

185.19 **ARTICLE 6**
185.20 **CONTINUING CARE**

185.21 Section 1. Minnesota Statutes 2014, section 13.461, is amended by adding a
185.22 subdivision to read:

185.23 Subd. 32. ABLE accounts and designated beneficiaries. Data on ABLE accounts
185.24 and designated beneficiaries of ABLE accounts are classified under section 256Q.05,
185.25 subdivision 7.

185.26 Sec. 2. Minnesota Statutes 2014, section 144.057, subdivision 1, is amended to read:

185.27 Subdivision 1. **Background studies required.** The commissioner of health shall
185.28 contract with the commissioner of human services to conduct background studies of:

185.29 (1) individuals providing services which have direct contact, as defined under
185.30 section 245C.02, subdivision 11, with patients and residents in hospitals, boarding care
185.31 homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing
185.32 homes and home care agencies licensed under chapter 144A; residential care homes
186.1 licensed under chapter 144B, and board and lodging establishments that are registered to
186.2 provide supportive or health supervision services under section 157.17;

186.3 (2) individuals specified in section 245C.03, subdivision 1, who perform direct
186.4 contact services in a nursing home or a home care agency licensed under chapter 144A
186.5 or a boarding care home licensed under sections 144.50 to 144.58; and. If the individual
186.6 under study resides outside Minnesota, the study must be at least as comprehensive as
186.7 that of a Minnesota resident and include a search of information from the criminal justice
186.8 data communications network in the state where the subject of the study resides include a
186.9 check for substantiated findings of maltreatment of adults and children in the individual's
186.10 state of residence when the information is made available by that state, and must include a
186.11 check of the National Crime Information Center database;

186.12 (3) beginning July 1, 1999, all other employees in nursing homes licensed under
186.13 chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A
186.14 disqualification of an individual in this section shall disqualify the individual from
186.15 positions allowing direct contact or access to patients or residents receiving services.
186.16 "Access" means physical access to a client or the client's personal property without
186.17 continuous, direct supervision as defined in section 245C.02, subdivision 8, when the
186.18 employee's employment responsibilities do not include providing direct contact services;

186.19 (4) individuals employed by a supplemental nursing services agency, as defined
186.20 under section 144A.70, who are providing services in health care facilities; and

186.21 (5) controlling persons of a supplemental nursing services agency, as defined under
186.22 section 144A.70.

80.26 **ARTICLE 4**
80.27 **CONTINUING CARE**

80.28 Section 1. Minnesota Statutes 2014, section 13.461, is amended by adding a
80.29 subdivision to read:

80.30 Subd. 32. ABLE accounts and designated beneficiaries. Data on ABLE accounts
80.31 and designated beneficiaries of ABLE accounts are classified under section 256Q.05,
80.32 subdivision 7.

186.23 If a facility or program is licensed by the Department of Human Services and
186.24 subject to the background study provisions of chapter 245C and is also licensed by the
186.25 Department of Health, the Department of Human Services is solely responsible for the
186.26 background studies of individuals in the jointly licensed programs.

81.1 Sec. 2. Minnesota Statutes 2014, section 245A.06, is amended by adding a subdivision
81.2 to read:

81.3 Subd. 1a. **Correction orders and conditional licenses for programs licensed as**
81.4 **home and community-based services.** (a) For programs licensed under both this chapter
81.5 and chapter 245D, if the license holder operates more than one service site under a single
81.6 license governed by chapter 245D, the order issued under this section shall be specific to
81.7 the service site or sites at which the violations of applicable law or rules occurred. The
81.8 order shall not apply to other service sites governed by chapter 245D and operated by the
81.9 same license holder unless the commissioner has included in the order the articulable basis
81.10 for applying the order to another service site.

81.11 (b) If the commissioner has issued more than one license to the license holder under
81.12 this chapter, the conditions imposed under this section shall be specific to the license for
81.13 the program at which the violations of applicable law or rules occurred and shall not apply
81.14 to other licenses held by the same license holder if those programs are being operated in
81.15 substantial compliance with applicable law and rules.

81.16 Sec. 3. **[245A.081] SETTLEMENT AGREEMENT.**

81.17 (a) A license holder who has made a timely appeal pursuant to section 245A.06,
81.18 subdivision 4, or 245A.07, subdivision 3, or the commissioner may initiate a discussion
81.19 about a possible settlement agreement related to the licensing sanction. For the purposes
81.20 of this section, the following conditions apply to a settlement agreement reached by the
81.21 parties:

81.22 (1) if the parties enter into a settlement agreement, the effect of the agreement shall
81.23 be that the appeal is withdrawn and the agreement shall constitute the full agreement
81.24 between the commissioner and the party who filed the appeal; and

81.25 (2) the settlement agreement must identify the agreed upon actions the license holder
81.26 has taken and will take in order to achieve and maintain compliance with the licensing
81.27 requirements that the commissioner determined the license holder had violated.

81.28 (b) Neither the license holder nor the commissioner is required to initiate a
81.29 settlement discussion under this section.

81.30 (c) If a settlement discussion is initiated by the license holder, the commissioner
81.31 shall respond to the license holder within 14 calendar days of receipt of the license
81.32 holder's submission.

81.33 (d) If the commissioner agrees to engage in settlement discussions, the commissioner
81.34 may decide at any time not to continue settlement discussions with a license holder.

82.1 Sec. 4. Minnesota Statutes 2014, section 245A.155, subdivision 1, is amended to read:

82.2 Subdivision 1. **Licensed foster care and respite care.** This section applies to
82.3 foster care agencies and licensed foster care providers who place, supervise, or care for
82.4 individuals who rely on medical monitoring equipment to sustain life or monitor a medical
82.5 condition that could become life-threatening without proper use of the medical equipment
82.6 in respite care or foster care.

82.7 Sec. 5. Minnesota Statutes 2014, section 245A.155, subdivision 2, is amended to read:

82.8 Subd. 2. **Foster care agency requirements.** In order for an agency to place an
82.9 individual who relies on medical equipment to sustain life or monitor a medical condition
82.10 that could become life-threatening without proper use of the medical equipment with a
82.11 foster care provider, the agency must ensure that the foster care provider has received the
82.12 training to operate such equipment as observed and confirmed by a qualified source,
82.13 and that the provider:

82.14 (1) is currently caring for an individual who is using the same equipment in the
82.15 foster home; or

82.16 (2) has written documentation that the foster care provider has cared for an
82.17 individual who relied on such equipment within the past six months; or

82.18 (3) has successfully completed training with the individual being placed with the
82.19 provider.

82.20 Sec. 6. Minnesota Statutes 2014, section 245A.65, subdivision 2, is amended to read:

82.21 Subd. 2. **Abuse prevention plans.** All license holders shall establish and enforce
82.22 ongoing written program abuse prevention plans and individual abuse prevention plans as
82.23 required under section 626.557, subdivision 14.

82.24 (a) The scope of the program abuse prevention plan is limited to the population,
82.25 physical plant, and environment within the control of the license holder and the location
82.26 where licensed services are provided. In addition to the requirements in section 626.557,
82.27 subdivision 14, the program abuse prevention plan shall meet the requirements in clauses
82.28 (1) to (5).

82.29 (1) The assessment of the population shall include an evaluation of the following
82.30 factors: age, gender, mental functioning, physical and emotional health or behavior of the
82.31 client; the need for specialized programs of care for clients; the need for training of staff to
82.32 meet identified individual needs; and the knowledge a license holder may have regarding
82.33 previous abuse that is relevant to minimizing risk of abuse for clients.

83.1 (2) The assessment of the physical plant where the licensed services are provided
83.2 shall include an evaluation of the following factors: the condition and design of the
83.3 building as it relates to the safety of the clients; and the existence of areas in the building
83.4 which are difficult to supervise.

83.5 (3) The assessment of the environment for each facility and for each site when living
83.6 arrangements are provided by the agency shall include an evaluation of the following
83.7 factors: the location of the program in a particular neighborhood or community; the type
83.8 of grounds and terrain surrounding the building; the type of internal programming; and
83.9 the program's staffing patterns.

83.10 (4) The license holder shall provide an orientation to the program abuse prevention
83.11 plan for clients receiving services. If applicable, the client's legal representative must be
83.12 notified of the orientation. The license holder shall provide this orientation for each new
83.13 person within 24 hours of admission, or for persons who would benefit more from a later
83.14 orientation, the orientation may take place within 72 hours.

83.15 (5) The license holder's governing body or the governing body's delegated
83.16 representative shall review the plan at least annually using the assessment factors in the
83.17 plan and any substantiated maltreatment findings that occurred since the last review. The
83.18 governing body or the governing body's delegated representative shall revise the plan,
83.19 if necessary, to reflect the review results.

83.20 (6) A copy of the program abuse prevention plan shall be posted in a prominent
83.21 location in the program and be available upon request to mandated reporters, persons
83.22 receiving services, and legal representatives.

83.23 (b) In addition to the requirements in section 626.557, subdivision 14, the individual
83.24 abuse prevention plan shall meet the requirements in clauses (1) and (2).

83.25 (1) The plan shall include a statement of measures that will be taken to minimize the
83.26 risk of abuse to the vulnerable adult when the individual assessment required in section
83.27 626.557, subdivision 14, paragraph (b), indicates the need for measures in addition to the
83.28 specific measures identified in the program abuse prevention plan. The measures shall
83.29 include the specific actions the program will take to minimize the risk of abuse within
83.30 the scope of the licensed services, and will identify referrals made when the vulnerable
83.31 adult is susceptible to abuse outside the scope or control of the licensed services. When
83.32 the assessment indicates that the vulnerable adult does not need specific risk reduction
83.33 measures in addition to those identified in the program abuse prevention plan, the
83.34 individual abuse prevention plan shall document this determination.

83.35 (2) An individual abuse prevention plan shall be developed for each new person as
83.36 part of the initial individual program plan or service plan required under the applicable
84.1 licensing rule. The review and evaluation of the individual abuse prevention plan shall
84.2 be done as part of the review of the program plan or service plan. The person receiving
84.3 services shall participate in the development of the individual abuse prevention plan to the
84.4 full extent of the person's abilities. If applicable, the person's legal representative shall be
84.5 given the opportunity to participate with or for the person in the development of the plan.
84.6 The interdisciplinary team shall document the review of all abuse prevention plans at least
84.7 annually, using the individual assessment and any reports of abuse relating to the person.
84.8 The plan shall be revised to reflect the results of this review.

186.27 Sec. 3. Minnesota Statutes 2014, section 245C.08, subdivision 1, is amended to read:

186.28 Subdivision 1. Background studies conducted by Department of Human

Services. (a) For a background study conducted by the Department of Human Services,
186.30 the commissioner shall review:

186.31 (1) information related to names of substantiated perpetrators of maltreatment of
186.32 vulnerable adults that has been received by the commissioner as required under section
186.33 626.557, subdivision 9c, paragraph (j);

187.1 (2) the commissioner's records relating to the maltreatment of minors in licensed
187.2 programs, and from findings of maltreatment of minors as indicated through the social
187.3 service information system;

187.4 (3) information from juvenile courts as required in subdivision 4 for individuals
187.5 listed in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

187.6 (4) information from the Bureau of Criminal Apprehension, including information
187.7 regarding a background study subject's registration in Minnesota as a predatory offender
187.8 under section 243.166;

187.9 (5) except as provided in clause (6), information from the national crime information
187.10 system when the commissioner has reasonable cause as defined under section 245C.05,
187.11 subdivision 5, or as required under section 144.057, subdivision 1, clause (2); and

187.12 (6) for a background study related to a child foster care application for licensure, a
187.13 transfer of permanent legal and physical custody of a child under sections 260C.503 to
187.14 260C.515, or adoptions, the commissioner shall also review:

187.15 (i) information from the child abuse and neglect registry for any state in which the
187.16 background study subject has resided for the past five years; and

187.17 (ii) information from national crime information databases, when the background
187.18 study subject is 18 years of age or older.

187.19 (b) Notwithstanding expungement by a court, the commissioner may consider

187.20 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner

187.21 received notice of the petition for expungement and the court order for expungement is

187.22 directed specifically to the commissioner.

187.23 (c) The commissioner shall also review criminal case information received according

187.24 to section 245C.04, subdivision 4a, from the Minnesota court information system that

187.25 relates to individuals who have already been studied under this chapter and who remain

187.26 affiliated with the agency that initiated the background study.

187.27 (d) When the commissioner has reasonable cause to believe that the identity of

187.28 a background study subject is uncertain, the commissioner may require the subject to

187.29 provide a set of classifiable fingerprints for purposes of completing a fingerprint-based

187.30 record check with the Bureau of Criminal Apprehension. Fingerprints collected under this

187.31 paragraph shall not be saved by the commissioner after they have been used to verify the

187.32 identity of the background study subject against the particular criminal record in question.

187.33 (e) The commissioner may inform the entity that initiated a background study under

187.34 NETStudy 2.0 of the status of processing of the subject's fingerprints.

188.1 Sec. 4. Minnesota Statutes 2014, section 245C.12, is amended to read:

188.2 **245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.**

188.3 (a) For the purposes of background studies completed by tribal organizations

188.4 performing licensing activities otherwise required of the commissioner under this chapter,

188.5 after obtaining consent from the background study subject, tribal licensing agencies shall

188.6 have access to criminal history data in the same manner as county licensing agencies and

188.7 private licensing agencies under this chapter.

188.8 (b) Tribal organizations may contract with the commissioner to obtain background

188.9 study data on individuals under tribal jurisdiction related to adoptions according to

188.10 section 245C.34. Tribal organizations may also contract with the commissioner to obtain

188.11 background study data on individuals under tribal jurisdiction related to child foster care

188.12 according to section 245C.34.

188.13 (c) For the purposes of background studies completed to comply with a tribal

188.14 organization's licensing requirements for individuals affiliated with a tribally licensed

188.15 nursing facility, the commissioner shall obtain criminal history data from the National

188.16 Criminal Records Repository in accordance with section 245C.32.

84.9 Sec. 7. Minnesota Statutes 2014, section 245D.02, is amended by adding a subdivision
84.10 to read:

84.11 Subd. 37. **Working day.** "Working day" means Monday, Tuesday, Wednesday,

84.12 Thursday, or Friday, excluding any legal holiday.

84.13 Sec. 8. Minnesota Statutes 2014, section 245D.05, subdivision 1, is amended to read:

84.14 Subdivision 1. **Health needs.** (a) The license holder is responsible for meeting
84.15 health service needs assigned in the coordinated service and support plan or the
84.16 coordinated service and support plan addendum, consistent with the person's health needs.

84.17 Unless directed otherwise in the coordinated service and support plan or the coordinated

84.18 service and support plan addendum, the license holder is responsible for promptly

84.19 notifying the person's legal representative, if any, and the case manager of changes in a

84.20 person's physical and mental health needs affecting health service needs assigned to the

84.21 license holder in the coordinated service and support plan or the coordinated service

84.22 and support plan addendum, when discovered by the license holder, unless the license

84.23 holder has reason to know the change has already been reported. The license holder

84.24 must document when the notice is provided.

84.25 (b) If responsibility for meeting the person's health service needs has been assigned
84.26 to the license holder in the coordinated service and support plan or the coordinated service
84.27 and support plan addendum, the license holder must maintain documentation on how the
84.28 person's health needs will be met, including a description of the procedures the license
84.29 holder will follow in order to:

84.30 (1) provide medication setup, assistance, or administration according to this chapter.

84.31 Unlicensed staff responsible for medication setup or medication administration under this

84.32 section must complete training according to section 245D.09, subdivision 4a, paragraph (d);

84.33 (2) monitor health conditions according to written instructions from a licensed

84.34 health professional;

84.35 (3) assist with or coordinate medical, dental, and other health service appointments; or

84.36 (4) use medical equipment, devices, or adaptive aides or technology safely and

84.37 correctly according to written instructions from a licensed health professional.

85.4 Sec. 9. Minnesota Statutes 2014, section 245D.05, subdivision 2, is amended to read:

85.5 Subd. 2. **Medication administration.** (a) For purposes of this subdivision,

85.6 "medication administration" means:

85.7 (1) checking the person's medication record;

85.8 (2) preparing the medication as necessary;

85.9 (3) administering the medication or treatment to the person;

85.10 (4) documenting the administration of the medication or treatment or the reason for

85.11 not administering the medication or treatment; and

85.12 (5) reporting to the prescriber or a nurse any concerns about the medication or
85.13 treatment, including side effects, effectiveness, or a pattern of the person refusing to
85.14 take the medication or treatment as prescribed. Adverse reactions must be immediately
85.15 reported to the prescriber or a nurse.

85.16 (b)(1) If responsibility for medication administration is assigned to the license holder
85.17 in the coordinated service and support plan or the coordinated service and support plan
85.18 addendum, the license holder must implement medication administration procedures to
85.19 ensure a person takes medications and treatments as prescribed. The license holder must
85.20 ensure that the requirements in clauses (2) and (3) have been met before administering
85.21 medication or treatment.

85.22 (2) The license holder must obtain written authorization from the person or the
85.23 person's legal representative to administer medication or treatment ~~and must obtain~~
85.24 reauthorization annually as needed. This authorization shall remain in effect unless it is
85.25 withdrawn in writing and may be withdrawn at any time. If the person or the person's
85.26 legal representative refuses to authorize the license holder to administer medication, the
85.27 medication must not be administered. The refusal to authorize medication administration
85.28 must be reported to the prescriber as expediently as possible.

85.29 (3) For a license holder providing intensive support services, the medication or
85.30 treatment must be administered according to the license holder's medication administration
85.31 policy and procedures as required under section 245D.11, subdivision 2, clause (3).

85.32 (c) The license holder must ensure the following information is documented in the
85.33 person's medication administration record:

85.34 (1) the information on the current prescription label or the prescriber's current
85.35 written or electronically recorded order or prescription that includes the person's name,
86.1 description of the medication or treatment to be provided, and the frequency and other
86.2 information needed to safely and correctly administer the medication or treatment to
86.3 ensure effectiveness;

86.4 (2) information on any risks or other side effects that are reasonable to expect, and
86.5 any contraindications to its use. This information must be readily available to all staff
86.6 administering the medication;

86.7 (3) the possible consequences if the medication or treatment is not taken or
86.8 administered as directed;

86.9 (4) instruction on when and to whom to report the following:

86.10 (i) if a dose of medication is not administered or treatment is not performed as
86.11 prescribed, whether by error by the staff or the person or by refusal by the person; and
86.12 (ii) the occurrence of possible adverse reactions to the medication or treatment;

86.13 (5) notation of any occurrence of a dose of medication not being administered or
86.14 treatment not performed as prescribed, whether by error by the staff or the person or by
86.15 refusal by the person, or of adverse reactions, and when and to whom the report was
86.16 made; and
86.17 (6) notation of when a medication or treatment is started, administered, changed, or
86.18 discontinued.

86.19 Sec. 10. Minnesota Statutes 2014, section 245D.06, subdivision 1, is amended to read:

86.20 Subdivision 1. **Incident response and reporting.** (a) The license holder must
86.21 respond to incidents under section 245D.02, subdivision 11, that occur while providing
86.22 services to protect the health and safety of and minimize risk of harm to the person.

86.23 (b) The license holder must maintain information about and report incidents to the
86.24 person's legal representative or designated emergency contact and case manager within
86.25 24 hours of an incident occurring while services are being provided, within 24 hours of
86.26 discovery or receipt of information that an incident occurred, unless the license holder
86.27 has reason to know that the incident has already been reported, or as otherwise directed
86.28 in a person's coordinated service and support plan or coordinated service and support
86.29 plan addendum. An incident of suspected or alleged maltreatment must be reported as
86.30 required under paragraph (d), and an incident of serious injury or death must be reported
86.31 as required under paragraph (e).

86.32 (c) When the incident involves more than one person, the license holder must not
86.33 disclose personally identifiable information about any other person when making the report
86.34 to each person and case manager unless the license holder has the consent of the person.

87.1 (d) Within 24 hours of reporting maltreatment as required under section 626.556
87.2 or 626.557, the license holder must inform the case manager of the report unless there is
87.3 reason to believe that the case manager is involved in the suspected maltreatment. The
87.4 license holder must disclose the nature of the activity or occurrence reported and the
87.5 agency that received the report.

87.6 (e) The license holder must report the death or serious injury of the person as
87.7 required in paragraph (b) and to the Department of Human Services Licensing Division,
87.8 and the Office of Ombudsman for Mental Health and Developmental Disabilities as
87.9 required under section 245.94, subdivision 2a, within 24 hours of the death or serious
87.10 injury, or receipt of information that the death or serious injury occurred, unless the license
87.11 holder has reason to know that the death or serious injury has already been reported.

87.12 (f) When a death or serious injury occurs in a facility certified as an intermediate
87.13 care facility for persons with developmental disabilities, the death or serious injury must
87.14 be reported to the Department of Health, Office of Health Facility Complaints, and the
87.15 Office of Ombudsman for Mental Health and Developmental Disabilities, as required
87.16 under sections 245.91 and 245.94, subdivision 2a, unless the license holder has reason to
87.17 know that the death or serious injury has already been reported.

87.18 (g) The license holder must conduct an internal review of incident reports of deaths
87.19 and serious injuries that occurred while services were being provided and that were not
87.20 reported by the program as alleged or suspected maltreatment, for identification of incident
87.21 patterns, and implementation of corrective action as necessary to reduce occurrences.
87.22 The review must include an evaluation of whether related policies and procedures were
87.23 followed, whether the policies and procedures were adequate, whether there is a need for
87.24 additional staff training, whether the reported event is similar to past events with the
87.25 persons or the services involved, and whether there is a need for corrective action by the
87.26 license holder to protect the health and safety of persons receiving services. Based on
87.27 the results of this review, the license holder must develop, document, and implement a
87.28 corrective action plan designed to correct current lapses and prevent future lapses in
87.29 performance by staff or the license holder, if any.

87.30 (h) The license holder must verbally report the emergency use of manual restraint
87.31 of a person as required in paragraph (b) within 24 hours of the occurrence. The license
87.32 holder must ensure the written report and internal review of all incident reports of the
87.33 emergency use of manual restraints are completed according to the requirements in section
87.34 245D.061 or successor provisions.

87.35 Sec. 11. Minnesota Statutes 2014, section 245D.06, subdivision 2, is amended to read:

88.1 Subd. 2. **Environment and safety.** The license holder must:

88.2 (1) ensure the following when the license holder is the owner, lessor, or tenant
88.3 of the service site:

88.4 (i) the service site is a safe and hazard-free environment;

88.5 (ii) that toxic substances or dangerous items are inaccessible to persons served by
88.6 the program only to protect the safety of a person receiving services when a known safety
88.7 threat exists and not as a substitute for staff supervision or interactions with a person who
88.8 is receiving services. If toxic substances or dangerous items are made inaccessible, the
88.9 license holder must document an assessment of the physical plant, its environment, and its
88.10 population identifying the risk factors which require toxic substances or dangerous items
88.11 to be inaccessible and a statement of specific measures to be taken to minimize the safety
88.12 risk to persons receiving services and to restore accessibility to all persons receiving
88.13 services at the service site;

88.14 (iii) doors are locked from the inside to prevent a person from exiting only when
88.15 necessary to protect the safety of a person receiving services and not as a substitute for
88.16 staff supervision or interactions with the person. If doors are locked from the inside, the
88.17 license holder must document an assessment of the physical plant, the environment and
88.18 the population served, identifying the risk factors which require the use of locked doors,
88.19 and a statement of specific measures to be taken to minimize the safety risk to persons
88.20 receiving services at the service site; and

88.21 (iv) a staff person is available at the service site who is trained in basic first aid and, 88.22 when required in a person's coordinated service and support plan or coordinated service 88.23 and support plan addendum, cardiopulmonary resuscitation (CPR) whenever persons are 88.24 present and staff are required to be at the site to provide direct support service. The CPR 88.25 training must include in-person instruction, hands-on practice, and an observed skills 88.26 assessment under the direct supervision of a CPR instructor;

88.27 (2) maintain equipment, vehicles, supplies, and materials owned or leased by the 88.28 license holder in good condition when used to provide services;

88.29 (3) follow procedures to ensure safe transportation, handling, and transfers of the 88.30 person and any equipment used by the person, when the license holder is responsible for 88.31 transportation of a person or a person's equipment;

88.32 (4) be prepared for emergencies and follow emergency response procedures to 88.33 ensure the person's safety in an emergency; and

88.34 (5) follow universal precautions and sanitary practices, including hand washing, for 88.35 infection prevention and control, and to prevent communicable diseases.

89.1 Sec. 12. Minnesota Statutes 2014, section 245D.06, subdivision 7, is amended to read:

89.2 Subd. 7. **Permitted actions and procedures.** (a) Use of the instructional techniques 89.3 and intervention procedures as identified in paragraphs (b) and (c) is permitted when used 89.4 on an intermittent or continuous basis. When used on a continuous basis, it must be 89.5 addressed in a person's coordinated service and support plan addendum as identified in 89.6 sections 245D.07 and 245D.071. For purposes of this chapter, the requirements of this 89.7 subdivision supersede the requirements identified in Minnesota Rules, part 9525.2720.

