided proof of residence as required by section 201.061, subdivision 3.~~

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 16. Minnesota Statutes 2022, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** (a) When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope ~~and~~. The county auditor must open the return envelope to determine if a voter registration application is in the envelope. If a voter registration application is in the envelope, the county auditor must remove the voter registration application. The county auditor must reseal the return envelope, initial across the seal, and note that a voter registration application was removed from the envelope. The county auditor must place all return envelopes in a locked ballot container or other secured and locked space with other return envelopes received by that office. Except for voter registration applications removed pursuant to this section, all contents of the return envelope must remain in the return envelope until delivered to the ballot board.

(b) Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service, shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

(c) Upon removing the voter registration application as required by paragraph (a), the county auditor must promptly process the voter registration application as provided in section 201.121, subdivisions 1 and 2.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 17. Minnesota Statutes 2022, section 203B.081, subdivision 3, is amended to read:

Subd. 3. **Alternative procedure.** (a) The county auditor may make available a ballot counter and ballot box for use by ~~the preregistered~~ voters during the seven days before the election. If a ballot counter and ballot box is provided, a voter must be given the option either (1) to vote using the process provided in section 203B.08, subdivision 1, or (2) to vote in the manner provided in this subdivision.

(b) If a voter chooses to vote in the manner provided in this subdivision, the voter must state the voter's name, address, and date of birth to the county auditor or municipal clerk. The voter shall sign a voter's certificate, which must include the voter's name, identification number, and the certification required by section 201.071, subdivision 1. The signature of an individual on the voter's certificate and the issuance of a ballot to the individual is evidence of the intent of the individual to vote at that election.

(c) After signing the voter's certificate, the voter shall be issued a ballot and immediately retire to a voting station or other designated location in the polling place to mark the ballot. The ballot must not be taken from the polling place. If the voter spoils the ballot, the voter may return it to the election official in exchange for a new ballot. After completing the ballot, the voter shall deposit the ballot into the ballot box.

(d) The election official must immediately record that the voter has voted in the manner provided in section 203B.121, subdivision 3.

(e) The election duties required by this subdivision must be performed by the county auditor, municipal clerk, or a deputy of the auditor or clerk.

(f) If a person is not registered to vote, the person must not be allowed to cast an absentee ballot using the alternative procedure authorized by this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 18, line 24, strike everything after "precinct"

Page 18, line 25, strike everything before the semicolon

Page 19, after line 30, insert:

"Sec. 18. Minnesota Statutes 2022, section 204C.07, subdivision 3a, is amended to read:

Subd. 3a. **Residence requirement.** A challenger must be a resident of this state. Appointed challengers seeking admission to a polling place to serve in that capacity must prove their status as a resident of this state by presenting ~~one of the documents listed in section 201.061, subdivision 3. a driver's license or Minnesota identification card issued pursuant to section 171.07, any document approved by the secretary of state as proper identification, or one of the following:~~

(1) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(2) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card.

Challengers need not prove residence in the precinct in which they seek to act as a challenger.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 19. **[204C.135] PROVISIONAL BALLOTS.**

Subdivision 1. Casting provisional ballots. (a) A voter who registered on election day pursuant to section 201.061, subdivision 3, is entitled to cast a provisional ballot.

(b) A voter seeking to cast a provisional ballot must sign a provisional ballot roster or a provisional voter signature certificate and complete the voter registration application on the provisional ballot envelope. The voter registration application may be completed by an electronic roster and affixed to the provisional ballot envelope. The voter must also swear or affirm in writing that the voter is eligible to vote, has not voted previously in the same election, and meets the criteria for registering to vote in the precinct in which the voter appears.

(c) Once the voter has completed the provisional ballot envelope, the voter must be allowed to cast a provisional ballot. The provisional ballot must be in the same form as the official ballot available in the precinct on election day. A completed provisional ballot shall be sealed in a secrecy envelope. The secrecy envelope shall be sealed inside the voter's provisional ballot envelope and deposited by the voter in a secure, sealed provisional ballot box. Completed provisional ballots must not be combined with other voted ballots in the polling place.

(d) The secretary of state must prescribe the form of the secrecy and provisional ballot envelopes. The provisional ballot envelope must be a color other than that provided for absentee ballot envelopes and must be prominently labeled "Provisional Ballot Envelope."

(e) Provisional ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk in the same manner as required for other election materials under sections 204C.27 and 204C.28.

