

**Subject** Early Childhood Committee HHS Division Report

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## Overview

This bill provides for child care assistance program federal compliance, child care licensing, home visiting, and program integrity. The bill also provides appropriations for the child care assistance program, home visiting, and Department of Human Services (DHS) operations and program integrity.

## Article 1: Appropriations

This article provides appropriations for the Departments of Human Services and Health for various programs including the child care assistance program, child care development grants, Department of Human Services operations and program integrity, and home visiting.

## Article 2: Early Care Finance and Policy

This article provides for child care assistance program federal compliance and modifies home visiting provisions.

Section	Description
1	<b>Homeless.</b> Amends § 119B.011, by adding subd. 13b. Defines “homeless” under the statute governing the child care assistance program. Provides a September 21, 2020, effective date.
2	<b>Provider.</b> Amends § 119B.011, subd. 19. Modifies the definition of “provider” under the statute governing the child care assistance program. Provides a July 1, 2019, effective date.

<b>Section</b>	<b>Description</b>
3	<p><b>Transition year families.</b></p> <p>Amends § 119B.011, subd. 20. Modifies the definition of “transition year families” under the statute governing the child care assistance program. Provides a March 23, 2020, effective date.</p>
4	<p><b>Child care market rate survey.</b></p> <p>Amends § 119B.02, subd. 7. Changes the frequency of the child care market rate survey from once every two years to once every three years beginning in state fiscal year 2021. Provides an immediate effective date.</p>
5	<p><b>Applications.</b></p> <p>Amends § 119B.025, subd. 1. Specifies the process counties must follow when handling applications of families who meet the definition of homeless. Provides a September 21, 2020, effective date.</p>
6	<p><b>Portability pool.</b></p> <p>Amends § 119B.03, subd. 9. Modifies the portability pool by requiring families who are receiving basic sliding fee child care assistance and move from one county to another to notify the family’s previous county of residence of the move (under current law, families must notify the new county of residence within 60 days of moving and submit information to the new county of residence to verify eligibility for the basic sliding fee program). Removes the six-month time limit on receipt of portability pool assistance. Provides a December 2, 2019, effective date.</p>
7	<p><b>General eligibility requirements.</b></p> <p>Amends § 119B.09, subd. 1. Specifies a family remains eligible for child care assistance until the redetermination if the family has a child that reaches 13 years of age or the child has a disability and reaches 15 years of age. Provides a June 29, 2020, effective date.</p>
8	<p><b>Maintain steady child care authorizations.</b></p> <p>Amends § 119B.095, subd. 2. Requires the amount of child care authorized to continue at the same number of hours or more hours until redetermination when a child reaches 13 years of age or a child with a disability reaches 15 years of age. Provides a June 29, 2020, effective date.</p>
9	<p><b>Assistance for persons who are homeless.</b></p> <p>Amends § 119B.095, by adding subd. 3. Makes homeless applicants for child care assistance eligible for 60 hours of child care assistance per service period for three months from the date the county receives the application. Allows additional hours to be authorized as needed based on the applicant’s participation in employment, education, or Minnesota family investment program (MFIP) or diversionary work program (DWP) employment plan. Requires the parent to verify that the parent meets eligibility and</p>

<b>Section</b>	<b>Description</b>
	activity requirements for child care assistance to continue receiving assistance after the initial three months. Provides a September 21, 2020, effective date.
10	<b>Subsidy restrictions.</b> Amends § 119B.13, subd. 1. Paragraph (a) modifies the CCAP maximum rates to be based on the 2018 child care provider survey.  Paragraph (i) modifies the maximum registration fee paid under child care assistance to be based on the 2018 market rate survey.  Provides a September 20, 2019, effective date for paragraph (a) and a September 23, 2019, effective date for paragraph (i).
11	<b>Fair hearing allowed for applicants and recipients.</b> Amends § 119B.16, subd. 1. Modifies the fair hearings process under the CCAP. Provides a February 26, 2021, effective date.
12	<b>Fair hearing allowed for providers.</b> Amends § 119B.16, subd. 1a. Modifies the fair hearings process for providers under the CCAP. Provides a February 26, 2021, effective date.
13	<b>Joint fair hearings.</b> Amends § 119B.16, subd. 1b. Modifies the joint fair hearings process for providers and families under the CCAP. Provides a February 26, 2021, effective date.
14	<b>Notice to providers.</b> Amends § 119B.16, by adding subd. 1c. Requires the county or commissioner to mail written notice to the provider against whom the action is being taken prior to taking an appealable action. Specifies timelines for mailing the notice and the information that must be included in the notice. Provides a February 26, 2021, effective date.
15	<b>Fair hearing stayed.</b> Amends § 119B.16, by adding subd. 3. Specifies circumstances under which a provider's fair hearing must be stayed. Provides a February 26, 2021, effective date.
16	<b>Final department action.</b> Amends § 119B.16, by adding subd. 4. Specifies the county agency's or the commissioner's action is considered final unless the commissioner receives a timely and proper request for an appeal. Provides a February 26, 2021, effective date.