89.8 (b) Physical contact or instructional techniques must use the least restrictive 89.9 alternative possible to meet the needs of the person and may be used:

89.10 (1) to calm or comfort a person by holding that person with no resistance from 89.11 that person;

89.12 (2) to protect a person known to be at risk of injury due to frequent falls as a result 89.13 of a medical condition;

89.14 (3) to facilitate the person's completion of a task or response when the person does 89.15 not resist or the person's resistance is minimal in intensity and duration;

89.16 (4) to block or redirect a person's limbs or body without holding the person or 89.17 limiting the person's movement to interrupt the person's behavior that may result in injury 89.18 to self or others with less than 60 seconds of physical contact by staff; or

89.19 (5) to redirect a person's behavior when the behavior does not pose a serious threat 89.20 to the person or others and the behavior is effectively redirected with less than 60 seconds 89.21 of physical contact by staff.

89.22 (c) Restraint may be used as an intervention procedure to:

89.23 (1) allow a licensed health care professional to safely conduct a medical examination
89.24 or to provide medical treatment ordered by a licensed health care professional ~~to a person~~
89.25 ~~necessary to promote healing or recovery from an acute, meaning short-term, medical~~
89.26 ~~condition;~~

89.27 (2) assist in the safe evacuation or redirection of a person in the event of an
89.28 emergency and the person is at imminent risk of harm; or

89.29 (3) position a person with physical disabilities in a manner specified in the person's
89.30 coordinated service and support plan addendum.

89.31 Any use of manual restraint as allowed in this paragraph must comply with the restrictions
89.32 identified in subdivision 6, paragraph (b).

89.33 (d) Use of adaptive aids or equipment, orthotic devices, or other medical equipment
89.34 ordered by a licensed health professional to treat a diagnosed medical condition do not in
89.35 and of themselves constitute the use of mechanical restraint.

90.1 Sec. 13. Minnesota Statutes 2014, section 245D.07, subdivision 2, is amended to read:

90.2 Subd. 2. **Service planning requirements for basic support services.** (a) License
90.3 holders providing basic support services must meet the requirements of this subdivision.

90.4 (b) Within 15 calendar days of service initiation the license holder must complete
90.5 a preliminary coordinated service and support plan addendum based on the coordinated
90.6 service and support plan.

90.7 (c) Within 60 calendar days of service initiation the license holder must review
90.8 and revise as needed the preliminary coordinated service and support plan addendum to
90.9 document the services that will be provided including how, when, and by whom services
90.10 will be provided, and the person responsible for overseeing the delivery and coordination
90.11 of services.

90.12 (d) The license holder must participate in service planning and support team
90.13 meetings for the person following stated timelines established in the person's coordinated
90.14 service and support plan or as requested by the person or the person's legal representative,
90.15 the support team or the expanded support team.

90.16 Sec. 14. Minnesota Statutes 2014, section 245D.071, subdivision 5, is amended to read:

90.17 Subd. 5. **Service plan review and evaluation.** (a) The license holder must give the
90.18 person or the person's legal representative and case manager an opportunity to participate
90.19 in the ongoing review and development of the service plan and the methods used to support
90.20 the person and accomplish outcomes identified in subdivisions 3 and 4. The license holder,
90.21 in coordination with the person's support team or expanded support team, must meet
90.22 with the person, the person's legal representative, and the case manager, and participate
90.23 in service plan review meetings following stated timelines established in the person's
90.24 coordinated service and support plan or coordinated service and support plan addendum or
90.25 within 30 days of a written request by the person, the person's legal representative, or the
90.26 case manager, at a minimum of once per year. The purpose of the service plan review
90.27 is to determine whether changes are needed to the service plan based on the assessment
90.28 information, the license holder's evaluation of progress towards accomplishing outcomes,
90.29 or other information provided by the support team or expanded support team.

90.30 (b) The license holder must summarize the person's status and progress toward
90.31 achieving the identified outcomes and make recommendations and identify the rationale
90.32 for changing, continuing, or discontinuing implementation of supports and methods
90.33 identified in subdivision 4 in a written report sent to the person or the person's legal
90.34 representative and case manager five working days prior to the review meeting, unless the
90.35 person, the person's legal representative, or the case manager requests to receive the report
91.1 available at the time of the progress review meeting. The report must be sent at least
91.2 five working days prior to the progress review meeting if requested by the team in the
91.3 coordinated service and support plan or coordinated service and support plan addendum.

91.4 (c) The license holder must send the coordinated service and support plan addendum
91.5 to the person, the person's legal representative, and the case manager by mail within ten
91.6 working days of the progress review meeting. Within ten working days of the progress
91.7 review meeting mailing of the coordinated service and support plan addendum, the license
91.8 holder must obtain dated signatures from the person or the person's legal representative
91.9 and the case manager to document approval of any changes to the coordinated service and
91.10 support plan addendum.

91.11 (d) If, within ten working days of submitting changes to the coordinated service
91.12 and support plan and coordinated service and support plan addendum, the person or the
91.13 person's legal representative or case manager has not signed and returned to the license
91.14 holder the coordinated service and support plan or coordinated service and support plan
91.15 addendum or has not proposed written modifications to the license holder's submission, the
91.16 submission is deemed approved and the coordinated service and support plan addendum
91.17 becomes effective and remains in effect until the legal representative or case manager
91.18 submits a written request to revise the coordinated service and support plan addendum.

91.19 Sec. 15. Minnesota Statutes 2014, section 245D.09, subdivision 3, is amended to read:

91.20 Subd. 3. **Staff qualifications.** (a) The license holder must ensure that staff providing
91.21 direct support, or staff who have responsibilities related to supervising or managing the
91.22 provision of direct support service, are competent as demonstrated through skills and
91.23 knowledge training, experience, and education relevant to the primary disability of the
91.24 person and to meet the person's needs and additional requirements as written in the
91.25 coordinated service and support plan or coordinated service and support plan addendum,
91.26 or when otherwise required by the case manager or the federal waiver plan. The license
91.27 holder must verify and maintain evidence of staff competency, including documentation of:

91.28 (1) education and experience qualifications relevant to the job responsibilities
91.29 assigned to the staff and to the primary disability of persons served by the program,
91.30 including a valid degree and transcript, or a current license, registration, or certification,
91.31 when a degree or licensure, registration, or certification is required by this chapter or in the
91.32 coordinated service and support plan or coordinated service and support plan addendum;

91.33 (2) demonstrated competency in the orientation and training areas required under
91.34 this chapter, and when applicable, completion of continuing education required to
91.35 maintain professional licensure, registration, or certification requirements. Competency in
92.1 these areas is determined by the license holder through knowledge testing or observed
92.2 skill assessment conducted by the trainer or instructor or by an individual who has been
92.3 previously deemed competent by the trainer or instructor in the area being assessed; and

92.4 (3) except for a license holder who is the sole direct support staff, periodic
92.5 performance evaluations completed by the license holder of the direct support staff
92.6 person's ability to perform the job functions based on direct observation.

92.7 (b) Staff under 18 years of age may not perform overnight duties or administer
92.8 medication.

92.9 Sec. 16. Minnesota Statutes 2014, section 245D.09, subdivision 5, is amended to read:

92.10 Subd. 5. **Annual training.** A license holder must provide annual training to direct
92.11 support staff on the topics identified in subdivision 4, clauses (3) to (10). If the direct
92.12 support staff has a first aid certification, annual training under subdivision 4, clause (9), is
92.13 not required as long as the certification remains current. A license holder must provide a
92.14 minimum of 24 hours of annual training to direct service staff providing intensive services
92.15 and having fewer than five years of documented experience and 12 hours of annual
92.16 training to direct service staff providing intensive services and having five or more years
92.17 of documented experience in topics described in subdivisions 4 and 4a, paragraphs (a) to
92.18 (f). Training on relevant topics received from sources other than the license holder may
92.19 count toward training requirements. A license holder must provide a minimum of 12 hours
92.20 of annual training to direct service staff providing basic services and having fewer than
92.21 five years of documented experience and six hours of annual training to direct service staff
92.22 providing basic services and having five or more years of documented experience.

92.23 Sec. 17. Minnesota Statutes 2014, section 245D.22, subdivision 4, is amended to read:

92.24 Subd. 4. **First aid must be available on site.** (a) A staff person trained in first aid must be available on site and, when required in a person's coordinated service and support plan or coordinated service and support plan addendum, be able to provide cardiopulmonary resuscitation, whenever persons are present and staff are required to be at the site to provide direct service. The CPR training must include in-person instruction, hands-on practice, and an observed skills assessment under the direct supervision of a CPR instructor.

92.31 (b) A facility must have first aid kits readily available for use by, and that meet the needs of, persons receiving services and staff. At a minimum, the first aid kit must be equipped with accessible first aid supplies including bandages, sterile compresses, scissors, an ice bag or cold pack, an oral or surface thermometer, mild liquid soap, adhesive tape, and first aid manual.

93.3 Sec. 18. Minnesota Statutes 2014, section 245D.31, subdivision 3, is amended to read:

93.4 Subd. 3. **Staff ratio requirement for each person receiving services.** The case manager, in consultation with the interdisciplinary team, must determine at least once each year which of the ratios in subdivisions 4, 5, and 6 is appropriate for each person receiving services on the basis of the characteristics described in subdivisions 4, 5, and 6. The ratio assigned each person and the documentation of how the ratio was arrived at must be kept in each person's individual service plan. Documentation must include an assessment of the person with respect to the characteristics in subdivisions 4, 5, and 6 recorded on a standard assessment form required by the commissioner.

93.12 Sec. 19. Minnesota Statutes 2014, section 245D.31, subdivision 4, is amended to read:

93.13 Subd. 4. **Person requiring staff ratio of one to four.** A person must be assigned a staff ratio requirement of one to four if:

93.15 (1) on a daily basis the person requires total care and monitoring or constant hand-over-hand physical guidance to successfully complete at least three of the following activities: toileting, communicating basic needs, eating, or ambulating; or is not capable of taking appropriate action for self-preservation under emergency conditions; or

93.19 (2) the person engages in conduct that poses an imminent risk of physical harm to self or others at a documented level of frequency, intensity, or duration requiring frequent daily ongoing intervention and monitoring as established in the person's coordinated service and support plan or coordinated service and support plan addendum.

93.23 Sec. 20. Minnesota Statutes 2014, section 245D.31, subdivision 5, is amended to read:

93.24 Subd. 5. **Person requiring staff ratio of one to eight.** A person must be assigned a staff ratio requirement of one to eight if:

93.26 (1) the person does not meet the requirements in subdivision 4; and

93.27 (2) on a daily basis the person requires verbal prompts or spot checks and minimal
93.28 or no physical assistance to successfully complete at least ~~four~~ three of the following
93.29 activities: toileting, communicating basic needs, eating, or ambulating, or taking
93.30 appropriate action for self-preservation under emergency conditions.

93.31 Sec. 21. Minnesota Statutes 2014, section 252.27, subdivision 2a, is amended to read:

94.1 Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor
94.2 child, including a child determined eligible for medical assistance without consideration of
94.3 parental income, must contribute to the cost of services used by making monthly payments
94.4 on a sliding scale based on income, unless the child is married or has been married, parental
94.5 rights have been terminated, or the child's adoption is subsidized according to chapter
94.6 259A or through title IV-E of the Social Security Act. The parental contribution is a partial
94.7 or full payment for medical services provided for diagnostic, therapeutic, curing, treating,
94.8 mitigating, rehabilitation, maintenance, and personal care services as defined in United
94.9 States Code, title 26, section 213, needed by the child with a chronic illness or disability.

94.10 (b) For households with adjusted gross income equal to or greater than 275 percent
94.11 of federal poverty guidelines, the parental contribution shall be computed by applying the
94.12 following schedule of rates to the adjusted gross income of the natural or adoptive parents:

94.13 (1) if the adjusted gross income is equal to or greater than 275 percent of federal
94.14 poverty guidelines and less than or equal to 545 percent of federal poverty guidelines,
94.15 the parental contribution shall be determined using a sliding fee scale established by the
94.16 commissioner of human services which begins at ~~2.48~~ 2.23 percent of adjusted gross
94.17 income at 275 percent of federal poverty guidelines and increases to ~~6.75~~ 6.08 percent of
94.18 adjusted gross income for those with adjusted gross income up to 545 percent of federal
94.19 poverty guidelines;

94.20 (2) if the adjusted gross income is greater than 545 percent of federal poverty
94.21 guidelines and less than 675 percent of federal poverty guidelines, the parental
94.22 contribution shall be ~~6.75~~ 6.08 percent of adjusted gross income;

94.23 (3) if the adjusted gross income is equal to or greater than 675 percent of federal
94.24 poverty guidelines and less than 975 percent of federal poverty guidelines, the parental
94.25 contribution shall be determined using a sliding fee scale established by the commissioner
94.26 of human services which begins at ~~6.75~~ 6.08 percent of adjusted gross income at 675 percent
94.27 of federal poverty guidelines and increases to ~~nine~~ 8.1 percent of adjusted gross income
94.28 for those with adjusted gross income up to 975 percent of federal poverty guidelines; and

94.29 (4) if the adjusted gross income is equal to or greater than 975 percent of federal
94.30 poverty guidelines, the parental contribution shall be ~~11.25~~ 10.13 percent of adjusted
94.31 gross income.

94.32 If the child lives with the parent, the annual adjusted gross income is reduced by
94.33 \$2,400 prior to calculating the parental contribution. If the child resides in an institution
94.34 specified in section 256B.35, the parent is responsible for the personal needs allowance
94.35 specified under that section in addition to the parental contribution determined under this
95.1 section. The parental contribution is reduced by any amount required to be paid directly to
95.2 the child pursuant to a court order, but only if actually paid.

95.3 (c) The household size to be used in determining the amount of contribution under
95.4 paragraph (b) includes natural and adoptive parents and their dependents, including the
95.5 child receiving services. Adjustments in the contribution amount due to annual changes
95.6 in the federal poverty guidelines shall be implemented on the first day of July following
95.7 publication of the changes.

95.8 (d) For purposes of paragraph (b), "income" means the adjusted gross income of the
95.9 natural or adoptive parents determined according to the previous year's federal tax form,
95.10 except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds
95.11 have been used to purchase a home shall not be counted as income.

95.12 (e) The contribution shall be explained in writing to the parents at the time eligibility
95.13 for services is being determined. The contribution shall be made on a monthly basis
95.14 effective with the first month in which the child receives services. Annually upon
95.15 redetermination or at termination of eligibility, if the contribution exceeded the cost of
95.16 services provided, the local agency or the state shall reimburse that excess amount to
95.17 the parents, either by direct reimbursement if the parent is no longer required to pay a
95.18 contribution, or by a reduction in or waiver of parental fees until the excess amount is
95.19 exhausted. All reimbursements must include a notice that the amount reimbursed may be
95.20 taxable income if the parent paid for the parent's fees through an employer's health care
95.21 flexible spending account under the Internal Revenue Code, section 125, and that the
95.22 parent is responsible for paying the taxes owed on the amount reimbursed.

95.23 (f) The monthly contribution amount must be reviewed at least every 12 months;
95.24 when there is a change in household size; and when there is a loss of or gain in income
95.25 from one month to another in excess of ten percent. The local agency shall mail a written
95.26 notice 30 days in advance of the effective date of a change in the contribution amount.
95.27 A decrease in the contribution amount is effective in the month that the parent verifies a
95.28 reduction in income or change in household size.

95.29 (g) Parents of a minor child who do not live with each other shall each pay the
95.30 contribution required under paragraph (a). An amount equal to the annual court-ordered
95.31 child support payment actually paid on behalf of the child receiving services shall be
95.32 deducted from the adjusted gross income of the parent making the payment prior to
95.33 calculating the parental contribution under paragraph (b).

188.17 Sec. 5. Minnesota Statutes 2014, section 256.478, is amended to read:
188.18 **256.478 HOME AND COMMUNITY-BASED SERVICES TRANSITIONS**
188.19 **GRANTS.**

188.20 (a) The commissioner shall make available home and community-based services
188.21 transition grants to serve individuals who do not meet eligibility criteria for the medical
188.22 assistance program under section 256B.056 or 256B.057, but who otherwise meet the
188.23 criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24.

95.34 (h) The contribution under paragraph (b) shall be increased by an additional five
95.35 percent if the local agency determines that insurance coverage is available but not
95.36 obtained for the child. For purposes of this section, "available" means the insurance is a
96.1 benefit of employment for a family member at an annual cost of no more than five percent
96.2 of the family's annual income. For purposes of this section, "insurance" means health
96.3 and accident insurance coverage, enrollment in a nonprofit health service plan, health
96.4 maintenance organization, self-insured plan, or preferred provider organization.

96.5 Parents who have more than one child receiving services shall not be required
96.6 to pay more than the amount for the child with the highest expenditures. There shall
96.7 be no resource contribution from the parents. The parent shall not be required to pay
96.8 a contribution in excess of the cost of the services provided to the child, not counting
96.9 payments made to school districts for education-related services. Notice of an increase in
96.10 fee payment must be given at least 30 days before the increased fee is due.

96.11 (i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if,
96.12 in the 12 months prior to July 1:

96.13 (1) the parent applied for insurance for the child;

96.14 (2) the insurer denied insurance;

96.15 (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted
96.16 a complaint or appeal, in writing, to the commissioner of health or the commissioner of
96.17 commerce, or litigated the complaint or appeal; and

96.18 (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

96.19 For purposes of this section, "insurance" has the meaning given in paragraph (h).

96.20 A parent who has requested a reduction in the contribution amount under this
96.21 paragraph shall submit proof in the form and manner prescribed by the commissioner or
96.22 county agency, including, but not limited to, the insurer's denial of insurance, the written
96.23 letter or complaint of the parents, court documents, and the written response of the insurer
96.24 approving insurance. The determinations of the commissioner or county agency under this
96.25 paragraph are not rules subject to chapter 14.

96.26 Sec. 22. Minnesota Statutes 2014, section 256.478, is amended to read:

96.27 **256.478 HOME AND COMMUNITY-BASED SERVICES TRANSITIONS**
96.28 **GRANTS.**

96.29 (a) The commissioner shall make available home and community-based services
96.30 transition grants to serve individuals who do not meet eligibility criteria for the medical
96.31 assistance program under section 256B.056 or 256B.057, but who otherwise meet the
96.32 criteria under section 256B.092, subdivision 13, or 256B.49, subdivision 24.

188.24 (b) For the purposes of this section, the commissioner has the authority to transfer
188.25 funds between the medical assistance account and the home and community-based
188.26 services transitions grants account.

96.33 (b) For the purposes of this section, the commissioner has the authority to transfer
96.34 funds between the medical assistance account and the home and community-based
96.35 services transitions grants account.

97.1 Sec. 23. Minnesota Statutes 2014, section 256.975, subdivision 2, is amended to read:

97.2 Subd. 2. **Duties.** The board Minnesota Board on Aging shall carry out the following
97.3 duties:

97.4 (1) to advise the governor and heads of state departments and agencies regarding
97.5 policy, programs, and services affecting the aging;

97.6 (2) to provide a mechanism for coordinating plans and activities of state departments
97.7 and citizens' groups as they pertain to aging;

97.8 (3) to create public awareness of the special needs and potentialities of older persons;

97.9 (4) to gather and disseminate information about research and action programs,
97.10 and to encourage state departments and other agencies to conduct needed research in
97.11 the field of aging;

97.12 (5) to stimulate, guide, and provide technical assistance in the organization of local
97.13 councils on aging;

97.14 (6) to provide continuous review of ongoing services, programs and proposed
97.15 legislation affecting the elderly in Minnesota;

97.16 (7) to administer and to make policy relating to all aspects of the Older Americans
97.17 Act of 1965, as amended, including implementation thereof; and

97.18 (8) to award grants, enter into contracts, and adopt rules the Minnesota Board on
97.19 Aging deems necessary to carry out the purposes of this section.;

97.20 (9) develop the criteria and procedures to allocate the grants under subdivision 11,
97.21 evaluate all applications on a competitive basis and award the grants, and select qualified
97.22 providers to offer technical assistance to grant applicants and grantees. The selected
97.23 provider shall provide applicants and grantees assistance with project design, evaluation
97.24 methods, materials, and training; and

97.25 (10) submit by January 15, 2017, and on each January 15 thereafter, a progress
97.26 report on the dementia grants programs under subdivision 11 to the chairs and ranking
97.27 minority members of the senate and house of representatives committees and divisions
97.28 with jurisdiction over health finance and policy. The report shall include:

97.29 (i) information on each grant recipient;

97.30 (ii) a summary of all projects or initiatives undertaken with each grant;

97.31 (iii) the measurable outcomes established by each grantee, an explanation of the
97.32 evaluation process used to determine whether the outcomes were met, and the results of
97.33 the evaluation;
97.34 (iv) an accounting of how the grant funds were spent; and
97.35 (v) the overall impact of the projects and initiatives that were conducted.

188.27 Sec. 6. Minnesota Statutes 2014, section 256.975, subdivision 8, is amended to read:

188.28 Subd. 8. **Promotion-of Establish long-term care insurance call center.** Within
188.29 the limits of appropriations specifically for this purpose, the Minnesota Board on Aging,
188.30 either directly or through contract, its Senior LinkAge Line established under section
188.31 256.975, subdivision 7, shall promote the provision of employer-sponsored, establish
188.32 a long-term care call center that promotes planning for long-term care, and provides
188.33 information about long-term care insurance, other long-term care financing options, and
188.34 resources that support Minnesotans as they age or have more long-term chronic care
189.1 needs. The board shall encourage private and public sector employers to make long-term
189.2 care insurance available to employees, provide interested employers with information
189.3 on the long-term care insurance product offered to state employees, and provide work
189.4 with a variety of stakeholders, including employers, insurance providers, brokers, or
189.5 other sellers of products and consumers to develop the call center. The board shall seek
189.6 technical assistance to employers from the commissioner in designing long-term care
189.7 insurance products and contacting companies offering long-term care insurance products
189.8 for implementation of the call center.

98.1 Sec. 24. Minnesota Statutes 2014, section 256.975, is amended by adding a subdivision
98.2 to read:

98.3 Subd. 11. **Regional and local dementia grants.** (a) The Minnesota Board on
98.4 Aging shall award competitive grants to eligible applicants for regional and local projects
98.5 and initiatives targeted to a designated community, which may consist of a specific
98.6 geographic area or population, to increase awareness of Alzheimer's disease and other
98.7 dementias, increase the rate of cognitive testing in the population at risk for dementias,
98.8 promote the benefits of early diagnosis of dementias, or connect caregivers of persons
98.9 with dementia to education and resources.

98.10 (b) The project areas for grants include:

98.11 (1) local or community-based initiatives to promote the benefits of physician
98.12 consultations for all individuals who suspect a memory or cognitive problem;
98.13 (2) local or community-based initiatives to promote the benefits of early diagnosis of
98.14 Alzheimer's disease and other dementias; and

98.15 (3) local or community-based initiatives to provide informational materials and
98.16 other resources to caregivers of persons with dementia.

98.17 (c) Eligible applicants for local and regional grants may include, but are not limited
98.18 to, community health boards, school districts, colleges and universities, community
98.19 clinics, tribal communities, nonprofit organizations, and other health care organizations.

98.20 (d) Applicants must submit proposals for available grants to the Minnesota Board on
98.21 Aging by September 1, 2015, and each September 1 thereafter. The application must:
98.22 (1) describe the proposed initiative, including the targeted community and how the
98.23 initiative meets the requirements of this subdivision; and
98.24 (2) identify the proposed outcomes of the initiative and the evaluation process to be
98.25 used to measure these outcomes.
98.26 (e) In awarding the regional and local dementia grants, the Minnesota Board on
98.27 Aging must give priority to applicants who demonstrate that the proposed project:
98.28 (1) is supported by and appropriately targeted to the community the applicant serves;
98.29 (2) is designed to coordinate with other community activities related to other health
98.30 initiatives, particularly those initiatives targeted at the elderly;
98.31 (3) is conducted by an applicant able to demonstrate expertise in the project areas;
98.32 (4) utilizes and enhances existing activities and resources or involves innovative
98.33 approaches to achieve success in the project areas; and
98.34 (5) strengthens community relationships and partnerships in order to achieve the
98.35 project areas.
99.1 (f) The board shall divide the state into specific geographic regions and allocate a
99.2 percentage of the money available for the local and regional dementia grants to projects or
99.3 initiatives aimed at each geographic region.
99.4 (g) The board shall award any available grants by October 1, 2015, and each
99.5 October 1 thereafter.
99.6 (h) Each grant recipient shall report to the board on the progress of the initiative at
99.7 least once during the grant period, and within two months of the end of the grant period
99.8 shall submit a final report to the board that includes the outcome results.

99.9 **EFFECTIVE DATE.** This section is effective July 1, 2015.

ARTICLE 1, SECTION 7

189.9 Sec. 7. Minnesota Statutes 2014, section 256B.056, subdivision 5c, is amended to read:

11.27 Sec. 7. Minnesota Statutes 2014, section 256B.056, subdivision 5c, is amended to read:

189.10 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents
189.11 and caretaker relatives, pregnant women, infants, and children ages two through 20 is the
189.12 standard specified in subdivision 4, paragraph (b).