Subd. 2. **Accepting or rejecting provisional ballot envelopes.** (a) Beginning four days after the election and finishing no later than seven days after the election, the county auditor or municipal clerk must process each applicant's provisional ballot envelope. If the applicant is registered to vote, that voter's provisional ballot envelope must be accepted. The county auditor or municipal clerk must mark the provisional ballot envelope "Accepted" and initial or sign the envelope below the word "Accepted." If the applicant is not registered to vote, the provisional ballot envelope must be rejected. If a provisional ballot envelope is rejected, the county auditor or municipal clerk must mark the provisional ballot envelope "Rejected," initial or sign it below the word "Rejected," and list the reason for rejection on the envelope. The county auditor or municipal clerk must promptly record in the statewide voter registration system that a voter's provisional ballot envelope has been accepted or rejected.

(b) The county auditor or municipal clerk must mail the voter a written notice of provisional ballot rejection between six and ten weeks following the election. The notice must include the reason for rejection and the name of the appropriate election official to whom the voter may direct further questions, along with appropriate contact information.

(c) A provisional ballot envelope marked "Rejected" may not be opened or subject to further review except in an election contest filed pursuant to chapter 209.

Subd. 3. **Provisional ballots; reconciliation.** On the seventh day after the election and prior to counting any provisional ballots in the final vote totals from a precinct, the county auditor or municipal clerk must verify that the number of signatures appearing on the provisional ballot roster from that precinct is equal to or greater than the number of provisional ballots submitted by voters in the precinct on election day. Any discrepancy must be resolved before the provisional ballots from the precinct may be counted. Excess provisional ballots must be randomly withdrawn from the accepted provisional ballots in the manner required by section 204C.20, subdivision 2.

Subd. 4. **Counting provisional ballots.** Once the reconciliation process required by subdivision 3 is completed, accepted provisional ballot envelopes must be opened; duplicated as needed in the manner provided in section 206.86, subdivision 5; initialed by the members of the ballot board; and deposited in the appropriate ballot box. If more than one ballot is enclosed in the ballot envelope, the ballots must be spoiled and must not be counted.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 20. Minnesota Statutes 2022, section 204C.32, is amended to read:

204C.32 CANVASS OF STATE PRIMARIES.

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office on ~~either the second or third~~ the tenth day following the state primary. After taking the oath of office, the canvassing board shall publicly canvass the election returns delivered to the county auditor. The board shall complete the canvass by the ~~third~~ tenth day following the state primary and shall promptly prepare and file with the county auditor a report that states:

(a) the number of individuals voting at the election in the county, and in each precinct;

(b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;

(c) for each major political party, the names of the candidates running for each partisan office and the number of votes received by each candidate in the county and in each precinct;

(d) the names of the candidates of each major political party who are nominated; and

(e) the number of votes received by each of the candidates for nonpartisan office in each precinct in the county and the names of the candidates nominated for nonpartisan office.

Upon completion of the canvass, the county auditor shall mail or deliver a notice of nomination to each nominee for county office voted for only in that county. The county auditor shall transmit one of the certified copies of the county canvassing board report for state and federal offices to the secretary of state by express mail or similar service immediately upon conclusion of the county canvass. The secretary of state shall mail a notice of nomination to each nominee for state or federal office.

Subd. 2. **State canvass.** The State Canvassing Board shall meet at a public meeting space located in the Capitol complex area ~~seven~~ 14 days after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. Immediately after the canvassing board declares the results, the secretary of state shall certify the names of the nominees to the county auditors. The secretary of state shall mail to each nominee a notice of nomination.

Sec. 21. Minnesota Statutes 2022, section 204C.33, subdivision 1, is amended to read:

Subdivision 1. **County canvass.** The county canvassing board shall meet at the county auditor's office between the ~~third tenth~~ and ~~tenth~~ 17th days following the state general election. After taking the oath of office, the board shall promptly and publicly canvass the general election returns delivered to the county auditor. Upon completion of the canvass, the board shall promptly prepare and file with the county auditor a report which states:

(a) the number of individuals voting at the election in the county and in each precinct;

(b) the number of individuals registering to vote on election day and the number of individuals registered before election day in each precinct;

(c) the names of the candidates for each office and the number of votes received by each candidate in the county and in each precinct;

(d) the number of votes counted for and against a proposed change of county lines or county seat; and

(e) the number of votes counted for and against a constitutional amendment or other question in the county and in each precinct.