Section	Description
17	<p data-bbox="355 275 634 302"><b>Administrative review.</b></p> <p data-bbox="355 317 594 344">Creates § 119B.161.</p> <p data-bbox="453 386 1401 449"><b>Subd. 1. Applicability.</b> Specifies conditions under which a provider has the right to administrative review.</p> <p data-bbox="453 491 1406 695"><b>Subd. 2. Notice.</b> Specifies the timeline a county agency or the commissioner has for mailing a written notice to a provider when suspending payment or denying or revoking the provider’s authorization. Lists the information that must be included in the notice. Requires the county agency or commissioner to send notice to each affected family if payment to a provider is suspended or the provider’s authorization is denied or revoked.</p> <p data-bbox="453 737 1401 800"><b>Subd. 3. Duration.</b> Specifies the duration of a payment suspension or the denial or revocation of a provider’s authorization.</p> <p data-bbox="453 842 1425 974"><b>Subd. 4. Good cause exception.</b> Lists the conditions under which the commissioner may find that good cause exists not to deny, revoke, or suspend a provider’s authorization, or not to continue a denial, revocation, or suspension of a provider’s authorization.</p> <p data-bbox="355 1016 886 1043">Provides a February 26, 2021, effective date.</p>
18	<p data-bbox="355 1094 1390 1121"><b>Retaining early educators through attaining incentives now (REETAIN) grant program.</b></p> <p data-bbox="355 1136 594 1163">Creates § 119B.195.</p> <p data-bbox="453 1205 1406 1304"><b>Subd. 1. Establishment; purpose.</b> Establishes the REETAIN grant program to provide competitive grants to incentivize well-trained child care professionals to stay in the workforce to create more consistent care for children over time.</p> <p data-bbox="453 1346 1425 1478"><b>Subd. 2. Administration.</b> Requires the commissioner to allocate grant funds to a nonprofit organization with demonstrated ability to manage benefit programs for child care professionals to administer the REETAIN grant program. Allows up to ten percent of grant funds to be used for administration of the program.</p> <p data-bbox="453 1520 1401 1583"><b>Subd. 3. Application.</b> Requires applicants to apply for the grant program on the forms and according to the timelines established by the commissioner.</p> <p data-bbox="453 1625 1211 1652"><b>Subd. 4. Eligibility.</b> Lists grant applicant eligibility requirements.</p> <p data-bbox="453 1694 1406 1757"><b>Subd. 5. Grant awards.</b> Requires grants to be made annually. Allows grant funds to be used for program supplies, training, or personal expenses.</p> <p data-bbox="453 1799 1406 1862"><b>Subd. 6. Report.</b> Requires the commissioner to report annually to the legislature by January 1, on the number of grants awarded and program outcomes.</p>

Section	Description
19	<p>Provides a July 1, 2019, effective date, and makes the first report under subdivision 6 due by January 1, 2021.</p> <p><b>Newborn Hearing Screening Advisory Committee.</b> Amends § 144.966, subd. 2. Under current law the Newborn Hearing Screening Advisory Committee expires June 30, 2019. This section extends the advisory committee to June 30, 2025, and adds the following two members to this advisory committee: a representative of the Deaf Mentor Program, and a representative of the State Academy for the Deaf from the Minnesota State Academies staff. These new members must be appointed by September 1, 2019. Makes this section effective the day following final enactment.</p>
20	<p><b>Home visiting for pregnant women and families with young children.</b> Adds § 145.87. Directs the commissioner of health to award grants to community health boards, nonprofit organizations, and tribal nations to start up or expand home visiting programs serving pregnant women and families with young children.</p> <p><b>Subd. 1. Definitions.</b> Defines terms for this section: evidence-based home visiting program, evidence-informed home visiting program, and health equity.</p> <p><b>Subd. 2. Grants for home visiting programs.</b> Directs the commissioner of health to award grants to community health boards, nonprofit organizations, and tribal nations to start up or expand home visiting programs serving pregnant women and families with young children. Requires these programs to provide home visits using early childhood professionals or health professionals. Requires grant funds to be used for evidence-based home visiting programs that address health equity, or evidence-informed home visiting programs that address health equity. Also requires these programs to serve families or pregnant women who are high risk or have high needs.</p> <p><b>Subd. 3. Grant prioritization.</b> Directs the commissioner to give priority in awarding grants to programs seeking to expand home visiting services with community or regional partnerships, and requires at least 75 percent of grant funds to be allocated to evidence-based programs and up to 25 percent to be allocated to evidence-informed programs.</p> <p><b>Subd. 4. No supplanting of existing funds.</b> Requires funds distributed under this section to supplement, and not replace, existing funding for evidence-based or evidence-informed home visiting programs.</p> <p><b>Subd. 5. Administrative costs.</b> Allows the commissioner to use up to ten percent of the annual appropriation for training and technical assistance and to administer and evaluate the program, and allows the commissioner to contract for training, capacity-building, technical assistance, and evaluation support.</p>