189.13 (b) Prior to January 1, 2017, the excess income standard for a person whose
189.14 eligibility is based on blindness, disability, or age of 65 or more years shall equal 75
189.15 percent of the federal poverty guidelines.

189.16 (c) Between January 1, 2017, and December 31, 2018, the excess income standard
189.17 for a person whose eligibility is based on blindness, disability, or age of 65 or more years,
189.18 shall equal 85 percent of the federal poverty guidelines.

189.19 (d) Beginning January 1, 2019, the excess income standard for a person whose
189.20 eligibility is based on blindness, disability, or age of 65 or more years, shall equal 95
189.21 percent of the federal poverty guidelines.

189.22 **EFFECTIVE DATE.** This section is effective July 1, 2015.

189.23 Sec. 8. Minnesota Statutes 2014, section 256B.057, subdivision 9, is amended to read:

189.24 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid
189.25 for a person who is employed and who:

189.26 (1) but for excess earnings or assets, meets the definition of disabled under the
189.27 Supplemental Security Income program;

189.28 (2) meets the asset limits in paragraph (d); and

189.29 (3) pays a premium and other obligations under paragraph (e).

189.30 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible
189.31 for medical assistance under this subdivision, a person must have more than \$65 of earned
189.32 income. Earned income must have Medicare, Social Security, and applicable state and
189.33 federal taxes withheld. The person must document earned income tax withholding. Any
190.1 spousal income or assets shall be disregarded for purposes of eligibility and premium
190.2 determinations.

190.3 (c) After the month of enrollment, a person enrolled in medical assistance under
190.4 this subdivision who:

190.5 (1) is temporarily unable to work and without receipt of earned income due to a
190.6 medical condition, as verified by a physician; or

11.28 Subd. 5c. **Excess income standard.** (a) The excess income standard for parents
11.29 and caretaker relatives, pregnant women, infants, and children ages two through 20 is the
11.30 standard specified in subdivision 4, paragraph (b).

11.31 (b) The excess income standard for a person whose eligibility is based on blindness,
11.32 disability, or age of 65 or more years shall equal 75 80 percent of the federal poverty
11.33 guidelines.

11.34 **EFFECTIVE DATE.** This section is effective July 1, 2016.

99.10 Sec. 25. Minnesota Statutes 2014, section 256B.057, subdivision 9, is amended to read:

99.11 Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid
99.12 for a person who is employed and who:

99.13 (1) but for excess earnings or assets, meets the definition of disabled under the
99.14 Supplemental Security Income program;

99.15 (2) meets the asset limits in paragraph (d); and

99.16 (3) pays a premium and other obligations under paragraph (e).

99.17 (b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible
99.18 for medical assistance under this subdivision, a person must have more than \$65 of earned
99.19 income. Earned income must have Medicare, Social Security, and applicable state and
99.20 federal taxes withheld. The person must document earned income tax withholding. Any
99.21 spousal income or assets shall be disregarded for purposes of eligibility and premium
99.22 determinations.

99.23 (c) After the month of enrollment, a person enrolled in medical assistance under
99.24 this subdivision who:

99.25 (1) is temporarily unable to work and without receipt of earned income due to a
99.26 medical condition, as verified by a physician; or

190.7 (2) loses employment for reasons not attributable to the enrollee, and is without
190.8 receipt of earned income may retain eligibility for up to four consecutive months after the
190.9 month of job loss. To receive a four-month extension, enrollees must verify the medical
190.10 condition or provide notification of job loss. All other eligibility requirements must be met
190.11 and the enrollee must pay all calculated premium costs for continued eligibility.

190.12 (d) For purposes of determining eligibility under this subdivision, a person's assets
190.13 must not exceed \$20,000, excluding:

190.14 (1) all assets excluded under section 256B.056;

190.15 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
190.16 Keogh plans, and pension plans;

190.17 (3) medical expense accounts set up through the person's employer; and

190.18 (4) spousal assets, including spouse's share of jointly held assets.

190.19 (e) All enrollees must pay a premium to be eligible for medical assistance under this
190.20 subdivision, except as provided under clause (5).

190.21 (1) An enrollee must pay the greater of a \$65 \$35 premium or the premium calculated
190.22 based on the person's gross earned and unearned income and the applicable family size
190.23 using a sliding fee scale established by the commissioner, which begins at one percent of
190.24 income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of
190.25 income for those with incomes at or above 300 percent of the federal poverty guidelines.

190.26 (2) Annual adjustments in the premium schedule based upon changes in the federal
190.27 poverty guidelines shall be effective for premiums due in July of each year.

190.28 (3) All enrollees who receive unearned income must pay five one-half of one percent
190.29 of unearned income in addition to the premium amount, except as provided under clause (5).

190.30 (4) Increases in benefits under title II of the Social Security Act shall not be counted
190.31 as income for purposes of this subdivision until July 1 of each year.

190.32 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as
190.33 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
190.34 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
190.35 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

191.1 (f) A person's eligibility and premium shall be determined by the local county
191.2 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
191.3 the commissioner.

99.27 (2) loses employment for reasons not attributable to the enrollee, and is without
99.28 receipt of earned income may retain eligibility for up to four consecutive months after the
99.29 month of job loss. To receive a four-month extension, enrollees must verify the medical
99.30 condition or provide notification of job loss. All other eligibility requirements must be met
99.31 and the enrollee must pay all calculated premium costs for continued eligibility.

99.32 (d) For purposes of determining eligibility under this subdivision, a person's assets
99.33 must not exceed \$20,000, excluding:

99.34 (1) all assets excluded under section 256B.056;

100.1 (2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans,
100.2 Keogh plans, and pension plans;

100.3 (3) medical expense accounts set up through the person's employer; and

100.4 (4) spousal assets, including spouse's share of jointly held assets.

100.5 (e) All enrollees must pay a premium to be eligible for medical assistance under this
100.6 subdivision, except as provided under clause (5).

100.7 (1) An enrollee must pay the greater of a \$65 \$35 premium or the premium calculated
100.8 based on the person's gross earned and unearned income and the applicable family size
100.9 using a sliding fee scale established by the commissioner, which begins at one percent of
100.10 income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of
100.11 income for those with incomes at or above 300 percent of the federal poverty guidelines.

100.12 (2) Annual adjustments in the premium schedule based upon changes in the federal
100.13 poverty guidelines shall be effective for premiums due in July of each year.

100.14 (3) All enrollees who receive unearned income must pay five one-half of one percent
100.15 of unearned income in addition to the premium amount, except as provided under clause (5).

100.16 (4) Increases in benefits under title II of the Social Security Act shall not be counted
100.17 as income for purposes of this subdivision until July 1 of each year.

100.18 (5) Effective July 1, 2009, American Indians are exempt from paying premiums as
100.19 required by section 5006 of the American Recovery and Reinvestment Act of 2009, Public
100.20 Law 111-5. For purposes of this clause, an American Indian is any person who meets the
100.21 definition of Indian according to Code of Federal Regulations, title 42, section 447.50.

100.22 (f) A person's eligibility and premium shall be determined by the local county
100.23 agency. Premiums must be paid to the commissioner. All premiums are dedicated to
100.24 the commissioner.

191.4 (g) Any required premium shall be determined at application and redetermined at
191.5 the enrollee's six-month income review or when a change in income or household size is
191.6 reported. Enrollees must report any change in income or household size within ten days
191.7 of when the change occurs. A decreased premium resulting from a reported change in
191.8 income or household size shall be effective the first day of the next available billing month
191.9 after the change is reported. Except for changes occurring from annual cost-of-living
191.10 increases, a change resulting in an increased premium shall not affect the premium amount
191.11 until the next six-month review.

191.12 (h) Premium payment is due upon notification from the commissioner of the
191.13 premium amount required. Premiums may be paid in installments at the discretion of
191.14 the commissioner.

191.15 (i) Nonpayment of the premium shall result in denial or termination of medical
191.16 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
191.17 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
191.18 D, are met. Except when an installment agreement is accepted by the commissioner, all
191.19 persons disenrolled for nonpayment of a premium must pay any past due premiums as well
191.20 as current premiums due prior to being reenrolled. Nonpayment shall include payment with
191.21 a returned, refused, or dishonored instrument. The commissioner may require a guaranteed
191.22 form of payment as the only means to replace a returned, refused, or dishonored instrument.

191.23 (j) For enrollees whose income does not exceed 200 percent of the federal poverty
191.24 guidelines and who are also enrolled in Medicare, the commissioner shall reimburse
191.25 the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15,
191.26 paragraph (a).

191.27 Sec. 9. Minnesota Statutes 2014, section 256B.059, subdivision 5, is amended to read:

191.28 Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for
191.29 medical assistance benefits following the first continuous period of institutionalization on
191.30 or after October 1, 1989, assets considered available to the institutionalized spouse shall
191.31 be the total value of all assets in which either spouse has an ownership interest, reduced by
191.32 the following amount for the community spouse:

191.33 (1) prior to July 1, 1994, the greater of:

191.34 (i) \$14,148;

191.35 (ii) the lesser of the spousal share or \$70,740; or

192.1 (iii) the amount required by court order to be paid to the community spouse;

192.2 (2) for persons whose date of initial determination of eligibility for medical
192.3 assistance following their first continuous period of institutionalization occurs on or after
192.4 July 1, 1994, the greater of:

192.5 (i) \$20,000;

100.25 (g) Any required premium shall be determined at application and redetermined at
100.26 the enrollee's six-month income review or when a change in income or household size is
100.27 reported. Enrollees must report any change in income or household size within ten days
100.28 of when the change occurs. A decreased premium resulting from a reported change in
100.29 income or household size shall be effective the first day of the next available billing month
100.30 after the change is reported. Except for changes occurring from annual cost-of-living
100.31 increases, a change resulting in an increased premium shall not affect the premium amount
100.32 until the next six-month review.

100.33 (h) Premium payment is due upon notification from the commissioner of the
100.34 premium amount required. Premiums may be paid in installments at the discretion of
100.35 the commissioner.

101.1 (i) Nonpayment of the premium shall result in denial or termination of medical
101.2 assistance unless the person demonstrates good cause for nonpayment. Good cause exists
101.3 if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to
101.4 D, are met. Except when an installment agreement is accepted by the commissioner, all
101.5 persons disenrolled for nonpayment of a premium must pay any past due premiums as well
101.6 as current premiums due prior to being reenrolled. Nonpayment shall include payment with
101.7 a returned, refused, or dishonored instrument. The commissioner may require a guaranteed
101.8 form of payment as the only means to replace a returned, refused, or dishonored instrument.

101.9 (j) For enrollees whose income does not exceed 200 percent of the federal poverty
101.10 guidelines and who are also enrolled in Medicare, the commissioner shall reimburse
101.11 the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15,
101.12 paragraph (a).

192.6 (ii) the lesser of the spousal share or \$70,740; or

192.7 (iii) the amount required by court order to be paid to the community spouse.

192.8 The value of assets transferred for the sole benefit of the community spouse under section 192.9 256B.0595, subdivision 4, in combination with other assets available to the community

192.10 spouse under this section, cannot exceed the limit for the community spouse asset

192.11 allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall be

192.12 considered available to the institutionalized spouse whether or not converted to income. If

192.13 the community spouse asset allowance has been increased under subdivision 4, then the

192.14 assets considered available to the institutionalized spouse under this subdivision shall be

192.15 further reduced by the value of additional amounts allowed under subdivision 4.

192.16 (b) An institutionalized spouse may be found eligible for medical assistance even

192.17 though assets in excess of the allowable amount are found to be available under paragraph

192.18 (a) if the assets are owned jointly or individually by the community spouse, and the

192.19 institutionalized spouse cannot use those assets to pay for the cost of care without the

192.20 consent of the community spouse, and if: (i) the institutionalized spouse assigns to the

192.21 commissioner the right to support from the community spouse under section 256B.14,

192.22 subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment

192.23 due to a physical or mental impairment; or (iii) the denial of eligibility would cause an

192.24 imminent threat to the institutionalized spouse's health and well-being.

192.25 (c) After the month in which the institutionalized spouse is determined eligible for

192.26 medical assistance, during the continuous period of institutionalization, no assets of the

192.27 community spouse are considered available to the institutionalized spouse, unless the

192.28 institutionalized spouse has been found eligible under paragraph (b).

192.29 (d) Assets determined to be available to the institutionalized spouse under this

192.30 section must be used for the health care or personal needs of the institutionalized spouse.

192.31 (e) For purposes of this section, assets do not include assets excluded under the

192.32 Supplemental Security Income program.

192.33 Sec. 10. Minnesota Statutes 2014, section 256B.0916, subdivision 2, is amended to read:

192.34 Subd. 2. **Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000,

192.35 the commissioner shall distribute all funding available for home and community-based

193.1 waiver services for persons with developmental disabilities to individual counties or to

193.2 groups of counties that form partnerships to jointly plan, administer, and authorize funding

193.3 for eligible individuals. The commissioner shall encourage counties to form partnerships

193.4 that have a sufficient number of recipients and funding to adequately manage the risk

193.5 and maximize use of available resources.

193.6 (b) Counties must submit a request for funds and a plan for administering the

193.7 program as required by the commissioner. The plan must identify the number of clients to

193.8 be served, their ages, and their priority listing based on:

101.13 Sec. 26. Minnesota Statutes 2014, section 256B.0916, subdivision 2, is amended to read:

101.14 Subd. 2. **Distribution of funds; partnerships.** (a) Beginning with fiscal year 2000,

101.15 the commissioner shall distribute all funding available for home and community-based

101.16 waiver services for persons with developmental disabilities to individual counties or to

101.17 groups of counties that form partnerships to jointly plan, administer, and authorize funding

101.18 for eligible individuals. The commissioner shall encourage counties to form partnerships

101.19 that have a sufficient number of recipients and funding to adequately manage the risk

101.20 and maximize use of available resources.

101.21 (b) Counties must submit a request for funds and a plan for administering the

101.22 program as required by the commissioner. The plan must identify the number of clients to

101.23 be served, their ages, and their priority listing based on:

193.9 (1) requirements in Minnesota Rules, part 9525.1880; and

193.10 (2) statewide priorities identified in section 256B.092, subdivision 12.

193.11 The plan must also identify changes made to improve services to eligible persons and to
193.12 improve program management.

193.13 (c) In allocating resources to counties, priority must be given to groups of counties
193.14 that form partnerships to jointly plan, administer, and authorize funding for eligible
193.15 individuals and to counties determined by the commissioner to have sufficient waiver
193.16 capacity to maximize resource use.

193.17 (d) Within 30 days after receiving the county request for funds and plans, the
193.18 commissioner shall provide a written response to the plan that includes the level of
193.19 resources available to serve additional persons.

193.20 (e) Counties are eligible to receive medical assistance administrative reimbursement
193.21 for administrative costs under criteria established by the commissioner.

193.22 (f) The commissioner shall manage waiver allocations in such a manner as to fully
193.23 use available state and federal waiver appropriations.

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

193.25 Sec. 11. Minnesota Statutes 2014, section 256B.0916, subdivision 11, is amended to
193.26 read:

193.27 Subd. 11. **Excess spending.** County and tribal agencies are responsible for spending
193.28 in excess of the allocation made by the commissioner. In the event a county or tribal agency
193.29 spends in excess of the allocation made by the commissioner for a given allocation period,
193.30 they must submit a corrective action plan to the commissioner for approval. The plan must
193.31 state the actions the agency will take to correct their overspending for the year two years
193.32 following the period when the overspending occurred. Failure to correct overspending
193.33 shall result in reequipment of spending in excess of the allocation. The commissioner
193.34 shall recoup spending in excess of the allocation only in cases where statewide spending
194.1 exceeds the appropriation designated for the home and community-based services waivers.
194.2 Nothing in this subdivision shall be construed as reducing the county's responsibility to
194.3 offer and make available feasible home and community-based options to eligible waiver
194.4 recipients within the resources allocated to them for that purpose.

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

194.6 Sec. 12. Minnesota Statutes 2014, section 256B.0916, is amended by adding a
194.7 subdivision to read:

101.24 (1) requirements in Minnesota Rules, part 9525.1880; and

101.25 (2) statewide priorities identified in section 256B.092, subdivision 12.

101.26 The plan must also identify changes made to improve services to eligible persons and to
101.27 improve program management.

101.28 (c) In allocating resources to counties, priority must be given to groups of counties
101.29 that form partnerships to jointly plan, administer, and authorize funding for eligible
101.30 individuals and to counties determined by the commissioner to have sufficient waiver
101.31 capacity to maximize resource use.

101.32 (d) Within 30 days after receiving the county request for funds and plans, the
101.33 commissioner shall provide a written response to the plan that includes the level of
101.34 resources available to serve additional persons.

102.1 (e) Counties are eligible to receive medical assistance administrative reimbursement
102.2 for administrative costs under criteria established by the commissioner.

102.3 (f) The commissioner shall manage waiver allocations in such a manner as to fully
102.4 use available state and federal waiver appropriations.

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

102.6 Sec. 27. Minnesota Statutes 2014, section 256B.0916, subdivision 11, is amended to
102.7 read:

102.8 Subd. 11. **Excess spending.** County and tribal agencies are responsible for spending
102.9 in excess of the allocation made by the commissioner. In the event a county or tribal agency
102.10 spends in excess of the allocation made by the commissioner for a given allocation period,
102.11 they must submit a corrective action plan to the commissioner for approval. The plan must
102.12 state the actions the agency will take to correct their overspending for the year two years
102.13 following the period when the overspending occurred. Failure to correct overspending
102.14 shall result in reequipment of spending in excess of the allocation. The commissioner
102.15 shall recoup spending in excess of the allocation only in cases where statewide spending
102.16 exceeds the appropriation designated for the home and community-based services waivers.
102.17 Nothing in this subdivision shall be construed as reducing the county's responsibility to
102.18 offer and make available feasible home and community-based options to eligible waiver
102.19 recipients within the resources allocated to them for that purpose.

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

102.21 Sec. 28. Minnesota Statutes 2014, section 256B.0916, is amended by adding a
102.22 subdivision to read:

194.8 Subd. 12. **Use of waiver allocations.** County and tribal agencies are responsible
194.9 for spending the annual allocation made by the commissioner. In the event a county or
194.10 tribal agency spends less than 97 percent of the allocation, while maintaining a list of
194.11 persons waiting for waiver services, the county or tribal agency must submit a corrective
194.12 action plan to the commissioner for approval. The commissioner may determine a plan
194.13 is unnecessary given the size of the allocation and capacity for new enrollment. The
194.14 plan must state the actions the agency will take to assure reasonable and timely access
194.15 to home and community-based waiver services for persons waiting for services. If a
194.16 county or tribe does not submit a plan when required or implement the changes required,
194.17 the commissioner shall assure access to waiver services within the county's or tribe's
194.18 available allocation and take other actions needed to assure that all waiver participants in
194.19 that county or tribe are receiving appropriate waiver services to meet their needs.

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

102.23 Subd. 12. **Use of waiver allocations.** County and tribal agencies are responsible
102.24 for spending the annual allocation made by the commissioner. In the event a county or
102.25 tribal agency spends less than 97 percent of the allocation, while maintaining a list of
102.26 persons waiting for waiver services, the county or tribal agency must submit a corrective
102.27 action plan to the commissioner for approval. The commissioner may determine a plan
102.28 is unnecessary given the size of the allocation and capacity for new enrollment. The
102.29 plan must state the actions the agency will take to assure reasonable and timely access
102.30 to home and community-based waiver services for persons waiting for services. If a
102.31 county or tribe does not submit a plan when required or implement the changes required,
102.32 the commissioner shall assure access to waiver services within the county's or tribe's
103.1 available allocation and take other actions needed to assure that all waiver participants in
103.2 that county or tribe are receiving appropriate waiver services to meet their needs.

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

103.4 Sec. 29. Minnesota Statutes 2014, section 256B.097, subdivision 3, is amended to read:

103.5 Subd. 3. **State Quality Council.** (a) There is hereby created a State Quality
103.6 Council which must define regional quality councils, and carry out a community-based,
103.7 person-directed quality review component, and a comprehensive system for effective
103.8 incident reporting, investigation, analysis, and follow-up.

103.9 (b) By August 1, 2011, the commissioner of human services shall appoint the
103.10 members of the initial State Quality Council. Members shall include representatives
103.11 from the following groups:

103.12 (1) disability service recipients and their family members;

103.13 (2) during the first four years of the State Quality Council, there must be at least
103.14 three members from the Region 10 stakeholders. As regional quality councils are formed
103.15 under subdivision 4, each regional quality council shall appoint one member;

103.16 (3) disability service providers;

103.17 (4) disability advocacy groups; and

103.18 (5) county human services agencies and staff from the Department of Human
103.19 Services and Ombudsman for Mental Health and Developmental Disabilities.

103.20 (c) Members of the council who do not receive a salary or wages from an employer
103.21 for time spent on council duties may receive a per diem payment when performing council
103.22 duties and functions.

103.23 (d) The State Quality Council shall:

103.24 (1) assist the Department of Human Services in fulfilling federally mandated
103.25 obligations by monitoring disability service quality and quality assurance and
103.26 improvement practices in Minnesota;

103.27 (2) establish state quality improvement priorities with methods for achieving results
103.28 and provide an annual report to the legislative committees with jurisdiction over policy
103.29 and funding of disability services on the outcomes, improvement priorities, and activities
103.30 undertaken by the commission during the previous state fiscal year;

103.31 (3) identify issues pertaining to financial and personal risk that impede Minnesotans
103.32 with disabilities from optimizing choice of community-based services; and

103.33 (4) recommend to the chairs and ranking minority members of the legislative
103.34 committees with jurisdiction over human services and civil law by January 15, 2014,
103.35 statutory and rule changes related to the findings under clause (3) that promote
104.1 individualized service and housing choices balanced with appropriate individualized
104.2 protection.

104.3 (e) The State Quality Council, in partnership with the commissioner, shall:

104.4 (1) approve and direct implementation of the community-based, person-directed
104.5 system established in this section;

104.6 (2) recommend an appropriate method of funding this system, and determine the
104.7 feasibility of the use of Medicaid, licensing fees, as well as other possible funding options;

104.8 (3) approve measurable outcomes in the areas of health and safety, consumer
104.9 evaluation, education and training, providers, and systems;

104.10 (4) establish variable licensure periods not to exceed three years based on outcomes
104.11 achieved; and

104.12 (5) in cooperation with the Quality Assurance Commission, design a transition plan
104.13 for licensed providers from Region 10 into the alternative licensing system by July 1, 2015.

104.14 (f) The State Quality Council shall notify the commissioner of human services that a
104.15 facility, program, or service has been reviewed by quality assurance team members under
104.16 subdivision 4, paragraph (b) (c), clause (13), and qualifies for a license.

104.17 (g) The State Quality Council, in partnership with the commissioner, shall establish
104.18 an ongoing review process for the system. The review shall take into account the
104.19 comprehensive nature of the system which is designed to evaluate the broad spectrum of
104.20 licensed and unlicensed entities that provide services to persons with disabilities. The
104.21 review shall address efficiencies and effectiveness of the system.

104.22 (h) The State Quality Council may recommend to the commissioner certain
104.23 variances from the standards governing licensure of programs for persons with disabilities
104.24 in order to improve the quality of services so long as the recommended variances do
104.25 not adversely affect the health or safety of persons being served or compromise the
104.26 qualifications of staff to provide services.

104.27 (i) The safety standards, rights, or procedural protections referenced under
104.28 subdivision 2 4, paragraph (e) (d), shall not be varied. The State Quality Council may
104.29 make recommendations to the commissioner or to the legislature in the report required
104.30 under paragraph (e) (d) regarding alternatives or modifications to the safety standards,
104.31 rights, or procedural protections referenced under subdivision 2 (4), paragraph (e) (d).

104.32 (j) The State Quality Council may hire staff to perform the duties assigned in this
104.33 subdivision.

104.34 Sec. 30. Minnesota Statutes 2014, section 256B.097, subdivision 4, is amended to read:

105.1 Subd. 4. **Regional quality councils.** (a) By July 1, 2015, the commissioner shall
105.2 establish, ~~as selected by the State Quality Council~~, or continue the operation of three
105.3 regional quality councils of key stakeholders, ~~including as selected by the State Quality~~
~~105.4 Council~~. One regional quality council shall be established in the Twin Cities metropolitan
105.5 area, one shall be established in greater Minnesota, and one shall be the Quality Assurance
105.6 Commission established under section 256B.0951. By July 1, 2016, the commissioner
105.7 shall establish three additional regional quality councils, ~~as selected by the State Quality~~
105.8 Council. The regional quality councils established under this paragraph shall include
105.9 regional representatives of:

105.10 (1) disability service recipients and their family members;

105.11 (2) disability service providers;

105.12 (3) disability advocacy groups; and

105.13 (4) county human services agencies and staff from the Department of Human
105.14 Services and Ombudsman for Mental Health and Developmental Disabilities.