The result of write-in votes cast on the general election ballots must be compiled by the county auditor before the county canvass, except that write-in votes for a candidate for federal, state, or county office must not be counted unless the candidate has timely filed a request under section 204B.09, subdivision 3. The county auditor shall arrange for each municipality to provide an adequate number of election judges to perform this duty or the county auditor may appoint additional election judges for this purpose. The county auditor may open the envelopes or containers in which the voted ballots have been sealed in order to count and record the write-in votes and must reseal the voted ballots at the conclusion of this process. The county auditor must prepare a separate report of votes received by precinct for write-in candidates for federal, state, and county offices who have requested under section 204B.09 that votes for those candidates be tallied.

Upon completion of the canvass, the county canvassing board shall declare the candidate duly elected who received the highest number of votes for each county and state office voted for only within the county. The county auditor shall transmit a certified copy of the county canvassing board report for state and federal offices to the secretary of state by messenger, express mail, or similar service immediately upon conclusion of the county canvass.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 22. Minnesota Statutes 2022, section 204C.37, is amended to read:

204C.37 COUNTY CANVASS; RETURN OF REPORTS TO SECRETARY OF STATE.

A copy of the report required by sections 204C.32, subdivision 1, and 204C.33, subdivision 1, shall be certified under the official seal of the county auditor. The copy shall be enclosed in an envelope addressed to the secretary of state, with the county auditor's name and official address and the words "Election Returns" endorsed on the envelope. The copy of the canvassing board report must be sent by express mail or delivered to the secretary of state. If the copy is not received by the secretary of state within ~~ten~~ 17 days following ~~the applicable election a primary election, or within 24 days following a general election,~~ the secretary of state shall immediately notify the county auditor, who shall deliver another copy to the secretary of state by special messenger.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 23. Minnesota Statutes 2022, section 205.065, subdivision 5, is amended to read:

Subd. 5. **Results.** The municipal primary shall be conducted and the returns made in the manner provided for the state primary so far as practicable. ~~The canvass may be conducted on either the second or third day after the primary.~~

The governing body of the municipality shall canvass the returns on the tenth day after the primary, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to the office, who receive the highest number of votes, shall be the nominees for the office named. Their names shall be certified to the municipal clerk who shall place them on the municipal general election ballot without partisan designation and without payment of an additional fee.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 24. Minnesota Statutes 2022, section 205.185, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** (a) Between the ~~third tenth~~ and ~~tenth~~ 17th days after an election, the governing body of a city conducting any election including a special municipal election, or the governing body of a town conducting the general election in November shall act as the canvassing board, canvass the returns, and declare the results of the election. The governing body of a town conducting the general election in March shall act as the canvassing board, canvass the returns, and declare the results of the election within ~~two~~ nine days after an election.

(b) After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court.

(c) In case of a tie vote, the canvassing board having jurisdiction over the municipality shall determine the result by lot. The clerk of the canvassing board shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 25. Minnesota Statutes 2022, section 205A.03, subdivision 4, is amended to read:

Subd. 4. **Results.** ~~(a)~~ The school district primary must be conducted and the returns made in the manner provided for the state primary as far as practicable. ~~If the primary is conducted:~~

~~(1) only within that school district, a canvass may be conducted on either the second or third day after the primary; or~~

~~(2) in conjunction with the state primary, the canvass must be conducted on the third day after the primary, except as otherwise provided in paragraph (b).~~

On the tenth day after the primary, the school board of the school district shall canvass the returns, and the two candidates for each specified school board position who receive the highest number of votes, or a number of candidates equal to twice the number of individuals to be elected to at-large school board positions who receive the highest number of votes, are the nominees for the office named. Their names must be certified to the school district clerk who shall place them on the school district general election ballot without partisan designation and without payment of an additional fee.

~~(b) Following a school district primary as described in paragraph (a), clause (2), a canvass may be conducted on the second day after the primary if the county auditor of each county in which the school district is located agrees to administratively review the school district's primary voting statistics for accuracy and completeness within a time that permits the canvass to be conducted on that day.~~

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date.

Sec. 26. Minnesota Statutes 2022, section 205A.10, subdivision 3, is amended to read:

Subd. 3. **Canvass of returns, certificate of election, ballots, disposition.** Between the ~~third tenth~~ and ~~tenth~~ 17th days after a school district election other than a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59, the school board shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the school district clerk shall issue a certificate of election to each successful candidate. If there is a contest, the certificate of election to that office must not be issued until the outcome of the contest has been determined by the proper court. If there is a tie vote, the school board shall determine the result by lot. The clerk shall deliver the certificate of election to the successful candidate by personal service or certified mail. The successful candidate shall file an acceptance and oath of office in writing with the clerk within 30 days of the date of mailing or personal service. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but that filing may be made at any time before action to fill the vacancy has been taken. The school district clerk shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

A school district canvassing board shall perform the duties of the school board according to the requirements of this subdivision for a recount of a special election conducted under section 126C.17, subdivision 9, or 475.59.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Page 20, after line 14, insert:

"Sec. 20. **PUBLIC AWARENESS CAMPAIGN; SECRETARY OF STATE.**

The secretary of state must conduct a public awareness campaign to encourage people to register to vote prior to election day. At a minimum, the secretary of state must conduct the public awareness campaign in each even-numbered year from June 1 until the voter registration period ends prior to the state general election.