105.15 (b) In establishing the regional quality councils, the commissioner shall:

105.16 (1) appoint the members from the groups identified in paragraph (a) by July 1, 2015;

105.17 (2) designate a chair for each council or prescribe a process for each council to
105.18 select a chair from among its members;

105.19 (3) set term limits for members of the regional quality councils;

105.20 (4) set the total number or maximum number of members of each regional council;

105.21 (5) set the number or proportion of members representing each of the groups
105.22 identified in paragraph (a);

- 105.23 (6) set deadlines and requirements for annual reports to the chair of the State
105.24 Quality Council and to the chairs of the legislative committees in the senate and house of
105.25 representatives with primary jurisdiction over human services on the status, outcomes,
105.26 improvement priorities, and activities in the regions; and
- 105.27 (7) convene a first meeting of each regional quality council by July 1, 2016, or
105.28 identify a person responsible for convening the first meeting of each regional quality
105.29 council and require that the person convene the first meeting by July 1, 2016.
- 105.30 (b) (c) Each regional quality council shall:
- 105.31 (1) direct and monitor the community-based, person-directed quality assurance
105.32 system in this section;
- 105.33 (2) approve a training program for quality assurance team members under clause (13);
- 105.34 (3) review summary reports from quality assurance team reviews and make
105.35 recommendations to the State Quality Council regarding program licensure;
- 105.36 (4) make recommendations to the State Quality Council regarding the system;
- 106.1 (5) resolve complaints between the quality assurance teams, counties, providers,
106.2 persons receiving services, their families, and legal representatives;
- 106.3 (6) analyze and review quality outcomes and critical incident data reporting
106.4 incidents of life safety concerns immediately to the Department of Human Services
106.5 licensing division;
- 106.6 (7) provide information and training programs for persons with disabilities and their
106.7 families and legal representatives on service options and quality expectations;
- 106.8 (8) disseminate information and resources developed to other regional quality
106.9 councils;
- 106.10 (9) respond to state-level priorities;
- 106.11 (10) establish regional priorities for quality improvement;
- 106.12 (11) submit an annual report to the State Quality Council on the status, outcomes,
106.13 improvement priorities, and activities in the region;
- 106.14 (12) choose a representative to participate on the State Quality Council and assume
106.15 other responsibilities consistent with the priorities of the State Quality Council; and

106.16 (13) recruit, train, and assign duties to members of quality assurance teams, taking
106.17 into account the size of the service provider, the number of services to be reviewed,
106.18 the skills necessary for the team members to complete the process, and ensure that no
106.19 team member has a financial, personal, or family relationship with the facility, program,
106.20 or service being reviewed or with anyone served at the facility, program, or service.
106.21 Quality assurance teams must be comprised of county staff, persons receiving services
106.22 or the person's families, legal representatives, members of advocacy organizations,
106.23 providers, and other involved community members. Team members must complete
106.24 the training program approved by the regional quality council and must demonstrate
106.25 performance-based competency. Team members may be paid a per diem and reimbursed
106.26 for expenses related to their participation in the quality assurance process.

106.27 ~~(e)~~ (d) The commissioner shall monitor the safety standards, rights, and procedural
106.28 protections for the monitoring of psychotropic medications and those identified under
106.29 sections 245.825; 245.91 to 245.97; 245A.09, subdivision 2, paragraph (c), clauses (2)
106.30 and (5); 245A.12; 245A.13; 252.41, subdivision 9; 256B.092, subdivision 1b, clause
106.31 (7); 626.556; and 626.557.

106.32 ~~(d)~~ (e) The regional quality councils may hire staff to perform the duties assigned
106.33 in this subdivision.

106.34 ~~(e)~~ (f) The regional quality councils may charge fees for their services.

106.35 ~~(f)~~ (g) The quality assurance process undertaken by a regional quality council consists
106.36 of an evaluation by a quality assurance team of the facility, program, or service. The
107.1 process must include an evaluation of a random sample of persons served. The sample must
107.2 be representative of each service provided. The sample size must be at least five percent but
107.3 not less than two persons served. All persons must be given the opportunity to be included
107.4 in the quality assurance process in addition to those chosen for the random sample.

107.5 ~~(g)~~ (h) A facility, program, or service may contest a licensing decision of the regional
107.6 quality council as permitted under chapter 245A.

194.21 Sec. 13. Minnesota Statutes 2014, section 256B.441, is amended by adding a
194.22 subdivision to read:

194.23 Subd. 65. **Nursing facility workforce enhancement rate adjustment effective**
194.24 **January 1, 2016.** (a) A onetime rate adjustment for the purpose of providing more
194.25 competitive wages in nursing facilities shall be provided as described under this
194.26 subdivision.

194.27 (b) Beginning January 1, 2016, the commissioner shall make available to each
194.28 nursing facility reimbursed under this section an operating payment rate adjustment,
194.29 in accordance with paragraphs (c) to (i).

194.30 (c) One hundred percent of the money resulting from the rate adjustment under
194.31 paragraph (b) must be used for increases in wages and the employer's share of FICA taxes,
194.32 Medicare taxes, state and federal unemployment taxes, and workers' compensation for
195.1 employees directly employed by the nursing facility on or after the effective date of the
195.2 rate adjustment. Individuals not eligible for an increase under this subdivision include:

195.3 (1) an individual employed in the central office of an entity that has an ownership
195.4 interest in the nursing facility or exercises control over the nursing facility;

195.5 (2) an individual paid by the nursing facility under a management contract; or

195.6 (3) an individual being paid a base wage of \$40 per hour or more.

195.7 (d) A nursing facility may apply for the rate adjustment under paragraph (b). The
195.8 application must be submitted to the commissioner, in the form and manner specified by
195.9 the commissioner, by August 10, 2015, and the nursing facility must provide additional
195.10 information required by the commissioner by October 1, 2015. The commissioner may
195.11 waive the deadlines in this paragraph under extraordinary circumstances, to be determined
195.12 at the sole discretion of the commissioner. The application must contain at least:

195.13 (1) labor market information for positions that in terms of training, experience, and
195.14 other relevant qualifications, are comparable to those in the nursing facility;

195.15 (2) proposed wage plan changes according to which all employees in a specific job
195.16 group receive wage adjustments by an equal percentage, and that result in the average
195.17 cost per compensated hour for that job group being equal to those for the comparable
195.18 positions in the labor market;

195.19 (3) a calculation of the cost of implementing the specified wage plans;

195.20 (4) for nursing facilities in which ten percent or more of eligible employees are
195.21 represented by an exclusive bargaining representative, the commissioner shall approve
195.22 the application only upon receipt of a letter of acceptance of the distribution plan, with
195.23 respect to members of the bargaining unit, signed by the exclusive bargaining agent and
195.24 dated after May 25, 2015;

195.25 (5) a description of the plan the nursing facility will follow to notify eligible
195.26 employees of the contents of the approved application. The plan must provide for giving
195.27 each eligible employee a copy of the approved application or posting a copy of the
195.28 approved application for a period of at least six weeks in an area of the nursing facility to
195.29 which all eligible employees have access; and

195.30 (6) instructions for employees who believe they have not received the
195.31 compensation-related increases specified in clause (2), as approved by the commissioner,
195.32 and that must include a mailing address, e-mail address, and the telephone number that may
195.33 be used by the employee to contact the commissioner or the commissioner's representative.

195.34 (e) The commissioner shall review applications received and shall subject them to
195.35 tests for consistency with the most recently available information from annual statistical
195.36 and cost reports. The commission shall request additional information as needed from
196.1 applying facilities. By use of medians from all applications and the most recently available
196.2 public data on regional prevailing wage levels for comparable positions, the commissioner
196.3 shall adjust the applicant-provided labor market information used in determining the
196.4 amount of funding increase to be provided.

196.5 (f) The commissioner shall review applications received under paragraph (d) and
196.6 shall provide the funding increase under this subdivision if the requirements of this
196.7 subdivision have been met and if the appropriation for this purpose is sufficient. The rate
196.8 adjustment shall be effective January 1, 2016. If the approved applications, in total, would
196.9 distribute more money than is appropriated, the commissioner shall reduce by an equal
196.10 percentage the amount of all funding increases to be allowed. The wage adjustments
196.11 specified in an application may be reduced by the same percentage.

196.12 (g) For direct care-related positions, the commissioner shall divide the amount
196.13 determined in paragraph (f) by the standardized days from the most recently available cost
196.14 report and multiply this amount by the weight assigned to each RUG class, to determine
196.15 per diem amounts, which shall be added to each RUG operating payment rate.

196.16 (h) For all other positions, the commissioner shall divide the amount determined in
196.17 paragraph (f) by the resident days from the most recently available cost report and add this
196.18 amount to each RUG operating payment rate.

196.19 (i) A nursing facility participating in the equitable cost-sharing for publicly owned
196.20 nursing facility program participation under section 256B.441, subdivision 55a, may
196.21 amend its level of participation after receiving notice of approval of its application under
196.22 this subdivision.

196.23 Sec. 14. Minnesota Statutes 2014, section 256B.49, subdivision 26, is amended to read:

196.24 Subd. 26. **Excess allocations.** (a) Effective through June 30, 2018, county and
196.25 tribal agencies will be responsible for authorizations in excess of the annual allocation
196.26 made by the commissioner. In the event a county or tribal agency authorizes in excess
196.27 of the allocation made by the commissioner for a given allocation period, the county or
196.28 tribal agency must submit a corrective action plan to the commissioner for approval.
196.29 The plan must state the actions the agency will take to correct their overspending for
196.30 the year two years following the period when the overspending occurred. Failure to
196.31 correct overauthorizations shall result in recoupment of authorizations in excess of the
196.32 allocation. The commissioner shall recoup funds spent in excess of the allocation only
196.33 in cases where statewide spending exceeds the appropriation designated for the home
196.34 and community-based services waivers. Nothing in this subdivision shall be construed
196.35 as reducing the county's responsibility to offer and make available feasible home and
197.1 community-based options to eligible waiver recipients within the resources allocated
197.2 to them for that purpose. If a county or tribe does not submit a plan when required or

107.7 Sec. 31. Minnesota Statutes 2014, section 256B.49, subdivision 26, is amended to read:

107.8 Subd. 26. **Excess allocations.** (a) Effective through June 30, 2018, county and
107.9 tribal agencies will be responsible for authorizations in excess of the annual allocation
107.10 made by the commissioner. In the event a county or tribal agency authorizes in excess
107.11 of the allocation made by the commissioner for a given allocation period, the county or
107.12 tribal agency must submit a corrective action plan to the commissioner for approval.
107.13 The plan must state the actions the agency will take to correct their overspending for
107.14 the year two years following the period when the overspending occurred. Failure to
107.15 correct overauthorizations shall result in recoupment of authorizations in excess of the
107.16 allocation. The commissioner shall recoup funds spent in excess of the allocation only
107.17 in cases where statewide spending exceeds the appropriation designated for the home
107.18 and community-based services waivers. Nothing in this subdivision shall be construed
107.19 as reducing the county's responsibility to offer and make available feasible home and
107.20 community-based options to eligible waiver recipients within the resources allocated
107.21 to them for that purpose. If a county or tribe does not submit a plan when required or

197.3 implement the changes required, the commissioner shall assure access to waiver services
197.4 within the county's or tribe's available allocation and take other actions needed to assure
197.5 that all waiver participants in that county or tribe are receiving appropriate waiver services
197.6 to meet their needs.

197.7 (b) Effective July 1, 2018, county and tribal agencies will be responsible for
197.8 spending in excess of the annual allocation made by the commissioner. In the event a
197.9 county or tribal agency spends in excess of the allocation made by the commissioner for a
197.10 given allocation period, the county or tribal agency must submit a corrective action plan to
197.11 the commissioner for approval. The plan must state the actions the agency will take to
197.12 correct its overspending for the two years following the period when the overspending
197.13 occurred. The commissioner shall recoup funds spent in excess of the allocation only
197.14 in cases when statewide spending exceeds the appropriation designated for the home
197.15 and community-based services waivers. Nothing in this subdivision shall be construed
197.16 as reducing the county's responsibility to offer and make available feasible home and
197.17 community-based options to eligible waiver recipients within the resources allocated to it
197.18 for that purpose. If a county or tribe does not submit a plan when required or implement
197.19 the changes required, the commissioner shall assure access to waiver services within
197.20 the county's or tribe's available allocation and take other actions needed to assure that
197.21 all waiver participants in that county or tribe are receiving appropriate waiver services
197.22 to meet their needs.

197.23 Sec. 15. Minnesota Statutes 2014, section 256B.49, is amended by adding a
197.24 subdivision to read:

197.25 Subd. 27. **Use of waiver allocations.** (a) Effective until June 30, 2018, county
197.26 and tribal agencies are responsible for authorizing the annual allocation made by the
197.27 commissioner. In the event a county or tribal agency authorizes less than 97 percent of
197.28 the allocation, while maintaining a list of persons waiting for waiver services, the county
197.29 or tribal agency must submit a corrective action plan to the commissioner for approval.
197.30 The commissioner may determine a plan is unnecessary given the size of the allocation
197.31 and capacity for new enrollment. The plan must state the actions the agency will take
197.32 to assure reasonable and timely access to home and community-based waiver services
197.33 for persons waiting for services.

197.34 (b) Effective July 1, 2018, county and tribal agencies are responsible for spending
197.35 the annual allocation made by the commissioner. In the event a county or tribal agency
198.1 spends less than 97 percent of the allocation, while maintaining a list of persons waiting
198.2 for waiver services, the county or tribal agency must submit a corrective action plan to the
198.3 commissioner for approval. The commissioner may determine a plan is unnecessary given
198.4 the size of the allocation and capacity for new enrollment. The plan must state the actions
198.5 the agency will take to assure reasonable and timely access to home and community-based
198.6 waiver services for persons waiting for services.

107.22 implement the changes required, the commissioner shall assure access to waiver services
107.23 within the county's or tribe's available allocation and take other actions needed to assure
107.24 that all waiver participants in that county or tribe are receiving appropriate waiver services
107.25 to meet their needs.

107.26 (b) Effective July 1, 2018, county and tribal agencies will be responsible for
107.27 spending in excess of the annual allocation made by the commissioner. In the event a
107.28 county or tribal agency spends in excess of the allocation made by the commissioner for a
107.29 given allocation period, the county or tribal agency must submit a corrective action plan to
107.30 the commissioner for approval. The plan must state the actions the agency will take to
107.31 correct its overspending for the two years following the period when the overspending
107.32 occurred. The commissioner shall recoup funds spent in excess of the allocation only
107.33 in cases when statewide spending exceeds the appropriation designated for the home
107.34 and community-based services waivers. Nothing in this subdivision shall be construed
107.35 as reducing the county's responsibility to offer and make available feasible home and
108.1 community-based options to eligible waiver recipients within the resources allocated to it
108.2 for that purpose. If a county or tribe does not submit a plan when required or implement
108.3 the changes required, the commissioner shall assure access to waiver services within
108.4 the county's or tribe's available allocation and take other actions needed to assure that
108.5 all waiver participants in that county or tribe are receiving appropriate waiver services
108.6 to meet their needs.

108.7 Sec. 32. Minnesota Statutes 2014, section 256B.49, is amended by adding a
108.8 subdivision to read:

108.9 Subd. 27. **Use of waiver allocations.** (a) Effective until June 30, 2018, county
108.10 and tribal agencies are responsible for authorizing the annual allocation made by the
108.11 commissioner. In the event a county or tribal agency authorizes less than 97 percent of
108.12 the allocation, while maintaining a list of persons waiting for waiver services, the county
108.13 or tribal agency must submit a corrective action plan to the commissioner for approval.
108.14 The commissioner may determine a plan is unnecessary given the size of the allocation
108.15 and capacity for new enrollment. The plan must state the actions the agency will take
108.16 to assure reasonable and timely access to home and community-based waiver services
108.17 for persons waiting for services.

108.18 (b) Effective July 1, 2018, county and tribal agencies are responsible for spending
108.19 the annual allocation made by the commissioner. In the event a county or tribal agency
108.20 spends less than 97 percent of the allocation, while maintaining a list of persons waiting
108.21 for waiver services, the county or tribal agency must submit a corrective action plan to the
108.22 commissioner for approval. The commissioner may determine a plan is unnecessary given
108.23 the size of the allocation and capacity for new enrollment. The plan must state the actions
108.24 the agency will take to assure reasonable and timely access to home and community-based
108.25 waiver services for persons waiting for services.

198.7 Sec. 16. Minnesota Statutes 2014, section 256B.4913, subdivision 4a, is amended to
198.8 read:

198.9 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,
198.10 "implementation period" means the period beginning January 1, 2014, and ending on
198.11 the last day of the month in which the rate management system is populated with the
198.12 data necessary to calculate rates for substantially all individuals receiving home and
198.13 community-based waiver services under sections 256B.092 and 256B.49. "Banding
198.14 period" means the time period beginning on January 1, 2014, and ending upon the
198.15 expiration of the 12-month period defined in paragraph (c), clause (5).

198.16 (b) For purposes of this subdivision, the historical rate for all service recipients means
198.17 the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

198.18 (1) for a day service recipient who was not authorized to receive these waiver
198.19 services prior to January 1, 2014; added a new service or services on or after January 1,
198.20 2014; or changed providers on or after January 1, 2014, the historical rate must be the
198.21 authorized rate for the provider in the county of service, effective December 1, 2013; or

198.22 (2) for a unit-based service with programming or a unit-based service without
198.23 programming recipient who was not authorized to receive these waiver services prior to
198.24 January 1, 2014; added a new service or services on or after January 1, 2014; or changed
198.25 providers on or after January 1, 2014, the historical rate must be the weighted average
198.26 authorized rate for each provider number in the county of service, effective December 1,
198.27 2013; or

198.28 (3) for residential service recipients who change providers on or after January 1,
198.29 2014, the historical rate must be set by each lead agency within their county aggregate
198.30 budget using their respective methodology for residential services effective December 1,
198.31 2013, for determining the provider rate for a similarly situated recipient being served by
198.32 that provider.

198.33 (c) The commissioner shall adjust individual reimbursement rates determined under
198.34 this section so that the unit rate is no higher or lower than:

198.35 (1) 0.5 percent from the historical rate for the implementation period;

199.1 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period
199.2 immediately following the time period of clause (1);

199.3 (3) ~~1-0 0.5~~ percent from the rate in effect in clause (2), for the 12-month period
199.4 immediately following the time period of clause (2);

199.5 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period
199.6 immediately following the time period of clause (3); and

199.7 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period
199.8 immediately following the time period of clause (4); and

108.26 Sec. 33. Minnesota Statutes 2014, section 256B.4913, subdivision 4a, is amended to
108.27 read:

108.28 Subd. 4a. **Rate stabilization adjustment.** (a) For purposes of this subdivision,
108.29 "implementation period" means the period beginning January 1, 2014, and ending on
108.30 the last day of the month in which the rate management system is populated with the
108.31 data necessary to calculate rates for substantially all individuals receiving home and
108.32 community-based waiver services under sections 256B.092 and 256B.49. "Banding
108.33 period" means the time period beginning on January 1, 2014, and ending upon the
108.34 expiration of the 12-month period defined in paragraph (c), clause (5).

109.1 (b) For purposes of this subdivision, the historical rate for all service recipients means
109.2 the individual reimbursement rate for a recipient in effect on December 1, 2013, except that:

109.3 (1) for a day service recipient who was not authorized to receive these waiver
109.4 services prior to January 1, 2014; added a new service or services on or after January 1,
109.5 2014; or changed providers on or after January 1, 2014, the historical rate must be the
109.6 authorized rate for the provider in the county of service, effective December 1, 2013; or

109.7 (2) for a unit-based service with programming or a unit-based service without
109.8 programming recipient who was not authorized to receive these waiver services prior to
109.9 January 1, 2014; added a new service or services on or after January 1, 2014; or changed
109.10 providers on or after January 1, 2014, the historical rate must be the weighted average
109.11 authorized rate for each provider number in the county of service, effective December 1,
109.12 2013; or

109.13 (3) for residential service recipients who change providers on or after January 1,
109.14 2014, the historical rate must be set by each lead agency within their county aggregate
109.15 budget using their respective methodology for residential services effective December 1,
109.16 2013, for determining the provider rate for a similarly situated recipient being served by
109.17 that provider.

109.18 (c) The commissioner shall adjust individual reimbursement rates determined under
109.19 this section so that the unit rate is no higher or lower than:

109.20 (1) 0.5 percent from the historical rate for the implementation period;

109.21 (2) 0.5 percent from the rate in effect in clause (1), for the 12-month period
109.22 immediately following the time period of clause (1);

109.23 (3) ~~1-0 0.5~~ percent from the rate in effect in clause (2), for the 12-month period
109.24 immediately following the time period of clause (2);

109.25 (4) 1.0 percent from the rate in effect in clause (3), for the 12-month period
109.26 immediately following the time period of clause (3); and

109.27 (5) 1.0 percent from the rate in effect in clause (4), for the 12-month period
109.28 immediately following the time period of clause (4); and

199.9 (6) no adjustment to the rate in effect in clause (5) for the 12-month period

199.10 immediately following the time period of clause (5). During this banding rate period, the
199.11 commissioner shall not enforce any rate decrease or increase that would otherwise result
199.12 from the end of the banding period. The commissioner shall, upon enactment, seek federal
199.13 approval for the addition of this banding period.

199.14 (d) The commissioner shall review all changes to rates that were in effect on
199.15 December 1, 2013, to verify that the rates in effect produce the equivalent level of spending
199.16 and service unit utilization on an annual basis as those in effect on October 31, 2013.

199.17 (e) By December 31, 2014, the commissioner shall complete the review in paragraph
199.18 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

199.19 (f) During the banding period, the Medicaid Management Information System
199.20 (MMIS) service agreement rate must be adjusted to account for change in an individual's
199.21 need. The commissioner shall adjust the Medicaid Management Information System
199.22 (MMIS) service agreement rate by:

199.23 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for
199.24 the individual with variables reflecting the level of service in effect on December 1, 2013;

199.25 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or
199.26 9, for the individual with variables reflecting the updated level of service at the time
199.27 of application; and

199.28 (3) adding to or subtracting from the Medicaid Management Information System
199.29 (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

199.30 (g) This subdivision must not apply to rates for recipients served by providers new
199.31 to a given county after January 1, 2014. Providers of personal supports services who also
199.32 acted as fiscal support entities must be treated as new providers as of January 1, 2014.

199.33 Sec. 17. Minnesota Statutes 2014, section 256B.4913, subdivision 5, is amended to read:

199.34 Subd. 5. **Stakeholder consultation and county training.** (a) The commissioner
199.35 shall continue consultation on regular intervals with the existing stakeholder group
200.1 established as part of the rate-setting methodology process and others, to gather input,
200.2 concerns, and data, to assist in the full implementation of the new rate payment system and
200.3 to make pertinent information available to the public through the department's Web site.

200.4 (b) The commissioner shall offer training at least annually for county personnel
200.5 responsible for administering the rate-setting framework in a manner consistent with this
200.6 section and section 256B.4914.

200.7 (c) The commissioner shall maintain an online instruction manual explaining the
200.8 rate-setting framework. The manual shall be consistent with this section and section
200.9 256B.4914, and shall be accessible to all stakeholders including recipients, representatives
200.10 of recipients, county or tribal agencies, and license holders.

109.29 (6) no adjustment to the rate in effect in clause (5) for the 12-month period

109.30 immediately following the time period of clause (5). During this banding rate period, the
109.31 commissioner shall not enforce any rate decrease or increase that would otherwise result
109.32 from the end of the banding period. The commissioner shall, upon enactment, seek federal
109.33 approval for the addition of this banding period.

109.34 (d) The commissioner shall review all changes to rates that were in effect on
109.35 December 1, 2013, to verify that the rates in effect produce the equivalent level of spending
109.36 and service unit utilization on an annual basis as those in effect on October 31, 2013.

110.1 (e) By December 31, 2014, the commissioner shall complete the review in paragraph
110.2 (d), adjust rates to provide equivalent annual spending, and make appropriate adjustments.

110.3 (f) During the banding period, the Medicaid Management Information System
110.4 (MMIS) service agreement rate must be adjusted to account for change in an individual's
110.5 need. The commissioner shall adjust the Medicaid Management Information System
110.6 (MMIS) service agreement rate by:

110.7 (1) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or 9, for
110.8 the individual with variables reflecting the level of service in effect on December 1, 2013;

110.9 (2) calculating a service rate under section 256B.4914, subdivision 6, 7, 8, or
110.10 9, for the individual with variables reflecting the updated level of service at the time
110.11 of application; and

110.12 (3) adding to or subtracting from the Medicaid Management Information System
110.13 (MMIS) service agreement rate, the difference between the values in clauses (1) and (2).

110.14 (g) This subdivision must not apply to rates for recipients served by providers new
110.15 to a given county after January 1, 2014. Providers of personal supports services who also
110.16 acted as fiscal support entities must be treated as new providers as of January 1, 2014.

110.17 Sec. 34. Minnesota Statutes 2014, section 256B.4913, subdivision 5, is amended to read:

110.18 Subd. 5. **Stakeholder consultation and county training.** (a) The commissioner
110.19 shall continue consultation on regular intervals with the existing stakeholder group
110.20 established as part of the rate-setting methodology process and others, to gather input,
110.21 concerns, and data, to assist in the full implementation of the new rate payment system and
110.22 to make pertinent information available to the public through the department's Web site.

110.23 (b) The commissioner shall offer training at least annually for county personnel
110.24 responsible for administering the rate-setting framework in a manner consistent with this
110.25 section and section 256B.4914.

110.26 (c) The commissioner shall maintain an online instruction manual explaining the
110.27 rate-setting framework. The manual shall be consistent with this section and section
110.28 256B.4914, and shall be accessible to all stakeholders including recipients, representatives
110.29 of recipients, county or tribal agencies, and license holders.

200.11 (d) The commissioner shall not defer to the county or tribal agency on matters of
200.12 technical application of the rate-setting framework, and a county or tribal agency shall not
200.13 set rates in a manner that conflicts with this section or section 256B.4914.

200.14 Sec. 18. Minnesota Statutes 2014, section 256B.4914, subdivision 2, is amended to read:

200.15 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
200.16 meanings given them, unless the context clearly indicates otherwise.

200.17 (b) "Commissioner" means the commissioner of human services.

200.18 (c) "Component value" means underlying factors that are part of the cost of providing
200.19 services that are built into the waiver rates methodology to calculate service rates.

200.20 (d) "Customized living tool" means a methodology for setting service rates that
200.21 delineates and documents the amount of each component service included in a recipient's
200.22 customized living service plan.

200.23 (e) "Disability waiver rates system" means a statewide system that establishes rates
200.24 that are based on uniform processes and captures the individualized nature of waiver
200.25 services and recipient needs.

200.26 (f) "Individual staffing" means the time spent as a one-to-one interaction specific to
200.27 an individual recipient by staff brought in solely to provide direct support and assistance
200.28 with activities of daily living, instrumental activities of daily living, and training to
200.29 participants, and is based on the requirements in each individual's coordinated service and
200.30 support plan under section 245D.02, subdivision 4b; any coordinated service and support
200.31 plan addendum under section 245D.02, subdivision 4c; and an assessment tool; and
200.32 Provider observation of an individual's needs must also be considered.

200.33 (g) "Lead agency" means a county, partnership of counties, or tribal agency charged
200.34 with administering waivered services under sections 256B.092 and 256B.49.

201.1 (h) "Median" means the amount that divides distribution into two equal groups,
201.2 one-half above the median and one-half below the median.

201.3 (i) "Payment or rate" means reimbursement to an eligible provider for services
201.4 provided to a qualified individual based on an approved service authorization.

201.5 (j) "Rates management system" means a Web-based software application that uses
201.6 a framework and component values, as determined by the commissioner, to establish
201.7 service rates.

201.8 (k) "Recipient" means a person receiving home and community-based services
201.9 funded under any of the disability waivers.

110.30 (d) The commissioner shall not defer to the county or tribal agency on matters of
110.31 technical application of the rate-setting framework, and a county or tribal agency shall not
110.32 set rates in a manner that conflicts with this section or section 256B.4914.

110.33 Sec. 35. Minnesota Statutes 2014, section 256B.4914, subdivision 2, is amended to read:

111.1 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
111.2 meanings given them, unless the context clearly indicates otherwise.

111.3 (b) "Commissioner" means the commissioner of human services.

111.4 (c) "Component value" means underlying factors that are part of the cost of providing
111.5 services that are built into the waiver rates methodology to calculate service rates.

111.6 (d) "Customized living tool" means a methodology for setting service rates that
111.7 delineates and documents the amount of each component service included in a recipient's
111.8 customized living service plan.

111.9 (e) "Disability waiver rates system" means a statewide system that establishes rates
111.10 that are based on uniform processes and captures the individualized nature of waiver
111.11 services and recipient needs.

111.12 (f) "Individual staffing" means the time spent as a one-to-one interaction specific to
111.13 an individual recipient by staff brought in solely to provide direct support and assistance
111.14 with activities of daily living, instrumental activities of daily living, and training to
111.15 participants, and is based on the requirements in each individual's coordinated service and
111.16 support plan under section 245D.02, subdivision 4b; any coordinated service and support
111.17 plan addendum under section 245D.02, subdivision 4c; and an assessment tool; and
111.18 Provider observation of an individual's needs must also be considered.

111.19 (g) "Lead agency" means a county, partnership of counties, or tribal agency charged
111.20 with administering waivered services under sections 256B.092 and 256B.49.

111.21 (h) "Median" means the amount that divides distribution into two equal groups,
111.22 one-half above the median and one-half below the median.

111.23 (i) "Payment or rate" means reimbursement to an eligible provider for services
111.24 provided to a qualified individual based on an approved service authorization.

111.25 (j) "Rates management system" means a Web-based software application that uses
111.26 a framework and component values, as determined by the commissioner, to establish
111.27 service rates.

111.28 (k) "Recipient" means a person receiving home and community-based services
111.29 funded under any of the disability waivers.

201.10 (l) "Shared staffing" means time spent by employees, not defined under paragraph
201.11 (f), providing or available to provide more than one individual with direct support and
201.12 assistance with activities of daily living as defined under section 256B.0659, subdivision 1,
201.13 paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
201.14 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
201.15 training to participants, and is based on the requirements in each individual's coordinated
201.16 service and support plan under section 245D.02, subdivision 4b; any coordinated service
201.17 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and
201.18 provider observation of an individual's service need. Total shared staffing hours are divided
201.19 proportionally by the number of individuals who receive the shared service provisions.

201.20 (m) "Staffing ratio" means the number of recipients a service provider employee
201.21 supports during a unit of service based on a uniform assessment tool, provider observation,
201.22 case history, and the recipient's services of choice, and not based on the staffing ratios
201.23 under section 245D.31.

201.24 (n) "Unit of service" means the following:

201.25 (1) for residential support services under subdivision 6, a unit of service is a day.
201.26 Any portion of any calendar day, within allowable Medicaid rules, where an individual
201.27 spends time in a residential setting is billable as a day;

201.28 (2) for day services under subdivision 7:

201.29 (i) for day training and habilitation services, a unit of service is either:

201.30 (A) a day unit of service is defined as six or more hours of time spent providing
201.31 direct services and transportation; or

201.32 (B) a partial day unit of service is defined as fewer than six hours of time spent
201.33 providing direct services and transportation; and

201.34 (C) for new day service recipients after January 1, 2014, 15 minute units of
201.35 service must be used for fewer than six hours of time spent providing direct services
201.36 and transportation;

202.1 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes.
202.2 A day unit of service is six or more hours of time spent providing direct services;

202.3 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of
202.4 service is six or more hours of time spent providing direct service;

202.5 (3) for unit-based services with programming under subdivision 8:

202.6 (i) for supported living services, a unit of service is a day or 15 minutes. When a
202.7 day rate is authorized, any portion of a calendar day where an individual receives services
202.8 is billable as a day; and

202.9 (ii) for all other services, a unit of service is 15 minutes; and

111.30 (l) "Shared staffing" means time spent by employees, not defined under paragraph
111.31 (f), providing or available to provide more than one individual with direct support and
111.32 assistance with activities of daily living as defined under section 256B.0659, subdivision 1,
111.33 paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
111.34 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
111.35 training to participants, and is based on the requirements in each individual's coordinated
111.36 service and support plan under section 245D.02, subdivision 4b; any coordinated service
112.1 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and
112.2 provider observation of an individual's service need. Total shared staffing hours are divided
112.3 proportionally by the number of individuals who receive the shared service provisions.

112.4 (m) "Staffing ratio" means the number of recipients a service provider employee
112.5 supports during a unit of service based on a uniform assessment tool, provider observation,
112.6 case history, and the recipient's services of choice, and not based on the staffing ratios
112.7 under section 245D.31.

112.8 (n) "Unit of service" means the following:

112.9 (1) for residential support services under subdivision 6, a unit of service is a day.
112.10 Any portion of any calendar day, within allowable Medicaid rules, where an individual
112.11 spends time in a residential setting is billable as a day;

112.12 (2) for day services under subdivision 7:

112.13 (i) for day training and habilitation services, a unit of service is either:

112.14 (A) a day unit of service is defined as six or more hours of time spent providing
112.15 direct services and transportation; or

112.16 (B) a partial day unit of service is defined as fewer than six hours of time spent
112.17 providing direct services and transportation; and

112.18 (C) for new day service recipients after January 1, 2014, 15 minute units of
112.19 service must be used for fewer than six hours of time spent providing direct services
112.20 and transportation;

112.21 (ii) for adult day and structured day services, a unit of service is a day or 15 minutes.
112.22 A day unit of service is six or more hours of time spent providing direct services;

112.23 (iii) for prevocational services, a unit of service is a day or an hour. A day unit of
112.24 service is six or more hours of time spent providing direct service;

112.25 (3) for unit-based services with programming under subdivision 8:

112.26 (i) for supported living services, a unit of service is a day or 15 minutes. When a
112.27 day rate is authorized, any portion of a calendar day where an individual receives services
112.28 is billable as a day; and

112.29 (ii) for all other services, a unit of service is 15 minutes; and

202.10 (4) for unit-based services without programming under subdivision 9:

202.11 (i) for respite services, a unit of service is a day or 15 minutes. When a day rate is
202.12 authorized, any portion of a calendar day when an individual receives services is billable
202.13 as a day; and

202.14 (ii) for all other services, a unit of service is 15 minutes.

112.30 (4) for unit-based services without programming under subdivision 9:

112.31 (i) for respite services, a unit of service is a day or 15 minutes. When a day rate is
112.32 authorized, any portion of a calendar day when an individual receives services is billable
112.33 as a day; and

112.34 (ii) for all other services, a unit of service is 15 minutes.

112.35 Sec. 36. Minnesota Statutes 2014, section 256B.4914, subdivision 6, is amended to read:

113.1 Subd. 6. **Payments for residential support services.** (a) Payments for residential
113.2 support services, as defined in sections 256B.092, subdivision 11, and 256B.49,
113.3 subdivision 22, must be calculated as follows:

113.4 (1) determine the number of shared staffing and individual direct staff hours to meet
113.5 a recipient's needs provided on site or through monitoring technology;

113.6 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
113.7 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
113.8 5. This is defined as the direct-care rate;

113.9 (3) for a recipient requiring customization for deaf and hard-of-hearing language
113.10 accessibility under subdivision 12, add the customization rate provided in subdivision 12
113.11 to the result of clause (2). This is defined as the customized direct-care rate;

113.12 (4) multiply the number of shared and individual direct staff hours provided on site
113.13 or through monitoring technology and nursing hours by the appropriate staff wages in
113.14 subdivision 5, paragraph (a), or the customized direct-care rate;

113.15 (5) multiply the number of shared and individual direct staff hours provided on site
113.16 or through monitoring technology and nursing hours by the product of the supervision
113.17 span of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate
113.18 supervision wage in subdivision 5, paragraph (a), clause (16);

113.19 (6) combine the results of clauses (4) and (5), excluding any shared and individual
113.20 direct staff hours provided through monitoring technology, and multiply the result by one
113.21 plus the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph
113.22 (b), clause (2). This is defined as the direct staffing cost;

113.23 (7) for employee-related expenses, multiply the direct staffing cost, excluding any
113.24 shared and individual direct staff hours provided through monitoring technology, by one
113.25 plus the employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

113.26 (8) for client programming and supports, the commissioner shall add \$2,179; and

113.27 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
113.28 customized for adapted transport, based on the resident with the highest assessed need.

113.29 (b) The total rate must be calculated using the following steps:

202.15 Sec. 19. Minnesota Statutes 2014, section 256B.4914, subdivision 8, is amended to read:

202.16 Subd. 8. **Payments for unit-based services with programming.** Payments for
202.17 unit-based with program services with programming, including behavior programming,
202.18 housing access coordination, in-home family support, independent living skills training,
202.19 hourly supported living services, and supported employment provided to an individual
202.20 outside of any day or residential service plan must be calculated as follows, unless the
202.21 services are authorized separately under subdivision 6 or 7:

202.22 (1) determine the number of units of service to meet a recipient's needs;

113.30 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any
113.31 shared and individual direct staff hours provided through monitoring technology that
113.32 was excluded in clause (7);

113.33 (2) sum the standard general and administrative rate, the program-related expense
113.34 ratio, and the absence and utilization ratio;

113.35 (3) divide the result of clause (1) by one minus the result of clause (2). This is
113.36 the total payment amount; and

114.1 (4) adjust the result of clause (3) by a factor to be determined by the commissioner
114.2 to adjust for regional differences in the cost of providing services.

114.3 (c) The payment methodology for customized living, 24-hour customized living, and
114.4 residential care services must be the customized living tool. Revisions to the customized
114.5 living tool must be made to reflect the services and activities unique to disability-related
114.6 recipient needs.

114.7 (d) The commissioner shall establish a Monitoring Technology Review Panel to
114.8 annually review and approve the plans, safeguards, and rates that include residential
114.9 direct care provided remotely through monitoring technology. Lead agencies shall submit
114.10 individual service plans that include supervision using monitoring technology to the
114.11 Monitoring Technology Review Panel for approval. Individual service plans that include
114.12 supervision using monitoring technology as of December 31, 2013, shall be submitted to
114.13 the Monitoring Technology Review Panel, but the plans are not subject to approval.

114.14 (e) (d) For individuals enrolled prior to January 1, 2014, the days of service
114.15 authorized must meet or exceed the days of service used to convert service agreements
114.16 in effect on December 1, 2013, and must not result in a reduction in spending or service
114.17 utilization due to conversion during the implementation period under section 256B.4913,
114.18 subdivision 4a. If during the implementation period, an individual's historical rate,
114.19 including adjustments required under section 256B.4913, subdivision 4a, paragraph (c),
114.20 is equal to or greater than the rate determined in this subdivision, the number of days
114.21 authorized for the individual is 365.

114.22 (f) (e) The number of days authorized for all individuals enrolling after January 1,
114.23 2014, in residential services must include every day that services start and end.

114.24 Sec. 37. Minnesota Statutes 2014, section 256B.4914, subdivision 8, is amended to read:

114.25 Subd. 8. **Payments for unit-based services with programming.** Payments for
114.26 unit-based with program services with programming, including behavior programming,
114.27 housing access coordination, in-home family support, independent living skills training,
114.28 hourly supported living services, and supported employment provided to an individual
114.29 outside of any day or residential service plan must be calculated as follows, unless the
114.30 services are authorized separately under subdivision 6 or 7:

114.31 (1) determine the number of units of service to meet a recipient's needs;

202.23 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
202.24 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

202.25 (3) for a recipient requiring customization for deaf and hard-of-hearing language
202.26 accessibility under subdivision 12, add the customization rate provided in subdivision 12
202.27 to the result of clause (2). This is defined as the customized direct-care rate;

202.28 (4) multiply the number of direct staff hours by the appropriate staff wage in
202.29 subdivision 5, paragraph (a), or the customized direct-care rate;

202.30 (5) multiply the number of direct staff hours by the product of the supervision span
202.31 of control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision
202.32 wage in subdivision 5, paragraph (a), clause (16);

202.33 (6) combine the results of clauses (4) and (5), and multiply the result by one plus
202.34 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e),
202.35 clause (2). This is defined as the direct staffing rate;

203.1 (7) for program plan support, multiply the result of clause (6) by one plus the
203.2 program plan supports ratio in subdivision 5, paragraph (e), clause (4);

203.3 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
203.4 employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

203.5 (9) for client programming and supports, multiply the result of clause (8) by one plus
203.6 the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

203.7 (10) this is the subtotal rate;

203.8 (11) sum the standard general and administrative rate, the program-related expense
203.9 ratio, and the absence and utilization factor ratio;

203.10 (12) divide the result of clause (10) by one minus the result of clause (11). This is
203.11 the total payment amount;

203.12 (13) for supported employment provided in a shared manner, divide the total
203.13 payment amount in clause (12) by the number of service recipients, not to exceed three.
203.14 For independent living skills training provided in a shared manner, divide the total
203.15 payment amount in clause (12) by the number of service recipients, not to exceed two; and

203.16 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
203.17 to adjust for regional differences in the cost of providing services.

203.18 Sec. 20. Minnesota Statutes 2014, section 256B.4914, subdivision 10, is amended to
203.19 read:

114.32 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
114.33 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision 5;

115.1 (3) for a recipient requiring customization for deaf and hard-of-hearing language
115.2 accessibility under subdivision 12, add the customization rate provided in subdivision 12
115.3 to the result of clause (2). This is defined as the customized direct-care rate;

115.4 (4) multiply the number of direct staff hours by the appropriate staff wage in
115.5 subdivision 5, paragraph (a), or the customized direct-care rate;

115.6 (5) multiply the number of direct staff hours by the product of the supervision span
115.7 of control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision
115.8 wage in subdivision 5, paragraph (a), clause (16);

115.9 (6) combine the results of clauses (4) and (5), and multiply the result by one plus
115.10 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e),
115.11 clause (2). This is defined as the direct staffing rate;

115.12 (7) for program plan support, multiply the result of clause (6) by one plus the
115.13 program plan supports ratio in subdivision 5, paragraph (e), clause (4);

115.14 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
115.15 employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

115.16 (9) for client programming and supports, multiply the result of clause (8) by one plus
115.17 the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

115.18 (10) this is the subtotal rate;

115.19 (11) sum the standard general and administrative rate, the program-related expense
115.20 ratio, and the absence and utilization factor ratio;

115.21 (12) divide the result of clause (10) by one minus the result of clause (11). This is
115.22 the total payment amount;

115.23 (13) for supported employment provided in a shared manner, divide the total
115.24 payment amount in clause (12) by the number of service recipients, not to exceed three.
115.25 For independent living skills training provided in a shared manner, divide the total
115.26 payment amount in clause (12) by the number of service recipients, not to exceed two; and

115.27 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
115.28 to adjust for regional differences in the cost of providing services.

115.29 Sec. 38. Minnesota Statutes 2014, section 256B.4914, subdivision 10, is amended to
115.30 read:

203.20 Subd. 10. **Updating payment values and additional information.** (a) From 203.21 January 1, 2014, through December 31, 2017, the commissioner shall develop and 203.22 implement uniform procedures to refine terms and adjust values used to calculate payment 203.23 rates in this section.

203.24 (b) No later than July 1, 2014, the commissioner shall, within available resources, 203.25 begin to conduct research and gather data and information from existing state systems or 203.26 other outside sources on the following items:

203.27 (1) differences in the underlying cost to provide services and care across the state; and
203.28 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, 203.29 and units of transportation for all day services, which must be collected from providers 203.30 using the rate management worksheet and entered into the rates management system; and
203.31 (3) the distinct underlying costs for services provided by a license holder under 203.32 sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services 203.33 provided by a license holder certified under section 245D.33.

203.34 (c) Using a statistically valid set of rates management system data, the commissioner, 203.35 in consultation with stakeholders, shall analyze for each service the average difference 204.1 in the rate on December 31, 2013, and the framework rate at the individual, provider, 204.2 lead agency, and state levels. The commissioner shall issue semiannual reports to the 204.3 stakeholders on the difference in rates by service and by county during the banding period 204.4 under section 256B.4913, subdivision 4a. The commissioner shall issue the first report 204.5 by October 1, 2014.

204.6 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, 204.7 shall begin the review and evaluation of the following values already in subdivisions 6 to 204.8 9, or issues that impact all services, including, but not limited to:

204.9 (1) values for transportation rates for day services;
204.10 (2) values for transportation rates in residential services;
204.11 (3) values for services where monitoring technology replaces staff time;
204.12 (4) values for indirect services;
204.13 (5) values for nursing;
204.14 (6) component values for independent living skills;
204.15 (7) component values for family foster care that reflect licensing requirements;
204.16 (8) adjustments to other components to replace the budget neutrality factor;
204.17 (9) remote monitoring technology for nonresidential services;
204.18 (10) values for basic and intensive services in residential services;

115.31 Subd. 10. **Updating payment values and additional information.** (a) From 115.32 January 1, 2014, through December 31, 2017, the commissioner shall develop and 115.33 implement uniform procedures to refine terms and adjust values used to calculate payment 115.34 rates in this section.

116.1 (b) No later than July 1, 2014, the commissioner shall, within available resources, 116.2 begin to conduct research and gather data and information from existing state systems or 116.3 other outside sources on the following items:

116.4 (1) differences in the underlying cost to provide services and care across the state; and
116.5 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, 116.6 and units of transportation for all day services, which must be collected from providers 116.7 using the rate management worksheet and entered into the rates management system; and
116.8 (3) the distinct underlying costs for services provided by a license holder under 116.9 sections 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services 116.10 provided by a license holder certified under section 245D.33.

116.11 (c) Using a statistically valid set of rates management system data, the commissioner, 116.12 in consultation with stakeholders, shall analyze for each service the average difference 116.13 in the rate on December 31, 2013, and the framework rate at the individual, provider, 116.14 lead agency, and state levels. The commissioner shall issue semiannual reports to the 116.15 stakeholders on the difference in rates by service and by county during the banding period 116.16 under section 256B.4913, subdivision 4a. The commissioner shall issue the first report 116.17 by October 1, 2014.

116.18 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, 116.19 shall begin the review and evaluation of the following values already in subdivisions 6 to 116.20 9, or issues that impact all services, including, but not limited to:

116.21 (1) values for transportation rates for day services;
116.22 (2) values for transportation rates in residential services;
116.23 (3) values for services where monitoring technology replaces staff time;
116.24 (4) values for indirect services;
116.25 (5) values for nursing;
116.26 (6) component values for independent living skills;
116.27 (7) component values for family foster care that reflect licensing requirements;
116.28 (8) adjustments to other components to replace the budget neutrality factor;
116.29 (9) remote monitoring technology for nonresidential services;
116.30 (10) values for basic and intensive services in residential services;

204.19 (11) values for the facility use rate in day services the weightings used in the day
204.20 service ratios and adjustments to those weightings;

204.21 (12) values for workers' compensation as part of employee-related expenses;

204.22 (13) values for unemployment insurance as part of employee-related expenses;

204.23 (14) a component value to reflect costs for individuals with rates previously adjusted
204.24 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled
204.25 as of December 31, 2013; and

204.26 (15) any changes in state or federal law with an impact on the underlying cost of
204.27 providing home and community-based services.

204.28 (e) The commissioner shall report to the chairs and the ranking minority members of
204.29 the legislative committees and divisions with jurisdiction over health and human services
204.30 policy and finance with the information and data gathered under paragraphs (b) to (d)
204.31 on the following dates:

204.32 (1) January 15, 2015, with preliminary results and data;

204.33 (2) January 15, 2016, with a status implementation update, and additional data
204.34 and summary information;

204.35 (3) January 15, 2017, with the full report; and

205.1 (4) January 15, 2019, with another full report, and a full report once every four
205.2 years thereafter.

205.3 (f) Based on the commissioner's evaluation of the information and data collected in
205.4 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by
205.5 January 15, 2015, to address any issues identified during the first year of implementation.
205.6 After January 15, 2015, the commissioner may make recommendations to the legislature
205.7 to address potential issues.

205.8 (g) The commissioner shall implement a regional adjustment factor to all rate
205.9 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to
205.10 implementation, the commissioner shall consult with stakeholders on the methodology to
205.11 calculate the adjustment.

205.12 (h) The commissioner shall provide a public notice via LISTSERV in October of
205.13 each year beginning October 1, 2014, containing information detailing legislatively
205.14 approved changes in:

205.15 (1) calculation values including derived wage rates and related employee and
205.16 administrative factors;

205.17 (2) service utilization;

205.18 (3) county and tribal allocation changes; and

116.31 (11) values for the facility use rate in day services the weightings used in the day
116.32 service ratios and adjustments to those weightings;

116.33 (12) values for workers' compensation as part of employee-related expenses;

116.34 (13) values for unemployment insurance as part of employee-related expenses;

117.1 (14) a component value to reflect costs for individuals with rates previously adjusted
117.2 for the inclusion of group residential housing rate 3 costs, only for any individual enrolled
117.3 as of December 31, 2013; and

117.4 (15) any changes in state or federal law with an impact on the underlying cost of
117.5 providing home and community-based services.

117.6 (e) The commissioner shall report to the chairs and the ranking minority members of
117.7 the legislative committees and divisions with jurisdiction over health and human services
117.8 policy and finance with the information and data gathered under paragraphs (b) to (d)
117.9 on the following dates:

117.10 (1) January 15, 2015, with preliminary results and data;

117.11 (2) January 15, 2016, with a status implementation update, and additional data
117.12 and summary information;

117.13 (3) January 15, 2017, with the full report; and

117.14 (4) January 15, 2019, with another full report, and a full report once every four
117.15 years thereafter.

117.16 (f) Based on the commissioner's evaluation of the information and data collected in
117.17 paragraphs (b) to (d), the commissioner shall make recommendations to the legislature by
117.18 January 15, 2015, to address any issues identified during the first year of implementation.
117.19 After January 15, 2015, the commissioner may make recommendations to the legislature
117.20 to address potential issues.