Sec. 21. **REPEALER.**

Minnesota Statutes 2022, sections 135A.17, subdivision 2; 201.061, subdivision 7; and 201.121, subdivision 3, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2024 and applies to elections held on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Swedzinski was excused for the remainder of today's session.

The question was taken on the Davis amendment and the roll was called. There were 57 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Demuth	Hudson	Murphy	O'Neill	Torkelson
Anderson, P. H.	Dotseth	Igo	Myers	Perryman	Urdahl
Bakeberg	Engen	Jacob	Nadeau	Petersburg	West
Baker	Fogelman	Joy	Nash	Pfarr	Wiener
Bennett	Franson	Knudsen	Nelson, N.	Quam	Wiens
Bliss	Garofalo	Koznick	Neu Brindley	Robbins	Witte
Burkel	Grossell	Kresha	Niska	Schomacker	Zeleznikar
Daniels	Harder	McDonald	Novotny	Schultz	
Davids	Heintzeman	Mekeland	O'Driscoll	Scott	
Davis	Hudella	Mueller	Olson, B.	Skraba	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Kotzya-Witthuhn	Noor	Smith
Agbaje	Elkins	Her	Kozlowski	Norris	Stephenson
Bahner	Feist	Hicks	Kraft	Olson, L.	Tabke
Becker-Finn	Finke	Hill	Lee, F.	Pelowski	Vang
Berg	Fischer	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frazier	Hornstein	Liebling	Pinto	Xiong
Brand	Frederick	Howard	Lillie	Pryor	Youakim
Carroll	Freiberg	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Gomez	Hussein	Long	Rehm	
Clardy	Greenman	Jordan	Moller	Reyer	
Coulter	Hansen, R.	Klevorn	Nelson, M.	Richardson	
Curran	Hanson, J.	Koegel	Newton	Sencer-Mura	

The motion did not prevail and the amendment was not adopted.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Wolgamott.

H. F. No. 3, A bill for an act relating to elections; modifying provisions related to voter registration; absentee voting; requiring voting instructions and sample ballots to be multilingual and interpreters to be provided in certain situations; regulating intimidation, deceptive practices, and interference with voter registration and voting; campaign finance; expanding the definition of express advocacy; providing penalties; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 10A.01, subdivision 16a; 10A.27, subdivision 11; 13.607, by adding a subdivision; 171.06, subdivision 3, as amended; 201.054, subdivisions 1, 2; 201.061, by adding a subdivision; 201.071, subdivision 1, as amended; 201.091, subdivision 4; 201.161; 201.162; 203B.04, subdivisions 1, 5; 203B.06, subdivisions 1, 3; 203B.12, by adding subdivisions; 203B.121, subdivision 2; 211B.15, subdivisions 1, 7b, by adding subdivisions; 211B.32, subdivision 1; Laws 2023, chapter 12, section 9; proposing coding for new law in Minnesota Statutes, chapters 204B; 211B.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Nelson, M.	Richardson
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Newton	Sencer-Mura
Bahner	Feist	Her	Kotyza-Witthuhn	Noor	Smith
Becker-Finn	Finke	Hicks	Kozlowski	Norris	Stephenson
Berg	Fischer	Hill	Kraft	Olson, L.	Tabke
Bierman	Frazier	Hollins	Lee, F.	Pelowski	Vang
Brand	Frederick	Hornstein	Lee, K.	Pérez-Vega	Wolgamott
Carroll	Freiberg	Howard	Liebling	Pinto	Xiong
Cha	Gomez	Huot	Lillie	Pryor	Youakim
Clardy	Greenman	Hussein	Lislegard	Pursell	Spk. Hortman
Coulter	Hansen, R.	Jordan	Long	Rehm	
Curran	Hanson, J.	Keeler	Moller	Reyer	

Those who voted in the negative were:

Altendorf	Demuth	Hudson	Murphy	O'Neill	Torkelson
Anderson, P. H.	Dotseth	Igo	Myers	Perryman	Urdahl
Bakeberg	Engen	Jacob	Nadeau	Petersburg	West
Baker	Fogelman	Joy	Nash	Pfarr	Wiener
Bennett	Franson	Knudsen	Nelson, N.	Quam	Wiens
Bliss	Garofalo	Koznick	Neu Brindley	Robbins	Witte
Burkel	Grossell	Kresha	Niska	Schomacker	Zeleznikar
Daniels	Harder	McDonald	Novotny	Schultz	
Davids	Heintzeman	Mekeland	O'Driscoll	Scott	
Davis	Hudella	Mueller	Olson, B.	Skraba	

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

SUSPENSION OF RULES

Long moved that rule 1.15, paragraph (c), relating to Disposition of Senate Files, be suspended for the purpose of taking the Message from the Senate relating to H. F. No. 1278. The motion prevailed.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1278, A bill for an act relating to public safety; appropriating money for the disaster assistance contingency account.

THOMAS S. BOTTERN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pelowski moved that the House concur in the Senate amendments to H. F. No. 1278 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1278, A bill for an act relating to public safety; transferring money for the disaster assistance contingency account.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Acomb	Demuth	Hemmingsen-Jaeger	Kraft	Norris	Sencer-Mura
Agbaje	Dotseth	Her	Kresha	Novotny	Skraba
Altendorf	Edelson	Hicks	Lee, F.	O'Driscoll	Smith
Anderson, P. H.	Elkins	Hill	Lee, K.	Olson, B.	Stephenson
Bahner	Engen	Hollins	Liebling	Olson, L.	Tabke
Bakeberg	Feist	Hornstein	Lillie	O'Neill	Torkelson
Baker	Finke	Howard	Lislegard	Pelowski	Urdahl
Becker-Finn	Fischer	Hudella	Long	Pérez-Vega	Vang
Bennett	Fogelman	Hudson	McDonald	Perryman	West
Berg	Franson	Huot	Mekeland	Petersburg	Wiener
Bierman	Frazier	Hussein	Moller	Pfarr	Wiens
Bliss	Frederick	Igo	Mueller	Pinto	Witte
Brand	Freiberg	Jacob	Murphy	Pryor	Wolgamott
Burkel	Garfalo	Jordan	Myers	Pursell	Xiong
Carroll	Gomez	Joy	Nadeau	Quam	Youakim
Cha	Greenman	Keeler	Nash	Rehm	Zelevnikar
Clardy	Grossell	Klevorn	Nelson, M.	Reyer	Spk. Hortman
Coulter	Hansen, R.	Knudsen	Nelson, N.	Richardson	
Curran	Hanson, J.	Koegel	Neu Brindley	Robbins	
Daniels	Harder	Kotyza-Witthuhn	Newton	Schomacker	
Davids	Hassan	Kozlowski	Niska	Schultz	
Davis	Heintzeman	Koznick	Noor	Scott	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1955.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1955, A bill for an act relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agriculture provisions; making policy and technical changes to broadband provisions; providing civil penalties; appropriating money; requiring reports; transferring money to the border-to-border broadband fund account; creating the grain indemnity account; transferring money to the grain indemnity account; amending Minnesota Statutes 2022, sections 17.1016, subdivision 2; 17.133, subdivision 2; 28A.152, subdivision 2; 41A.14, subdivision 2; 41A.19; 116J.395, subdivision 7; 116J.396, subdivision 2; 223.16, by adding a subdivision; 223.17, subdivisions 6, 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended; Laws 2022, chapter 95, article 2, section 29, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 17; 116J; 223; repealing Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21; 223.17, subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7.

The bill was read for the first time and referred to the Committee on Ways and Means.

MOTIONS AND RESOLUTIONS

Lislegard moved that the name of Dotseth be added as an author on H. F. No. 10. The motion prevailed.

Pinto moved that the name of Frazier be added as an author on H. F. No. 93. The motion prevailed.

Reyer moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 346. The motion prevailed.

Freiberg moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 568. The motion prevailed.

Curran moved that the name of Pérez-Vega be added as an author on H. F. No. 2290. The motion prevailed.

Lillie moved that the name of Norris be added as an author on H. F. No. 2844. The motion prevailed.

Hudson moved that the name of Davis be added as an author on H. F. No. 3209. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 11:30 a.m., Monday, April 17, 2023. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and Speaker pro tempore Wolgamott declared the House stands adjourned until 11:30 a.m., Monday, April 17, 2023.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