117.21 (g) The commissioner shall implement a regional adjustment factor to all rate
117.22 calculations in subdivisions 6 to 9, effective no later than January 1, 2015. Prior to
117.23 implementation, the commissioner shall consult with stakeholders on the methodology to
117.24 calculate the adjustment.

117.25 (h) The commissioner shall provide a public notice via LISTSERV in October of
117.26 each year beginning October 1, 2014, containing information detailing legislatively
117.27 approved changes in:

117.28 (1) calculation values including derived wage rates and related employee and
117.29 administrative factors;

117.30 (2) service utilization;

117.31 (3) county and tribal allocation changes; and

205.19 (4) information on adjustments made to calculation values and the timing of those
205.20 adjustments.

205.21 The information in this notice must be effective January 1 of the following year.

205.22 (i) No later than July 1, 2016, the commissioner shall develop and implement, in
205.23 consultation with stakeholders, a methodology sufficient to determine the shared staffing
205.24 levels necessary to meet, at a minimum, health and welfare needs of individuals who
205.25 will be living together in shared residential settings, and the required shared staffing
205.26 activities described in subdivision 2, paragraph (l). This determination methodology must
205.27 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and
205.28 prospective residents in shared residential settings.

205.29 (j) When the available shared staffing hours in a residential setting are insufficient to
205.30 meet the needs of an individual who enrolled in residential services after January 1, 2014,
205.31 or insufficient to meet the needs of an individual with a service agreement adjustment
205.32 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing
205.33 hours shall be used.

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

206.1 Sec. 21. Minnesota Statutes 2014, section 256B.4914, subdivision 14, is amended to
206.2 read:

206.3 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead
206.4 agencies must identify individuals with exceptional needs that cannot be met under the
206.5 disability waiver rate system. The commissioner shall use that information to evaluate
206.6 and, if necessary, approve an alternative payment rate for those individuals. Whether
206.7 granted, denied, or modified, the commissioner shall respond to all exception requests in
206.8 writing. The commissioner shall include in the written response the basis for the action
206.9 and provide notification of the right to appeal under paragraph (h).

206.10 (b) Lead agencies must act on an exception request within 30 days and notify the
206.11 initiator of the request of their recommendation in writing. A lead agency shall submit all
206.12 exception requests along with its recommendation to the state commissioner.

206.13 (c) An application for a rate exception may be submitted for the following criteria:

206.14 (1) an individual has service needs that cannot be met through additional units
206.15 of service; or

206.16 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 results is so
206.17 insufficient that it has resulted in an individual being discharged receiving a notice of
206.18 discharge from the individual's provider; or

117.32 (4) information on adjustments made to calculation values and the timing of those
117.33 adjustments.

117.34 The information in this notice must be effective January 1 of the following year.

117.35 (i) No later than July 1, 2016, the commissioner shall develop and implement, in
117.36 consultation with stakeholders, a methodology sufficient to determine the shared staffing
118.1 levels necessary to meet, at a minimum, health and welfare needs of individuals who
118.2 will be living together in shared residential settings, and the required shared staffing
118.3 activities described in subdivision 2, paragraph (1). This determination methodology must
118.4 ensure staffing levels are adaptable to meet the needs and desired outcomes for current and
118.5 prospective residents in shared residential settings.

118.6 (j) When the available shared staffing hours in a residential setting are insufficient to
118.7 meet the needs of an individual who enrolled in residential services after January 1, 2014,
118.8 or insufficient to meet the needs of an individual with a service agreement adjustment
118.9 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing
118.10 hours shall be used.

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

118.12 Sec. 39. Minnesota Statutes 2014, section 256B.4914, subdivision 14, is amended to
118.13 read:

118.14 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead
118.15 agencies must identify individuals with exceptional needs that cannot be met under the
118.16 disability waiver rate system. The commissioner shall use that information to evaluate
118.17 and, if necessary, approve an alternative payment rate for those individuals. Whether
118.18 granted, denied, or modified, the commissioner shall respond to all exception requests in
118.19 writing. The commissioner shall include in the written response the basis for the action
118.20 and provide notification of the right to appeal under paragraph (h).

118.21 (b) Lead agencies must act on an exception request within 30 days and notify the
118.22 initiator of the request of their recommendation in writing. A lead agency shall submit all
118.23 exception requests along with its recommendation to the state commissioner.

118.24 (c) An application for a rate exception may be submitted for the following criteria:

118.25 (1) an individual has service needs that cannot be met through additional units
118.26 of service; or

118.27 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 results is so
118.28 insufficient that it has resulted in an individual being discharged receiving a notice of
118.29 discharge from the individual's provider; or

206.19 (3) an individual's service needs, including behavioral changes, require a level of
206.20 service which necessitates a change in provider or which requires the current provider to
206.21 propose service changes beyond those currently authorized.

206.22 (d) Exception requests must include the following information:

206.23 (1) the service needs required by each individual that are not accounted for in
206.24 subdivisions 6, 7, 8, and 9;

206.25 (2) the service rate requested and the difference from the rate determined in
206.26 subdivisions 6, 7, 8, and 9;

206.27 (3) a basis for the underlying costs used for the rate exception and any accompanying
206.28 documentation; and

206.29 (4) the duration of the rate exception; and

206.30 (5) any contingencies for approval.

206.31 (e) Approved rate exceptions shall be managed within lead agency allocations under
206.32 sections 256B.092 and 256B.49.

206.33 (f) Individual disability waiver recipients, an interested party, or the license holder
206.34 that would receive the rate exception increase may request that a lead agency submit an
206.35 exception request. A lead agency that denies such a request shall notify the individual
206.36 waiver recipient, interested party, or license holder of its decision and the reasons for
207.1 denying the request in writing no later than 30 days after the individual's request has been
207.2 made and shall submit its denial to the commissioner in accordance with paragraph (b).
207.3 The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

207.4 (g) The commissioner shall determine whether to approve or deny an exception
207.5 request no more than 30 days after receiving the request. If the commissioner denies the
207.6 request, the commissioner shall notify the lead agency and the individual disability waiver
207.7 recipient, the interested party, and the license holder in writing of the reasons for the denial.

207.8 (h) The individual disability waiver recipient may appeal any denial of an exception
207.9 request by either the lead agency or the commissioner, pursuant to sections 256.045 and
207.10 256.0451. When the denial of an exception request results in the proposed demission of a
207.11 waiver recipient from a residential or day habilitation program, the commissioner shall
207.12 issue a temporary stay of demission, when requested by the disability waiver recipient,
207.13 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).
207.14 The temporary stay shall remain in effect until the lead agency can provide an informed
207.15 choice of appropriate, alternative services to the disability waiver.

207.16 (i) Providers may petition lead agencies to update values that were entered
207.17 incorrectly or erroneously into the rate management system, based on past service level
207.18 discussions and determination in subdivision 4, without applying for a rate exception.

118.30 (3) an individual's service needs, including behavioral changes, require a level of
118.31 service which necessitates a change in provider or which requires the current provider to
118.32 propose service changes beyond those currently authorized.

118.33 (d) Exception requests must include the following information:

118.34 (1) the service needs required by each individual that are not accounted for in
118.35 subdivisions 6, 7, 8, and 9;

119.1 (2) the service rate requested and the difference from the rate determined in
119.2 subdivisions 6, 7, 8, and 9;

119.3 (3) a basis for the underlying costs used for the rate exception and any accompanying
119.4 documentation; and

119.5 (4) the duration of the rate exception; and

119.6 (5) any contingencies for approval.

119.7 (e) Approved rate exceptions shall be managed within lead agency allocations under
119.8 sections 256B.092 and 256B.49.

119.9 (f) Individual disability waiver recipients, an interested party, or the license holder
119.10 that would receive the rate exception increase may request that a lead agency submit an
119.11 exception request. A lead agency that denies such a request shall notify the individual
119.12 waiver recipient, interested party, or license holder of its decision and the reasons for
119.13 denying the request in writing no later than 30 days after the individual's request has been
119.14 made and shall submit its denial to the commissioner in accordance with paragraph (b).
119.15 The reasons for the denial must be based on the failure to meet the criteria in paragraph (c).

119.16 (g) The commissioner shall determine whether to approve or deny an exception
119.17 request no more than 30 days after receiving the request. If the commissioner denies the
119.18 request, the commissioner shall notify the lead agency and the individual disability waiver
119.19 recipient, the interested party, and the license holder in writing of the reasons for the denial.

119.20 (h) The individual disability waiver recipient may appeal any denial of an exception
119.21 request by either the lead agency or the commissioner, pursuant to sections 256.045 and
119.22 256.0451. When the denial of an exception request results in the proposed demission of a
119.23 waiver recipient from a residential or day habilitation program, the commissioner shall
119.24 issue a temporary stay of demission, when requested by the disability waiver recipient,
119.25 consistent with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c).
119.26 The temporary stay shall remain in effect until the lead agency can provide an informed
119.27 choice of appropriate, alternative services to the disability waiver.

119.28 (i) Providers may petition lead agencies to update values that were entered
119.29 incorrectly or erroneously into the rate management system, based on past service level
119.30 discussions and determination in subdivision 4, without applying for a rate exception.

207.19 (j) The starting date for the rate exception will be the later of the date of the
207.20 recipient's change in support or the date of the request to the lead agency for an exception.

207.21 (k) The commissioner shall track all exception requests received and their
207.22 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,
207.23 including the number of exception requests received and the numbers granted, denied,
207.24 withdrawn, and pending. The report shall include the average amount of time required to
207.25 process exceptions.

207.26 (l) No later than January 15, 2016, the commissioner shall provide research
207.27 findings on the estimated fiscal impact, the primary cost drivers, and common population
207.28 characteristics of recipients with needs that cannot be met by the framework rates.

207.29 (m) No later than July 1, 2016, the commissioner shall develop and implement,
207.30 in consultation with stakeholders, a process to determine eligibility for rate exceptions
207.31 for individuals with rates determined under the methodology in section 256B.4913,
207.32 subdivision 4a. Determination of eligibility for an exception will occur as annual service
207.33 renewals are completed.

207.34 (n) Approved rate exceptions will be implemented at such time that the individual's
207.35 rate is no longer banded and remain in effect in all cases until an individual's needs change
207.36 as defined in paragraph (c).

208.1 Sec. 22. Minnesota Statutes 2014, section 256B.4914, subdivision 15, is amended to
208.2 read:

208.3 Subd. 15. **County or tribal allocations.** (a) Upon implementation of the disability
208.4 waiver rates management system on January 1, 2014, the commissioner shall establish
208.5 a method of tracking and reporting the fiscal impact of the disability waiver rates
208.6 management system on individual lead agencies.

208.7 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to
208.8 lead agencies' home and community-based waivered service budget allocations to adjust
208.9 for rate differences and the resulting impact on county allocations upon implementation of
208.10 the disability waiver rates system.

208.11 (c) During the first two years of implementation under section 256B.4913, Lead
208.12 agencies exceeding their allocations shall be subject to the provisions under sections
208.13 256B.092 256B.0916, subdivision 11, and 256B.49 shall only be held liable for spending
208.14 in excess of their allocations after a reallocation of resources by the commissioner under
208.15 paragraph (b). The commissioner shall reallocate resources under sections 256B.092,
208.16 subdivision 12, and 256B.49, subdivision 11a. The commissioner shall notify lead
208.17 agencies of this process by July 1, 2014 256B.49, subdivision 26.

119.31 (j) The starting date for the rate exception will be the later of the date of the
119.32 recipient's change in support or the date of the request to the lead agency for an exception.

119.33 (k) The commissioner shall track all exception requests received and their
119.34 dispositions. The commissioner shall issue quarterly public exceptions statistical reports,
119.35 including the number of exception requests received and the numbers granted, denied,
120.1 withdrawn, and pending. The report shall include the average amount of time required to
120.2 process exceptions.

120.3 (l) No later than January 15, 2016, the commissioner shall provide research
120.4 findings on the estimated fiscal impact, the primary cost drivers, and common population
120.5 characteristics of recipients with needs that cannot be met by the framework rates.

120.6 (m) No later than July 1, 2016, the commissioner shall develop and implement,
120.7 in consultation with stakeholders, a process to determine eligibility for rate exceptions
120.8 for individuals with rates determined under the methodology in section 256B.4913,
120.9 subdivision 4a. Determination of the eligibility for an exception will occur as annual
120.10 service renewals are completed.

120.11 (n) Approved rate exceptions will be implemented at such time that the individual's
120.12 rate is no longer banded and remain in effect in all cases until an individual's needs change
120.13 as defined in paragraph (c).

120.14 Sec. 40. Minnesota Statutes 2014, section 256B.4914, subdivision 15, is amended to
120.15 read:

120.16 Subd. 15. **County or tribal allocations.** (a) Upon implementation of the disability
120.17 waiver rates management system on January 1, 2014, the commissioner shall establish
120.18 a method of tracking and reporting the fiscal impact of the disability waiver rates
120.19 management system on individual lead agencies.

120.20 (b) Beginning January 1, 2014, the commissioner shall make annual adjustments to
120.21 lead agencies' home and community-based waivered service budget allocations to adjust
120.22 for rate differences and the resulting impact on county allocations upon implementation of
120.23 the disability waiver rates system.

120.24 (c) During the first two years of implementation under section 256B.4913,
120.25 Lead agencies exceeding their allocations shall be subject to the provisions under
120.26 sections 256B.092 and 256B.49 shall only be held liable for spending in excess of their
120.27 allocations after a reallocation of resources by the commissioner under paragraph (b). The
120.28 commissioner shall reallocate resources under sections 256B.092, subdivision 12, and
120.29 256B.49, subdivision 11a. The commissioner shall notify lead agencies of this process by
120.30 July 1, 2014.

120.31 Sec. 41. **[256B.4915] DISABILITY WAIVER REIMBURSEMENT RATE**
120.32 **ADJUSTMENTS.**

120.33 Subdivision 1. **Historical rate.** The commissioner of human services shall adjust
120.34 the historical rates calculated in section 256B.4913, subdivision 4a, paragraph (b), in
121.1 effect during the banding period under section 256B.4913, subdivision 4a, paragraph (a),
121.2 for each reimbursement rate increase effective on or after July 1, 2015.

121.3 Subd. 2. **Residential support services.** The commissioner of human services shall
121.4 adjust the rates calculated in section 256B.4914, subdivision 6, paragraphs (b) and (c), for
121.5 each reimbursement rate increase effective on or after July 1, 2015.

121.6 Subd. 3. **Day programs.** The commissioner of human services shall adjust the rates
121.7 calculated in section 256B.4914, subdivision 7, for each reimbursement rate increase
121.8 effective on or after July 1, 2015.

121.9 Subd. 4. **Unit-based services with programming.** The commissioner of human
121.10 services shall adjust the rate calculated in section 256B.4914, subdivision 8, for each
121.11 reimbursement rate increase effective on or after July 1, 2015.

121.12 Subd. 5. **Unit-based services without programming.** The commissioner of human
121.13 services shall adjust the rate calculated in section 256B.4914, subdivision 9, for each
121.14 reimbursement rate increase effective on or after July 1, 2015.

121.15 Sec. 42. Minnesota Statutes 2014, section 256B.492, is amended to read:

**121.16 256B.492 HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE
121.17 WITH DISABILITIES.**

121.18 (a) Individuals receiving services under a home and community-based waiver under
121.19 section 256B.092 or 256B.49 may receive services in the following settings:

121.20 (1) an individual's own home or family home and community-based settings that
121.21 comply with all requirements identified by the federal Centers for Medicare and Medicaid
121.22 Services in the Code of Federal Regulations, title 42, section 441.301(c), and with the
121.23 requirements of the federally approved transition plan and waiver plans for each home
121.24 and community-based services waiver; and

121.25 (2) a licensed adult foster care or child foster care setting of up to five people or
121.26 community residential setting of up to five people; and settings required by the Housing
121.27 Opportunities for Persons with AIDS Program.

121.28 (3) community living settings as defined in section 256B.49, subdivision 23, where
121.29 individuals with disabilities may reside in all of the units in a building of four or fewer units,
121.30 and who receive services under a home and community-based waiver occupy no more
121.31 than the greater of four or 25 percent of the units in a multifamily building of more than
121.32 four units, unless required by the Housing Opportunities for Persons with AIDS Program.

121.33 (b) The settings in paragraph (a) must not:

121.34 (1) be located in a building that is a publicly or privately operated facility that
121.35 provides institutional treatment or custodial care;

122.1 (2) be located in a building on the grounds of or adjacent to a public or private
122.2 institution;
122.3 (3) be a housing complex designed expressly around an individual's diagnosis or
122.4 disability, unless required by the Housing Opportunities for Persons with AIDS Program;
122.5 (4) be segregated based on a disability, either physically or because of setting
122.6 characteristics, from the larger community; and
122.7 (5) have the qualities of an institution which include, but are not limited to:
122.8 regimented meal and sleep times, limitations on visitors, and lack of privacy. Restrictions
122.9 agreed to and documented in the person's individual service plan shall not result in a
122.10 residence having the qualities of an institution as long as the restrictions for the person are
122.11 not imposed upon others in the same residence and are the least restrictive alternative,
122.12 imposed for the shortest possible time to meet the person's needs.
122.13 (e) The provisions of paragraphs (a) and (b) do not apply to any setting in which
122.14 individuals receive services under a home and community-based waiver as of July 1,
122.15 2012, and the setting does not meet the criteria of this section.
122.16 (d) Notwithstanding paragraph (e), a program in Hennepin County established as
122.17 part of a Hennepin County demonstration project is qualified for the exception allowed
122.18 under paragraph (e).
122.19 (e) Notwithstanding paragraphs (a) and (b), a program in Hennepin County, located
122.20 in the city of Golden Valley, within the city of Golden Valley's Highway 55 West
122.21 redevelopment area, that is not a provider-owned or controlled home and community-based
122.22 setting, and is scheduled to open by July 1, 2016, is exempt from the restrictions in
122.23 paragraphs (a) and (b). If the program fails to comply with the Centers for Medicare and
122.24 Medicaid Services rules for home and community-based settings, the exemption is void.
122.25 (f) The commissioner shall submit an amendment to the waiver plan no later than
122.26 December 31, 2012.

122.27 **EFFECTIVE DATE.** This section is effective July 1, 2016.

122.28 Sec. 43. Minnesota Statutes 2014, section 256B.5012, is amended by adding a
122.29 subdivision to read:
122.30 Subd. 17. ICF/DD rate increase effective July 1, 2016. (a) For the rate period from
122.31 July 1, 2016, to June 30, 2017, the commissioner shall increase operating payments for
122.32 each facility reimbursed under this section equal to five percent of the operating payment
122.33 rates in effect on June 30, 2016.

122.34 (b) For each facility, the commissioner shall apply the rate increase based on
122.35 occupied beds, using the percentage specified in this subdivision multiplied by the total
123.1 payment rate, including the variable rate but excluding the property-related payment
123.2 rate in effect on the preceding date. The total rate increase shall include the adjustment
123.3 provided in section 256B.501, subdivision 12.

123.4 (c) Facilities that receive a rate increase under this subdivision shall use 90 percent
123.5 of the additional revenue to increase compensation-related costs for employees directly
123.6 employed by the facility on or after the effective date of the rate adjustment in paragraph
123.7 (a), except:

123.8 (1) persons employed in the central office of a corporation or entity that has an
123.9 ownership interest in the facility or exercises control over the facility; and

123.10 (2) persons paid by the facility under a management contract.

123.11 (d) Compensation-related costs include:

123.12 (1) wages and salaries;

123.13 (2) the employer's share of FICA taxes, Medicare taxes, state and federal

123.14 unemployment taxes, workers' compensation, and mileage reimbursement;

123.15 (3) the employer's share of health and dental insurance, life insurance, disability

123.16 insurance, long-term care insurance, uniform allowance, pensions, and contributions to

123.17 employee retirement accounts; and

123.18 (4) other benefits provided and workforce needs, including the recruiting and

123.19 training of employees as specified in the distribution plan required under paragraph (h).

123.20 (e) For public employees under a collective bargaining agreement, the increases for
123.21 wages and benefits for certain staff are available and pay rates must be increased only to
123.22 the extent that the increases comply with laws governing public employees' collective
123.23 bargaining. A provider that receives additional revenue for compensation-related cost
123.24 increases under paragraph (c), that is a public employer, and whose fiscal year ends on
123.25 June 30 of each year, must use the portion of the rate increase specified in paragraph (c)
123.26 only for compensation-related cost increases implemented between July 1, 2016, and
123.27 August 1, 2016. A provider that receives additional revenue for compensation-related cost
123.28 increases under paragraph (c), that is a public employer, and whose fiscal year ends on
123.29 December 31 of each year, must use the portion of the compensation-related cost increases
123.30 specified in paragraph (c) only for compensation-related cost increases implemented
123.31 during the contract period.

208.18 Sec. 23. [256Q.01] PLAN ESTABLISHED.

208.19 A savings plan known as the Minnesota ABLE plan is established. In establishing
208.20 this plan, the legislature seeks to encourage and assist individuals and families in saving
208.21 private funds for the purpose of supporting individuals with disabilities to maintain health,
208.22 independence, and quality of life, and to provide secure funding for disability-related
208.23 expenses on behalf of designated beneficiaries with disabilities that will supplement, but
208.24 not supplant, benefits provided through private insurance, federal and state medical and
208.25 disability insurance, the beneficiary's employment, and other sources.

208.26 Sec. 24. [256Q.02] CITATION.

208.27 This chapter may be cited as the "Minnesota Achieving a Better Life Experience
208.28 Act" or "Minnesota ABLE Act."

208.29 Sec. 25. [256Q.03] DEFINITIONS.

123.32 (f) For a facility that has employees that are represented by an exclusive bargaining
123.33 representative, the provider shall obtain a letter of acceptance of the distribution plan
123.34 required under paragraph (h), in regard to the members of the bargaining unit, signed by
123.35 the exclusive bargaining agent. Upon receipt of the letter of acceptance, the facility shall
123.36 be deemed to have met all the requirements of this subdivision in regard to the members
124.1 of the bargaining unit. Upon request, the facility shall produce the letter of acceptance for
124.2 the commissioner.

124.3 (g) The commissioner shall amend state grant contracts that include direct
124.4 personnel-related grant expenditures to include the allocation for the portion of the
124.5 contract related to employee compensation. Grant contracts for compensation-related
124.6 services must be amended to pass through the adjustment within 60 days of the effective
124.7 date of the increase and must be retroactive to the effective date of the rate adjustment.

124.8 (h) A facility that receives a rate adjustment under paragraph (a) that is subject to
124.9 paragraphs (c) and (d) shall prepare and, upon request, submit to the commissioner a
124.10 distribution plan that specifies the amount of money the facility expects to receive that is
124.11 subject to the requirements of paragraphs (c) and (d), including how that money will be
124.12 distributed to increase compensation for employees.

124.13 (i) Within six months of the effective date of the rate adjustment, the facility shall
124.14 post the distribution plan required under paragraph (h) for a period of at least six weeks in
124.15 an area of the facility's operation to which all eligible employees have access and shall
124.16 provide instructions for employees who do not believe they have received the wage and
124.17 other compensation-related increases specified in the distribution plan. The instructions
124.18 must include a mailing address, e-mail address, and telephone number that an employee
124.19 may use to contact the commissioner or the commissioner's representative.

124.20 Sec. 44. [256Q.01] PLAN ESTABLISHED.

124.21 A savings plan known as the Minnesota ABLE plan is established. In establishing
124.22 this plan, the legislature seeks to encourage and assist individuals and families in saving
124.23 private funds for the purpose of supporting individuals with disabilities to maintain health,
124.24 independence, and quality of life, and to provide secure funding for disability-related
124.25 expenses on behalf of designated beneficiaries with disabilities that will supplement, but
124.26 not supplant, benefits provided through private insurance, the Medicaid program under
124.27 title XIX of the Social Security Act, the Supplemental Security Income program under
124.28 title XVI of the Social Security Act, the beneficiary's employment, and other sources.

124.29 Sec. 45. [256Q.02] CITATION.

124.30 This chapter may be cited as the "Minnesota Achieving a Better Life Experience
124.31 Act" or "Minnesota ABLE Act."

124.32 Sec. 46. [256Q.03] DEFINITIONS.

208.30 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this
208.31 section have the meanings given them.

208.32 Subd. 2. **ABLE account.** "ABLE account" has the meaning defined in section
208.33 529A(e)(6) of the Internal Revenue Code.

209.1 Subd. 3. **ABLE account plan or plan.** "ABLE account plan" or "plan" means the
209.2 qualified ABLE program, as defined in section 529A(b) of the Internal Revenue Code,
209.3 provided for in this chapter.

209.4 Subd. 4. **Account.** "Account" means the formal record of transactions relating to an
209.5 ABLE plan beneficiary.

209.6 Subd. 5. **Account owner.** "Account owner" means the designated beneficiary
209.7 of the account.

209.8 Subd. 6. **Annual contribution limit.** "Annual contribution limit" has the meaning
209.9 defined in section 529A(b)(2) of the Internal Revenue Code.

209.10 Subd. 7. **Application.** "Application" means the form executed by a prospective
209.11 account owner to enter into a participation agreement and open an account in the plan.
209.12 The application incorporates by reference the participation agreement.

209.13 Subd. 8. **Board.** "Board" means the State Board of Investment.

209.14 Subd. 9. **Commissioner.** "Commissioner" means the commissioner of human
209.15 services.

209.16 Subd. 10. **Contribution.** "Contribution" means a payment directly allocated to
209.17 an account for the benefit of a beneficiary.

209.18 Subd. 11. **Department.** "Department" means the Department of Human Services.

209.19 Subd. 12. **Designated beneficiary or beneficiary.** "Designated beneficiary" or
209.20 "beneficiary" has the meaning given in section 529A(e)(3) of the Internal Revenue Code
209.21 and further defined through regulations issued under that section.

209.22 Subd. 13. **Earnings.** "Earnings" means the total account balance minus the
209.23 investment in the account.

209.24 Subd. 14. **Eligible individual.** "Eligible individual" has the meaning defined in
209.25 section 529A(e)(1) of the Internal Revenue Code and further defined through regulations
209.26 issued under that section.

209.27 Subd. 15. **Executive director.** "Executive director" means the executive director of
209.28 the State Board of Investment.

209.29 Subd. 16. **Internal Revenue Code.** "Internal Revenue Code" means the Internal
209.30 Revenue Code of 1986, as amended.

125.1 Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this
125.2 section have the meanings given them.

125.3 Subd. 2. **ABLE account.** "ABLE account" has the meaning given in section
125.4 529A(e)(6) of the Internal Revenue Code.

125.5 Subd. 3. **ABLE account plan or plan.** "ABLE account plan" or "plan" means the
125.6 qualified ABLE program, as defined in section 529A(b) of the Internal Revenue Code,
125.7 provided for in this chapter.

125.8 Subd. 4. **Account.** "Account" means the formal record of transactions relating to an
125.9 ABLE plan beneficiary.

125.10 Subd. 5. **Account owner.** "Account owner" means the designated beneficiary
125.11 of the account.

125.12 Subd. 6. **Annual contribution limit.** "Annual contribution limit" has the meaning
125.13 given in section 529A(b)(2) of the Internal Revenue Code.

125.14 Subd. 7. **Application.** "Application" means the form executed by a prospective
125.15 account owner to enter into a participation agreement and open an account in the plan.
125.16 The application incorporates by reference the participation agreement.

125.17 Subd. 8. **Board.** "Board" mans the State Board of Investment.

125.18 Subd. 9. **Commissioner.** "Commissioner" means the commissioner of human
125.19 services.

125.20 Subd. 10. **Contribution.** "Contribution" means a payment directly allocated to
125.21 an account for the benefit of a beneficiary.

125.22 Subd. 11. **Department.** "Department" means the Department of Human Services.

125.23 Subd. 12. **Designated beneficiary or beneficiary.** "Designated beneficiary" or
125.24 "beneficiary" has the meaning given in section 529A(e)(3) of the Internal Revenue Code
125.25 and further defined through regulations issued under that section.

125.26 Subd. 13. **Earnings.** "Earnings" means the total account balance minus the
125.27 investment in the account.

125.28 Subd. 14. **Eligible individual.** "Eligible individual" has the meaning given in
125.29 section 529A(e)(1) of the Internal Revenue Code and further defined through regulations
125.30 issued under that section.

125.31 Subd. 15. **Executive director.** "Executive director" means the executive director of
125.32 the State Board of Investment.

125.33 Subd. 16. **Internal Revenue Code.** "Internal Revenue Code" means the Internal
125.34 Revenue Code of 1986, as amended.

209.31 Subd. 17. **Investment in the account.** "Investment in the account" means the sum
 209.32 of all contributions made to an account by a particular date minus the aggregate amount
 209.33 of contributions included in distributions or rollover distributions, if any, made from the
 209.34 account as of that date.

209.35 Subd. 18. **Member of the family.** "Member of the family" has the meaning defined
 209.36 in section 529A(e)(4) of the Internal Revenue Code.

210.1 Subd. 19. **Participation agreement.** "Participation agreement" means an agreement
 210.2 to participate in the Minnesota ABLE plan between an account owner and the state,
 210.3 through its agencies, the commissioner, and the board.

210.4 Subd. 20. **Person.** "Person" means an individual, trust, estate, partnership,
 210.5 association, company, corporation, or the state.

210.6 Subd. 21. **Plan administrator.** "Plan administrator" means the person selected by
 210.7 the commissioner and the board to administer the daily operations of the ABLE account
 210.8 plan and provide marketing, record keeping, investment management, and other services
 210.9 for the plan.

210.10 Subd. 22. **Qualified disability expense.** "Qualified disability expense" has the
 210.11 meaning defined in section 529A(e)(5) of the Internal Revenue Code and further defined
 210.12 through regulations issued under that section.

210.13 Subd. 23. **Qualified distribution.** "Qualified distribution" means a withdrawal from
 210.14 an ABLE account to pay the qualified disability expenses of the beneficiary of the account.
 210.15 A qualified withdrawal may be made by the beneficiary, by an agent of the beneficiary
 210.16 who has the power of attorney, or by the beneficiary's legal guardian.

210.17 Subd. 24. **Rollover distribution.** "Rollover distribution" means a transfer of funds
 210.18 made:

210.19 (1) from one account in another state's qualified ABLE program to an account for
 210.20 the benefit of the same designated beneficiary or an eligible individual who is a family
 210.21 member of the former designated beneficiary; or

210.22 (2) from one account to another account for the benefit of an eligible individual who
 210.23 is a family member of the former designated beneficiary.

210.24 Subd. 25. **Total account balance.** "Total account balance" means the amount in an
 210.25 account on a particular date or the fair market value of an account on a particular date.

210.26 Sec. 26. [256Q.04] ABLE PLAN REQUIREMENTS.

210.27 Subdivision 1. **State residency requirement.** The designated beneficiary of any
 210.28 ABLE account must be a resident of Minnesota, or the resident of a state that has entered
 210.29 into a contract with Minnesota to provide its residents access to the Minnesota ABLE plan.

125.35 Subd. 17. **Investment in the account.** "Investment in the account" means the sum
 125.36 of all contributions made to an account by a particular date minus the aggregate amount
 126.1 of contributions included in distributions or rollover distributions, if any, made from the
 126.2 account as of that date.

126.3 Subd. 18. **Member of the family.** "Member of the family" has the meaning given in
 126.4 section 529A(e)(4) of the Internal Revenue Code.

126.5 Subd. 19. **Participation agreement.** "Participation agreement" means an agreement
 126.6 to participate in the Minnesota ABLE plan between an account owner and the state
 126.7 through its agencies, the commissioner, and the board.

126.8 Subd. 20. **Person.** "Person" means an individual, trust, estate, partnership,
 126.9 association, company, corporation, or the state.

126.10 Subd. 21. **Plan administrator.** "Plan administrator" means the person selected by
 126.11 the commissioner and the board to administer the daily operations of the ABLE account
 126.12 plan and provide record keeping, investment management, and other services for the plan.

126.13 Subd. 22. **Qualified disability expense.** "Qualified disability expense" has the
 126.14 meaning given in section 529A(e)(5) of the Internal Revenue Code and further defined
 126.15 through regulations issued under that section.

126.16 Subd. 23. **Qualified distribution.** "Qualified distribution" means a withdrawal from
 126.17 an ABLE account to pay the qualified disability expenses of the beneficiary of the account.
 126.18 A qualified withdrawal may be made by the beneficiary, by an agent of the beneficiary
 126.19 who has the power of attorney, or by the beneficiary's legal guardian.

126.20 Subd. 24. **Rollover distribution.** "Rollover distribution" means a transfer of funds
 126.21 made:

126.22 (1) from one account in another state's qualified ABLE program to an account for
 126.23 the benefit of the same designated beneficiary or an eligible individual who is a family
 126.24 member of the former designated beneficiary; or

126.25 (2) from one account to another account for the benefit of an eligible individual who
 126.26 is a family member of the former designated beneficiary.

126.27 Subd. 25. **Total account balance.** "Total account balance" means the amount in an
 126.28 account on a particular date or the fair market value of an account on a particular date.

126.29 Sec. 47. [256Q.04] ABLE PLAN REQUIREMENTS.

126.30 Subdivision 1. **State residency requirement.** The designated beneficiary of an
 126.31 ABLE account must be a resident of Minnesota, or the resident of a state that has entered
 126.32 into a contract with Minnesota to provide its residents access to the Minnesota ABLE plan.

210.30 Subd. 2. **Single account requirement.** No more than one ABLE account shall be
 210.31 established per beneficiary, except as permitted under section 529A(c)(4) of the Internal
 210.32 Revenue Code.

210.33 Subd. 3. **Accounts-type plan.** The plan must be operated as an accounts-type
 210.34 plan. A separate account must be maintained for each designated beneficiary for whom
 210.35 contributions are made.

211.1 Subd. 4. **Contribution and account requirements.** Contributions to an ABLE
 211.2 account are subject to the requirements of section 529A(b)(2) of the Internal Revenue
 211.3 Code prohibiting noncash contributions and contributions in excess of the annual
 211.4 contribution limit. The total account balance may not exceed the maximum account
 211.5 balance limit imposed under section 136G.09, subdivision 8.

211.6 Subd. 5. **Limited investment direction.** Designated beneficiaries may not direct
 211.7 the investment of assets in their accounts more than twice in any calendar year.

211.8 Subd. 6. **Security for loans.** An interest in an account must not be used as security
 211.9 for a loan.

211.10 Sec. 27. [256Q.05] ABLE PLAN ADMINISTRATION.

211.11 Subdivision 1. **Plan to comply with federal law.** The commissioner shall ensure that
 211.12 the plan meets the requirements for an ABLE account under section 529A of the Internal
 211.13 Revenue Code. The commissioner may request a private letter ruling or rulings from the
 211.14 Internal Revenue Service or Secretary of Health and Human Services and must take any
 211.15 necessary steps to ensure that the plan qualifies under relevant provisions of federal law.

211.16 Subd. 2. **Plan rules and procedures.** (a) The commissioner shall establish the
 211.17 rules, terms, and conditions for the plan, subject to the requirements of this chapter and
 211.18 section 529A of the Internal Revenue Code.

211.19 (b) The commissioner shall prescribe the application forms, procedures, and other
 211.20 requirements that apply to the plan.

211.21 Subd. 3. **Consultation with other state agencies.** In designing and establishing
 211.22 the plan's requirements and in negotiating or entering into contracts with third parties
 211.23 under subdivision 4, the commissioner shall consult with the executive director of the
 211.24 State Board of Investment and the commissioner of the Office of Higher Education.
 211.25 The commissioner and the executive director shall establish an annual fee, equal to a
 211.26 percentage of the average daily net assets of the plan, to be imposed on account owners
 211.27 to recover the costs of administration, record keeping, and investment management as
 211.28 provided in subdivision 5, and section 256Q.07, subdivision 4.

126.33 Subd. 2. **Single account requirement.** No more than one ABLE account shall be
 126.34 established per beneficiary, except as permitted under section 529A(c)(4) of the Internal
 126.35 Revenue Code.

127.1 Subd. 3. **Accounts-type plan.** The plan must be operated as an accounts-type
 127.2 plan. A separate account must be maintained for each designated beneficiary for whom
 127.3 contributions are made.

127.4 Subd. 4. **Contribution and account requirements.** Contributions to an ABLE
 127.5 account are subject to the requirements of section 529A(b)(2) of the Internal Revenue
 127.6 Code prohibiting noncash contributions and contributions in excess of the annual
 127.7 contribution limit. The total account balance may not exceed the maximum account
 127.8 balance limit imposed under section 136G.09, subdivision 8.

127.9 Subd. 5. **Limited investment direction.** Designated beneficiaries may not direct
 127.10 the investment of assets in their accounts more than twice in any calendar year.

127.11 Subd. 6. **Security for loans.** An interest in an account must not be used as security
 127.12 for a loan.

127.13 Sec. 48. [256Q.05] ABLE PLAN ADMINISTRATION.

127.14 Subdivision 1. **Plan to comply with federal law.** The commissioner shall ensure
 127.15 that the plan meets the requirements for an ABLE account under section 529A of the
 127.16 Internal Revenue Code, including any regulations released after the effective date of this
 127.17 section. The commissioner may request a private letter ruling or rulings from the Internal
 127.18 Revenue Service or secretary of health and human services and must take any necessary
 127.19 steps to ensure that the plan qualifies under relevant provisions of federal law.

127.20 Subd. 2. **Plan rules and procedures.** (a) The commissioner shall establish the
 127.21 rules, terms, and conditions for the plan, subject to the requirements of this chapter and
 127.22 section 529A of the Internal Revenue Code.

127.23 (b) The commissioner shall prescribe the application forms, procedures, and other
 127.24 requirements that apply to the plan.

127.25 Subd. 3. **Consultation with other state agencies; annual fee.** In designing and
 127.26 establishing the plan's requirements and in negotiating or entering into contracts with third
 127.27 parties under subdivision 4, the commissioner shall consult with the executive director of
 127.28 the board and the commissioner of the Office of Higher Education. The commissioner and
 127.29 the executive director shall establish an annual fee, equal to a percentage of the average
 127.30 daily net assets of the plan, to be imposed on account owners to recover the costs of
 127.31 administration, record keeping, and investment management as provided in subdivision 5.

211.29 Subd. 4. **Administration.** The commissioner shall administer the plan, including
211.30 accepting and processing applications, verifying state residency, verifying eligibility,
211.31 maintaining account records, making payments, and undertaking any other necessary
211.32 tasks to administer the plan. Notwithstanding other requirements of this chapter, the
211.33 commissioner shall adopt rules for purposes of implementing and administering the plan.
211.34 The commissioner may contract with one or more third parties to carry out some or all of
211.35 these administrative duties, including providing incentives. The commissioner and the
212.1 board may jointly contract with third-party providers, if the commissioner and board
212.2 determine that it is desirable to contract with the same entity or entities for administration
212.3 and investment management.

212.4 Subd. 5. **Authority to impose fees.** The commissioner may impose annual fees,
212.5 as provided in subdivision 3, on account owners to recover the costs of administration.
212.6 The commissioner must keep the fees as low as possible, consistent with efficient
212.7 administration, so that the returns on savings invested in the plan are as high as possible.

212.8 Subd. 6. **Federally mandated reporting.** (a) As required under section 529A(d) of
212.9 the Internal Revenue Code, the commissioner or the commissioner's designee shall submit
212.10 a notice to the Secretary of the Treasury upon the establishment of each ABLE account.
212.11 The notice must contain the name and state of residence of the designated beneficiary and
212.12 other information as the secretary may require.

212.13 (b) As required under section 529A(d) of the Internal Revenue Code, the
212.14 commissioner or the commissioner's designee shall submit electronically on a monthly
212.15 basis to the Commissioner of Social Security, in a manner specified by the Commissioner
212.16 of Social Security, statements on relevant distributions and account balances from all
212.17 ABLE accounts.

212.18 Subd. 7. **Data.** (a) Data on ABLE accounts and designated beneficiaries of ABLE
212.19 accounts are private data on individuals or nonpublic data as defined in section 13.02.

212.20 (b) The commissioner may share or disseminate data classified as private or
212.21 nonpublic in this subdivision as follows:

212.22 (1) with other state or federal agencies, only to the extent necessary to verify
212.23 identity of, determine the eligibility of, or process applications for an eligible individual
212.24 participating in the Minnesota ABLE plan; and

212.25 (2) with a nongovernmental person, only to the extent necessary to carry out the
212.26 functions of the Minnesota ABLE plan, provided the commissioner has entered into
212.27 a data-sharing agreement with the person, as provided in section 13.05, subdivision 6,
212.28 prior to sharing data under this clause or a contract with that person that complies with
212.29 section 13.05, subdivision 11, as applicable.

212.30 Sec. 28. **[256Q.06] PLAN ACCOUNTS.**

127.32 Subd. 4. **Administration.** The commissioner shall administer the plan, including
127.33 accepting and processing applications, verifying state residency, verifying eligibility,
127.34 maintaining account records, making payments, and undertaking any other necessary
127.35 tasks to administer the plan. Notwithstanding other requirements of this chapter, the
128.1 commissioner shall adopt rules for purposes of implementing and administering the plan.
128.2 The commissioner may contract with one or more third parties to carry out some or all of
128.3 these administrative duties, including providing incentives. The commissioner and the
128.4 board may jointly contract with third-party providers if the commissioner and board
128.5 determine that it is desirable to contract with the same entity or entities for administration
128.6 and investment management.

128.7 Subd. 5. **Authority to impose fees.** The commissioner, or the commissioner's
128.8 designee, may impose annual fees, as provided in subdivision 3, on account owners to
128.9 recover the costs of administration. The commissioner must keep the fees as low as
128.10 possible, consistent with efficient administration, so that the returns on savings invested in
128.11 the plan are as high as possible.

128.12 Subd. 6. **Federally mandated reporting.** (a) As required under section 529A(d) of
128.13 the Internal Revenue Code, the commissioner or the commissioner's designee shall submit
128.14 a notice to the secretary of the treasury upon the establishment of each ABLE account.
128.15 The notice must contain the name and state of residence of the designated beneficiary and
128.16 other information as the secretary may require.

128.17 (b) As required under section 529A(d) of the Internal Revenue Code, the
128.18 commissioner or the commissioner's designee shall submit electronically on a monthly
128.19 basis to the commissioner of Social Security, in a manner specified by the commissioner
128.20 of Social Security, statements on relevant distributions and account balances from all
128.21 ABLE accounts.

128.22 Subd. 7. **Data.** (a) Data on ABLE accounts and designated beneficiaries of ABLE
128.23 accounts are private data on individuals or nonpublic data as defined in section 13.02.

128.24 (b) The commissioner may share or disseminate data classified as private or
128.25 nonpublic in this subdivision as follows:

128.26 (1) with other state or federal agencies, only to the extent necessary to verify the
128.27 identity of, determine the eligibility of, or process applications for an eligible individual
128.28 participating in the Minnesota ABLE plan; and

128.29 (2) with a nongovernmental person, only to the extent necessary to carry out the
128.30 functions of the Minnesota ABLE plan, provided the commissioner has entered into
128.31 a data-sharing agreement with the person, as provided in section 13.05, subdivision 6,
128.32 prior to sharing data under this clause or a contract with that person that complies with
128.33 section 13.05, subdivision 11, as applicable.

128.34 Sec. 49. **[256Q.06] PLAN ACCOUNTS.**

212.31 Subdivision 1. **Contributions to an account.** Any person may make contributions
 212.32 to an ABLE account on behalf of a designated beneficiary. Contributions to an account
 212.33 made by persons other than the account owner become the property of the account owner.
 212.34 A person does not acquire an interest in an ABLE account by making contributions to
 212.35 an account. Contributions to an account must be made in cash, by check, or by other
 213.1 commercially acceptable means, as permitted by the United States Internal Revenue
 213.2 Service and approved by the plan administrator in cooperation with the commissioner
 213.3 and the board.

213.4 Subd. 2. **Contribution and account limitations.** Contributions to an ABLE
 213.5 account are subject to the requirements of section 529A(b) of the Internal Revenue Code.
 213.6 The total account balance of an ABLE account may not exceed the maximum account
 213.7 balance limit imposed under section 136G.09, subdivision 8. The plan administrator must
 213.8 reject any portion of a contribution to an account that exceeds the annual contribution limit
 213.9 or that would cause the total account balance to exceed the maximum account balance
 213.10 limit imposed under section 136G.09, subdivision 8.

213.11 Subd. 3. **Authority of account owner.** An account owner is the only person
 213.12 entitled to:

213.13 (1) request distributions;

213.14 (2) request rollover distributions; or

213.15 (3) change the beneficiary of an ABLE account to a member of the family of the
 213.16 current beneficiary, but only if the beneficiary to whom the ABLE account is transferred
 213.17 is an eligible individual.

213.18 Subd. 4. **Effect of plan changes on participation agreement.** Amendments to
 213.19 this chapter automatically amend the participation agreement. Any amendments to the
 213.20 operating procedures and policies of the plan automatically amend the participation
 213.21 agreement after adoption by the commissioner or the board.

213.22 Subd. 5. **Special account to hold plan assets in trust.** All assets of the plan,
 213.23 including contributions to accounts, are held in trust for the exclusive benefit of account
 213.24 owners. Assets must be held in a separate account in the state treasury to be known as
 213.25 the Minnesota ABLE plan account or in accounts with the third-party provider selected
 213.26 pursuant to section 256Q.05, subdivision 4. Plan assets are not subject to claims by creditors
 213.27 of the state, are not part of the general fund, and are not subject to appropriation by the
 213.28 state. Payments from the Minnesota ABLE plan account shall be made under this chapter.

213.29 Sec. 29. **[256Q.07] INVESTMENT OF ABLE ACCOUNTS.**

213.30 Subdivision 1. **State Board of Investment to invest.** The State Board of Investment
 213.31 shall invest the money deposited in accounts in the plan.

129.1 Subdivision 1. **Contributions to an account.** Any person may make contributions
 129.2 to an ABLE account on behalf of a designated beneficiary. Contributions to an account
 129.3 made by persons other than the account owner become the property of the account owner.
 129.4 A person does not acquire an interest in an ABLE account by making contributions to
 129.5 an account. Contributions to an account must be made in cash, by check, or by other
 129.6 commercially acceptable means, as permitted by the Internal Revenue Service and
 129.7 approved by the plan administrator in cooperation with the commissioner and the board.

129.8 Subd. 2. **Contribution and account limitations.** Contributions to an ABLE
 129.9 account are subject to the requirements of section 529A(b) of the Internal Revenue Code.
 129.10 The total account balance of an ABLE account may not exceed the maximum account
 129.11 balance limit imposed under section 136G.09, subdivision 8. The plan administrator must
 129.12 reject any portion of a contribution to an account that exceeds the annual contribution limit
 129.13 or that would cause the total account balance to exceed the maximum account balance
 129.14 limit imposed under section 136G.09, subdivision 8.

129.15 Subd. 3. **Authority of account owner.** An account owner is the only person
 129.16 entitled to:

129.17 (1) request distributions;

129.18 (2) request rollover distributions; or

129.19 (3) change the beneficiary of an ABLE account to a member of the family of the
 129.20 current beneficiary, but only if the beneficiary to whom the ABLE account is transferred
 129.21 is an eligible individual.

129.22 Subd. 4. **Effect of plan changes on participation agreement.** Amendments to
 129.23 this chapter automatically amend the participation agreement. Any amendments to the
 129.24 operating procedures and policies of the plan automatically amend the participation
 129.25 agreement after adoption by the commissioner or the board.

129.26 Subd. 5. **Special account to hold plan assets in trust.** All assets of the plan,
 129.27 including contributions to accounts, are held in trust for the exclusive benefit of account
 129.28 owners. Assets must be held in a separate account in the state treasury to be known as
 129.29 the Minnesota ABLE plan account or in accounts with the third-party provider selected
 129.30 pursuant to section 256Q.05, subdivision 4. Plan assets are not subject to claims by creditors
 129.31 of the state, are not part of the general fund, and are not subject to appropriation by the
 129.32 state. Payments from the Minnesota ABLE plan account shall be made under this chapter.

129.33 Sec. 50. **[256Q.07] INVESTMENT OF ABLE ACCOUNTS.**

129.34 Subdivision 1. **State Board of Investment to invest.** The State Board of Investment
 129.35 shall invest the money deposited in accounts in the plan.

213.32 Subd. 2. **Permitted investments.** The board may invest the accounts in any
213.33 permitted investment under section 11A.24, except that the accounts may be invested
213.34 without limit in investment options from open-ended investment companies registered
214.1 under the federal Investment Company Act of 1940, United States Code, title 15, sections
214.2 80a-1 to 80a-64.

214.3 Subd. 3. **Contracting authority.** The board may contract with one or more third
214.4 parties for investment management, record keeping, or other services in connection with
214.5 investing the accounts. The board and commissioner may jointly contract with third-party
214.6 providers, if the commissioner and board determine that it is desirable to contract with the
214.7 same entity or entities for administration and investment management.

214.8 Subd. 4. **Fees.** The board may impose annual fees, as provided in section 256Q.05,
214.9 subdivision 3, on account owners to recover the cost of investment management and
214.10 related tasks for the plan. The board must use its best efforts to keep these fees as low
214.11 as possible, consistent with high quality investment management, so that the returns on
214.12 savings invested in the plan will be as high as possible.

214.13 Sec. 30. **[256Q.08] ACCOUNT DISTRIBUTIONS.**

214.14 Subdivision 1. **Qualified distribution methods.** (a) Qualified distributions may
214.15 be made:

214.16 (1) directly to participating providers of goods and services that are qualified
214.17 disability expenses, if purchased for a beneficiary;

214.18 (2) in the form of a check payable to both the beneficiary and provider of goods or
214.19 services that are qualified disability expenses; or

214.20 (3) directly to the beneficiary, if the beneficiary has already paid qualified disability
214.21 expenses.

214.22 (b) Qualified distributions must be withdrawn proportionally from contributions and
214.23 earnings in an account owner's account on the date of distribution as provided in section
214.24 529A of the Internal Revenue Code.

214.25 Subd. 2. **Distributions upon death of a beneficiary.** Upon the death of a
214.26 beneficiary, the amount remaining in the beneficiary's account must be distributed pursuant
214.27 to section 529A(f) of the Internal Revenue Code.

130.1 Subd. 2. **Permitted investments.** The board may invest the accounts in any
130.2 permitted investment under section 11A.24, except that the accounts may be invested
130.3 without limit in investment options from open-ended investment companies registered
130.4 under the federal Investment Company Act of 1940, United States Code, title 15, sections
130.5 80a-1 to 80a-64.

130.6 Subd. 3. **Contracting authority.** The board may contract with one or more third
130.7 parties for investment management, record keeping, or other services in connection with
130.8 investing the accounts. The board and commissioner may jointly contract with third-party
130.9 providers if the commissioner and board determine that it is desirable to contract with the
130.10 same entity or entities for administration and investment management.

130.11 Sec. 51. **[256Q.08] ACCOUNT DISTRIBUTIONS.**

130.12 Subdivision 1. **Qualified distribution methods.** (a) Qualified distributions may
130.13 be made:

130.14 (1) directly to participating providers of goods and services that are qualified
130.15 disability expenses, if purchased for a beneficiary;

130.16 (2) in the form of a check payable to both the beneficiary and provider of goods or
130.17 services that are qualified disability expenses; or

130.18 (3) directly to the beneficiary, if the beneficiary has already paid qualified disability
130.19 expenses.

130.20 (b) Qualified distributions must be withdrawn proportionally from contributions and
130.21 earnings in an account owner's account on the date of distribution as provided in section
130.22 529A of the Internal Revenue Code.

130.23 Subd. 2. **Distributions upon death of beneficiary.** Upon the death of a beneficiary,
130.24 the amount remaining in the beneficiary's account must be distributed pursuant to section
130.25 529A(f) of the Internal Revenue Code.

214.28 Subd. 3. **Nonqualified distribution.** An account owner may request a nonqualified
214.29 distribution from an account at any time. Nonqualified distributions are based on the total
214.30 account balances in an account owner's account and must be withdrawn proportionally
214.31 from contributions and earnings as provided in section 529A of the Internal Revenue
214.32 Code. The earnings portion of a nonqualified distribution is subject to a federal additional
214.33 tax pursuant to section 529A of the Internal Revenue Code. For purposes of this
214.34 subdivision, "earnings portion" means the ratio of the earnings in the account to the total
214.35 account balance, immediately prior to the distribution, multiplied by the distribution.

215.1 Sec. 31. Minnesota Statutes 2014, section 282.241, subdivision 1, is amended to read:

215.2 Subdivision 1. **Repurchase requirements.** The owner at the time of forfeiture, or
215.3 the owner's heirs, devisees, or representatives, or any person to whom the right to pay
215.4 taxes was given by statute, mortgage, or other agreement, may repurchase any parcel
215.5 of land claimed by the state to be forfeited to the state for taxes unless before the time
215.6 repurchase is made the parcel is sold under installment payments, or otherwise, by the
215.7 state as provided by law, or is under mineral prospecting permit or lease, or proceedings
215.8 have been commenced by the state or any of its political subdivisions or by the United
215.9 States to condemn the parcel of land. The parcel of land may be repurchased for the sum
215.10 of all delinquent taxes and assessments computed under section 282.251, together with
215.11 penalties, interest, and costs, that accrued or would have accrued if the parcel of land had
215.12 not forfeited to the state. Except for property which was homesteaded on the date of
215.13 forfeiture, repurchase is permitted during one year only from the date of forfeiture, and in
215.14 any case only after the adoption of a resolution by the board of county commissioners
215.15 determining that by repurchase undue hardship or injustice resulting from the forfeiture
215.16 will be corrected, or that permitting the repurchase will promote the use of the lands that
215.17 will best serve the public interest. If the county board has good cause to believe that
215.18 a repurchase installment payment plan for a particular parcel is unnecessary and not
215.19 in the public interest, the county board may require as a condition of repurchase that
215.20 the entire repurchase price be paid at the time of repurchase. A repurchase is subject
215.21 to any encumbrance allowed under section 256B.15 or 514.981, and to any easement,
215.22 lease, or other encumbrance granted by the state before the repurchase, and if the land is
215.23 located within a restricted area established by any county under Laws 1939, chapter 340,
215.24 the repurchase must not be permitted unless the resolution approving the repurchase is
215.25 adopted by the unanimous vote of the board of county commissioners.

215.26 The person seeking to repurchase under this section shall pay all maintenance costs
215.27 incurred by the county auditor during the time the property was tax-forfeited.

215.28 Sec. 32. Minnesota Statutes 2014, section 514.73, is amended to read:

215.29 **514.73 LIENS ASSIGNABLE.**

215.30 Subdivision 1. **Assignment.** All liens given by this chapter or section 256B.15 are
215.31 assignable and may be asserted and enforced by the assignee, by the assignee's successor or
215.32 assigns, or by the personal representative of any holder thereof in case of the holder's death.

215.33 Subd. 2. **Redemption.** The redemption rights of all liens given by section 256B.15
215.34 or sections 514.980 to 514.985 are assignable together with all or a portion of any of the
216.1 claims secured by those liens and may be asserted and enforced by the assignee, or the
216.2 assignee's successor or assigns.

216.3 Subd. 3. **Lien payoff information.** The commissioner or a duly authorized agent of
216.4 the commissioner may determine and disclose the amount of the outstanding obligation to
216.5 be secured by a lien when a lien or redemption right is assigned.

216.6 Sec. 33. Minnesota Statutes 2014, section 514.981, subdivision 2, is amended to read:

216.7 Subd. 2. **Attachment.** (a) A medical assistance lien attaches and becomes
216.8 enforceable against specific real property as of the date when the following conditions
216.9 are met:

216.10 (1) payments have been made by an agency for a medical assistance benefit;

216.11 (2) notice and an opportunity for a hearing have been provided under paragraph (b);

216.12 (3) a lien notice has been filed as provided in section 514.982;

216.13 (4) if the property is registered property, the lien notice has been memorialized on
216.14 the certificate of title of the property affected by the lien notice; and

216.15 (5) all restrictions against enforcement have ceased to apply.

216.16 (b) An agency may not file a medical assistance lien notice until the medical
216.17 assistance recipient or the recipient's legal representative has been sent, by certified or
216.18 registered mail, written notice of the agency's lien rights and there has been an opportunity
216.19 for a hearing under section 256.045. In addition, the agency may not file a lien notice
216.20 unless the agency determines as medically verified by the recipient's attending physician
216.21 that the medical assistance recipient cannot reasonably be expected to be discharged from
216.22 a medical institution and return home or the medical assistance recipient has resided in a
216.23 medical institution for six months or longer.

216.24 (c) An agency may not file a medical assistance lien notice against real property
216.25 while it is the home of the recipient's spouse.

216.26 (d) An agency may not file a medical assistance lien notice against real property that
216.27 was the homestead of the medical assistance recipient or the recipient's spouse when the
216.28 medical assistance recipient received medical institution services if any of the following
216.29 persons are lawfully residing in the property:

216.30 (1) a child of the medical assistance recipient if the child is under age 21 or is blind or
216.31 permanently and totally disabled according to the Supplemental Security Income criteria;

216.32 (2) a child of the medical assistance recipient if the child resided in the homestead

216.33 for at least two years immediately before the date the medical assistance recipient received

216.34 medical institution services, and the child provided care to the medical assistance recipient

216.35 that permitted the recipient to live without medical institution services; or

217.1 (3) a sibling of the medical assistance recipient if the sibling has an equity interest in

217.2 the property and has resided in the property for at least one year immediately before the

217.3 date the medical assistance recipient began receiving medical institution services.

217.4 (e) A medical assistance lien applies only to the specific real property described in

217.5 the lien notice.

217.6 Sec. 34. Minnesota Statutes 2014, section 580.032, subdivision 1, is amended to read:

217.7 Subdivision 1. **Recording request for notice.** A person having a redeemable

217.8 interest in real property under section 580.23 or 580.24, may record a request for notice

217.9 of a mortgage foreclosure by advertisement with the county recorder or registrar of titles

217.10 of the county where the property is located. To be effective for purposes of this section,

217.11 a request for notice must be recorded as a separate and distinct document, except a

217.12 mechanic's lien statement recorded pursuant to section 514.08 or a lien recorded pursuant

217.13 to section 256B.15 or 514.981 also constitutes a request for notice if the mechanic's lien

217.14 statement includes a legal description of the real property and the name and mailing

217.15 address of the mechanic's lien claimant.

217.16 Sec. 35. **INDIVIDUAL PROVIDERS OF DIRECT SUPPORT SERVICES.**

217.17 The labor agreement between the state of Minnesota and the Service Employees

217.18 International Union Healthcare Minnesota, submitted to the Legislative Coordinating

217.19 Commission on March 2, 2015, is ratified.

217.20 **EFFECTIVE DATE.** This section is effective July 1, 2015.

217.21 Sec. 36. **RATE INCREASE FOR DIRECT SUPPORT SERVICES PROVIDERS**

217.22 **WORKFORCE NEGOTIATIONS.**

217.23 (a) If the labor agreement between the state of Minnesota and the Service Employees

217.24 International Union Healthcare Minnesota under Minnesota Statutes, section 179A.54, is

217.25 approved pursuant to Minnesota Statutes, sections 3.855 and 179A.22, the commissioner

217.26 of human services shall increase reimbursement rates, individual budgets, grants, or

217.27 allocations by 1.53 percent for services provided on or after July 1, 2015, and by an

217.28 additional 0.2 percent for services provided on or after July 1, 2016, to implement the

217.29 minimum hourly wage and paid time off provisions of that agreement.

217.30 (b) The rate changes described in this section apply to direct support services

217.31 provided through a covered program, as defined in Minnesota Statutes, section 256B.0711,

217.32 subdivision 1.

218.1 Sec. 37. **DEVELOPMENT OF LONG-TERM CARE; LIFE STAGE PLANNING**

218.2 **INSURANCE PRODUCT.**

218.3 The commissioner of human services, in consultation with members of the Own

218.4 Your Future Advisory Council, the commissioner of commerce, and other stakeholders,

218.5 shall conduct research on the feasibility of creating a life stage planning insurance

218.6 product that merges term life insurance with long-term care insurance coverage. The

218.7 commissioner shall:

218.8 (1) conduct project evaluation research with consumers;

218.9 (2) conduct an actuarial analysis to evaluate likely levels for insurer pricing for the

218.10 product;

218.11 (3) meet with insurance carriers to determine interest in pursuing the product;

218.12 (4) identify specific state laws and regulations that may need to be amended to

218.13 make the product available; and

218.14 (5) develop one or more pilot programs to market test the product.

131.1 Sec. 52. Laws 2012, chapter 247, article 4, section 47, as amended by Laws 2014,
131.2 chapter 312, article 27, section 72, is amended to read:

131.3 Sec. 47. **COMMISSIONER TO SEEK AMENDMENT FOR EXCEPTION**

131.4 **TO CONSUMER-DIRECTED COMMUNITY SUPPORTS BUDGET**

131.5 **METHODOLOGY.**

131.6 By July 1, 2014, if necessary, The commissioner shall request an amendment to
131.7 the home and community-based services waivers authorized under Minnesota Statutes,
131.8 sections 256B.092 and 256B.49, to establish an exception to the consumer-directed
131.9 community supports budget methodology for the home and community-based services
131.10 waivers under Minnesota Statutes, sections 256B.092 and 256B.49, to provide up to
131.11 20 percent more funds for those:

131.12 (1) consumer-directed community supports participants who have their 21st birthday
131.13 and graduate graduated from high school between 2013 to 2015 and are authorized for to
131.14 receive more services under consumer-directed community supports prior to graduation
131.15 than the amount they are eligible to receive under the current consumer-directed
131.16 community supports budget methodology; and

131.17 (2) those who are currently using licensed services for employment supports or
131.18 services during the day which cost more annually than the person would spend under a
131.19 consumer-directed community supports plan for individualized employment supports
131.20 or services during the day. The exception is limited to those who can demonstrate
131.21 either that they will have to leave consumer-directed community supports and use other
131.22 waiver services because their need for day or employment supports cannot be met
131.23 within the consumer-directed community supports budget limits or they will move to
131.24 consumer-directed community supports and their services will cost less than services
131.25 currently being used. The commissioner shall consult with the stakeholder group
131.26 authorized under Minnesota Statutes, section 256B.0657, subdivision 11, to implement
131.27 this provision. The exception process shall be effective upon federal approval for persons
131.28 eligible through June 30, 2017 2019.

131.29 Sec. 53. **PROVIDER RATE AND GRANT INCREASES EFFECTIVE JULY 1, 2016.**

131.31 (a) The commissioner of human services shall increase reimbursement rates, grants,
131.32 allocations, individual limits, and rate limits, as applicable, by five percent for the rate
131.33 period from July 1, 2016, to June 30, 2017, for services rendered on or after those dates.
131.34 County or tribal contracts for services specified in this section must be amended to pass
131.35 through the rate increase within 60 days of the effective date of the increase.

132.1 (b) The rate changes described in this section must be provided to:

132.2 (1) home and community-based waivered services for persons with developmental
132.3 disabilities, including consumer-directed community supports, under Minnesota Statutes,
132.4 section 256B.092;

132.5 (2) waivered services under community alternatives for disabled individuals,
132.6 including consumer-directed community supports, under Minnesota Statutes, section
132.7 256B.49;

132.8 (3) community alternative care waivered services, including consumer-directed
132.9 community supports, under Minnesota Statutes, section 256B.49;

132.10 (4) brain injury waivered services, including consumer-directed community
132.11 supports, under Minnesota Statutes, section 256B.49;

132.12 (5) home and community-based waivered services for the elderly under Minnesota
132.13 Statutes, section 256B.0915;

132.14 (6) nursing services and home health services under Minnesota Statutes, section
132.15 256B.0625, subdivision 6a;

132.16 (7) personal care services and qualified professional supervision of personal care
132.17 services under Minnesota Statutes, section 256B.0625, subdivisions 6a and 19a;

132.18 (8) home care nursing services under Minnesota Statutes, section 256B.0625,
132.19 subdivision 7;
132.20 (9) community first services and supports under Minnesota Statutes, section 256B.85;
132.21 (10) essential community supports under Minnesota Statutes, section 256B.0922;
132.22 (11) day training and habilitation services for adults with developmental disabilities
132.23 under Minnesota Statutes, sections 252.41 to 252.46, including the additional cost to
132.24 counties of the rate adjustments on day training and habilitation services provided as a
132.25 social service;
132.26 (12) alternative care services under Minnesota Statutes, section 256B.0913;
132.27 (13) living skills training programs for persons with intractable epilepsy who need
132.28 assistance in the transition to independent living under Laws 1988, chapter 689;
132.29 (14) semi-independent living services (SILS) under Minnesota Statutes, section
132.30 252.275;
132.31 (15) consumer support grants under Minnesota Statutes, section 256.476;
132.32 (16) family support grants under Minnesota Statutes, section 252.32;
132.33 (17) housing access grants under Minnesota Statutes, section 256B.0658;
132.34 (18) self-advocacy grants under Laws 2009, chapter 101;
132.35 (19) technology grants under Laws 2009, chapter 79;
133.1 (20) aging grants under Minnesota Statutes, sections 256.975 to 256.977 and
133.2 256B.0917;
133.3 (21) deaf and hard-of-hearing grants, including community support services for deaf
133.4 and hard-of-hearing adults with mental illness who use or wish to use sign language as their
133.5 primary means of communication under Minnesota Statutes, section 256.01, subdivision 2;
133.6 (22) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233,
133.7 256C.25, and 256C.261;
133.8 (23) Disability Linkage Line grants under Minnesota Statutes, section 256.01,
133.9 subdivision 24;
133.10 (24) transition initiative grants under Minnesota Statutes, section 256.478;
133.11 (25) employment support grants under Minnesota Statutes, section 256B.021,
133.12 subdivision 6; and
133.13 (26) grants provided to people who are eligible for the Housing Opportunities for
133.14 Persons with AIDS program under Minnesota Statutes, section 256B.492.

133.15 (c) A managed care plan or county-based purchasing plan receiving state payments
133.16 for the services, grants, and programs in paragraph (b) must include the increase in their
133.17 payments to providers. For the purposes of this subdivision, entities that provide care
133.18 coordination are providers. To implement the rate increase in paragraph (a), capitation rates
133.19 paid by the commissioner to managed care plans and county-based purchasing plans under
133.20 Minnesota Statutes, section 256B.69, shall reflect a five percent increase for the services,
133.21 grants, and programs specified in paragraph (b) for the period beginning July 1, 2016.

133.22 (d) Counties shall increase the budget for each recipient of consumer-directed
133.23 community supports by the amounts in paragraph (a) on the effective date in paragraph (a).

133.24 (e) Providers that receive a rate increase under paragraph (a) shall use 90 percent
133.25 of the additional revenue to increase compensation-related costs for employees directly
133.26 employed by the program on or after the effective date of the rate adjustment in paragraph
133.27 (a), except:

133.28 (1) persons employed in the central office of a corporation or entity that has an
133.29 ownership interest in the provider or exercises control over the provider; and

133.30 (2) persons paid by the provider under a management contract.

133.31 (f) Compensation-related costs include:

133.32 (1) wages and salaries;

133.33 (2) the employer's share of FICA taxes, Medicare taxes, state and federal
133.34 unemployment taxes, workers' compensation, and mileage reimbursement;

134.1 (3) the employer's share of health and dental insurance, life insurance, disability
134.2 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
134.3 employee retirement accounts; and

134.4 (4) other benefits provided and workforce needs, including the recruiting and
134.5 training of employees as specified in the distribution plan required under paragraph (k).

134.6 (g) For public employees under a collective bargaining agreement, the increases for
134.7 wages and benefits are available and pay rates must be increased only to the extent that the
134.8 increases comply with laws governing public employees' collective bargaining. A provider
134.9 that receives additional revenue for compensation-related cost increases under paragraph
134.10 (e), that is a public employer, and whose fiscal year ends on June 30 of each year, must use
134.11 the portion of the rate increase specified in paragraph (e) only for compensation-related
134.12 cost increases implemented between July 1, 2016, and August 1, 2016. A provider that
134.13 receives additional revenue for compensation-related cost increases under paragraph (e),
134.14 that is a public employer, and whose fiscal year ends on December 31 of each year, must
134.15 use the portion of the compensation-related cost increases specified in paragraph (e) only
134.16 for compensation-related cost increases implemented during the contract period.

134.17 (h) For a provider that has employees who are represented by an exclusive bargaining
134.18 representative, the provider shall obtain a letter of acceptance of the distribution plan
134.19 required under paragraph (k), in regard to the members of the bargaining unit, signed by
134.20 the exclusive bargaining agent. Upon receipt of the letter of acceptance, the provider shall
134.21 be deemed to have met all the requirements of this section in regard to the members of
134.22 the bargaining unit. Upon request, the provider shall produce the letter of acceptance for
134.23 the commissioner.

134.24 (i) The commissioner shall amend state grant contracts that include direct
134.25 personnel-related grant expenditures to include the allocation for the portion of the
134.26 contract related to employee compensation. Grant contracts for compensation-related
134.27 services must be amended to pass through these adjustments within 60 days of the
134.28 effective date of the increase under paragraph (a) and must be retroactive to the effective
134.29 date of the rate adjustment.

134.30 (j) The Board on Aging and its area agencies on aging shall amend their grants that
134.31 include direct personnel-related grant expenditures to include the rate adjustment for the
134.32 portion of the grant related to employee compensation. Grants for compensation-related
134.33 services must be amended to pass through these adjustments within 60 days of the
134.34 effective date of the increase under paragraph (a) and must be retroactive to the effective
134.35 date of the rate adjustment.

135.1 (k) A provider that receives a rate adjustment under paragraph (a) that is subject to
135.2 paragraph (e) shall prepare and, upon request, submit to the commissioner a distribution
135.3 plan that specifies the amount of money the provider expects to receive that is subject
135.4 to the requirements of paragraph (e), including how that money will be distributed to
135.5 increase compensation for employees.

135.6 (l) Within six months of the effective date of the rate adjustment, the provider shall
135.7 post the distribution plan required under paragraph (k) for a period of at least six weeks in
135.8 an area of the provider's operation to which all eligible employees have access and shall
135.9 provide instructions for employees who do not believe they have received the wage and
135.10 other compensation-related increases specified in the distribution plan. The instructions
135.11 must include a mailing address, e-mail address, and telephone number that the employee
135.12 may use to contact the commissioner or the commissioner's representative.

135.13 Sec. 54. **DIRECTION TO COMMISSIONER; PEDIATRIC HOME CARE**
135.14 **STUDY.**

135.15 The commissioner of human services shall review the status of delayed discharges of
135.16 pediatric patients and determine if an increase in the medical assistance payment rate for
135.17 intensive pediatric home care would reduce the number of delayed discharges of pediatric
135.18 patients. The commissioner shall report the results of the review to the chairs and ranking
135.19 minority members of the house of representatives and senate committees and divisions
135.20 with jurisdiction over health and human services policy and finance by January 15, 2016.

218.15 Sec. 38. HOME AND COMMUNITY-BASED SERVICES INCENTIVE POOL.

218.16 The commissioner of human services shall develop an initiative to provide
218.17 incentives for innovation in achieving integrated competitive employment, living in
218.18 the most integrated setting, and other outcomes determined by the commissioner. The
218.19 commissioner shall seek requests for proposals and shall contract with one or more entities
218.20 to provide incentive payments for meeting identified outcomes. The initial requests for
218.21 proposals must be issued by October 1, 2015. The commissioner of human services shall
218.22 submit a report by January 31, 2017, to the chairs and ranking minority members of the
218.23 legislative committees with jurisdiction over health and human services finance on the
218.24 outcomes of these projects. The report must include:

- 218.25 (1) the request for proposals funds;
- 218.26 (2) the amount of incentive payments authorized;
- 218.27 (3) the outcomes achieved by each project; and
- 218.28 (4) recommendations for further action based on the outcomes achieved.

218.29 Sec. 39. DIRECTION TO COMMISSIONER; REPORTS REQUIRED.

218.30 The commissioner of human services shall develop and submit reports to the chairs
218.31 and ranking minority members of the house of representatives and senate committees and
218.32 divisions with jurisdiction over health and human services policy and finance on the
218.33 implementation of Minnesota Statutes, sections 256B.0916, subdivisions 2, 11, and 12,
219.1 and 256B.49, subdivisions 26 and 27. The commissioner shall submit two reports, one by
219.2 February 15, 2018, and the second by February 15, 2019.

**219.3 Sec. 40. DIRECTION TO COMMISSIONER; DAY TRAINING AND
219.4 HABILITATION.**

219.5 For service agreements renewed or entered into on or after January 1, 2016, in
219.6 determining payments for day training and habilitation under Minnesota Statutes, section
219.7 256B.4914, subdivision 7, the commissioner of human services shall calculate the
219.8 transportation portion of the payment for day training and habilitation programs using
219.9 payments factors found in Minnesota Statutes, section 256B.4914, subdivision 7, clauses
219.10 (16) and (17).

136.1 Sec. 57. HOME AND COMMUNITY-BASED SERVICES INCENTIVE POOL.

136.2 The commissioner of human services shall develop an initiative to provide
136.3 incentives for innovation in achieving integrated competitive employment, living in
136.4 the most integrated setting, and other outcomes determined by the commissioner. The
136.5 commissioner shall seek requests for proposals and shall contract with one or more entities
136.6 to provide incentive payments for meeting identified outcomes. The initial requests for
136.7 proposals must be issued by October 1, 2015.

135.21 Sec. 55. DIRECTION TO COMMISSIONER; REPORTS REQUIRED.

135.22 The commissioner of human services shall develop and submit reports to the chairs
135.23 and ranking minority members of the house of representatives and senate committees and
135.24 divisions with jurisdiction over health and human services policy and finance on the
135.25 implementation of Minnesota Statutes, sections 256B.0916, subdivisions 2, 11, and 12,
135.26 and 256B.49, subdivisions 26 and 27. The commissioner shall submit two reports, one by
135.27 February 15, 2018, and the second by February 15, 2019.

**135.28 Sec. 56. DIRECTION TO COMMISSIONER; DAY TRAINING AND
135.29 HABILITATION.**

135.30 For service agreements renewed or entered into on or after January 1, 2016, the
135.31 commissioner of human services shall calculate the transportation portion of the payment
135.32 for day training and habilitation programs using payments factors found in Minnesota
135.33 Statutes, section 256B.4914, subdivision 7, clauses (16) and (17).

ARTICLE 8, SECTION 22.**306.22 Sec. 22. INSTRUCTIONS TO THE COMMISSIONER.**

306.23 The commissioner shall determine the number of individuals who were determined
306.24 to be ineligible to receive community first services and supports because they did not
306.25 require constant supervision and cuing in order to accomplish activities of daily living.
306.26 The commissioner shall issue a report with these findings to the chairs and ranking
306.27 minority members of the house and senate committees with jurisdiction over human
306.28 services programs.