Section	Description
21	<p><b>Appeal of department action.</b></p> <p>Amends § 245E.06, subd. 3. Specifies a provider’s rights related to the department’s action taken under the child care assistance program fraud investigation statute against a provider are established in sections 119B.16 and 119B.161. Provides a February 26, 2021, effective date.</p>
22	<p><b>Decertification.</b></p> <p>Amends § 245H.07.</p> <p><b>Subd. 1. Generally.</b> Modifies the list of conditions under which the commissioner may decertify a center.</p> <p><b>Subd. 2. Reconsideration.</b> Specifies the process for a certification holder to request reconsideration of a decertification. Provides a February 26, 2021, effective date.</p>
23	<p><b>Repealer.</b></p> <p>Repeals the following statutes and rules:</p> <ul style="list-style-type: none"><li>▪ section 119B.16, subd. 2 (informal conference)</li><li>▪ section 245E.06, subs. 2 (written notice of department sanction), 4 (consolidated hearing with licensing sanction), and 5 (effect of department’s administrative determination or sanction)</li><li>▪ part 3400.0185, subp. 5 (notice to providers of actions adverse to the provider)</li></ul>

### Article 3: Licensing

Section	Description
1	<p><b>Inspections; waiver.</b></p> <p>Amends § 245A.04, subd. 4. Prohibits the commissioner from issuing a correction order or negative licensing action for violations of rule or law not discussed in an exit interview, unless the license holder chooses not to participate in an exit interview. Requires the licensing agency to offer an alternate time for the exit interview if the license holder is unable to complete the exit interview.</p> <p>Establishes process for a family child care license holder to dispute a county licenser’s interpretation of a licensing requirement and request clarification from the commissioner of human services.</p>

Section	Description
2	<p><b>Reusable water bottles or cups.</b></p> <p>Amends § 245A.14 by adding subd. 17. Allows a child care center to provide drinking water to a child in a reusable water bottle or cup if the center develops and ensures implementation of a written policy that includes procedures for cleaning and sanitizing, proper labeling, and storage.</p> <p>Makes this section effective September 30, 2019.</p>
3	<p><b>Policies and procedures.</b></p> <p>Amends § 245A.145, subd. 1. Requires the Department of Human Services, rather than licensed child care providers, to develop policies and procedures for reporting suspected child maltreatment, and to provide the policies and procedures to providers in plain language.</p>
4	<p><b>Licensing agency phone number displayed.</b></p> <p>Amends § 245A.145, subd. 2. Removes obsolete date; removes requirement for licensing agency telephone number to be printed in bold and large font on a child care provider license; modifies terminology.</p>
5	<p><b>Supervision of family child care license holder's own child.</b></p> <p>Proposes coding for § 245A.149. Allows an individual to supervise a family child care license holder's own child, without meeting licensure requirements, if the individual:</p> <ol style="list-style-type: none"><li data-bbox="451 1150 867 1178">1) is related to the license holder;</li><li data-bbox="451 1188 1211 1215">2) is not a caregiver, helper, or substitute for the program; and</li><li data-bbox="451 1226 967 1253">3) cares only for the license holder's child.</li></ol> <p>Makes this section effective September 30, 2019.</p>
6	<p><b>Emergency preparedness.</b></p> <p>Amends § 245A.41, subd. 3. Removes obsolete date; adds requirement for accommodations for infants and toddlers in child care center emergency preparedness plans.</p> <p>Makes this section effective September 30, 2019.</p>
7	<p><b>Training exemption.</b></p> <p>Amends § 245A.50 by adding subd. 12. Exempts individuals caring only for the license holder's child under section 5 from the family child care training requirements.</p> <p>Makes this section effective September 30, 2019.</p>

Section	Description
8	<p><b>Emergency preparedness.</b></p> <p>Amends § 245A.51, subd. 3. Removes obsolete date; adds requirement for accommodations for infants and toddlers in family child care emergency preparedness plans.</p> <p>Makes this section effective September 30, 2019.</p>
9	<p><b>Substitute and replacement caregivers in family child care.</b></p> <p>Proposes coding for § 245A.53.</p> <p><b>Subd. 1. Total hours allowed.</b> Permits the use of a substitute caregiver for family child care for up to 400 hours in a calendar year. Requires the license holder to document the substitute care.</p> <p><b>Subd. 2. Emergency replacement supervision.</b> Paragraph (a) allows for an emergency replacement, who has not completed training or background study requirements, in a licensed family or group family day care; specifies what constitutes an emergency situation.</p> <p>Paragraph (b) requires the license holder to minimize the time an emergency replacement cares for children, not to exceed 24 hours per incident.</p> <p>Paragraph (c) prohibits the license holder from knowingly using an emergency replacement caregiver who would be disqualified from caring for children if a background study were conducted.</p> <p>Paragraph (d) requires the license holder to arrange for emergency care by a substitute, if possible.</p> <p>Paragraph (e) requires the license holder to notify the county licensing agency within 7 days that an emergency replacement was used, and the circumstances leading to the use of the emergency replacement. Requires the county licensing agency to then notify DHS within 3 business days after receiving the notice from the license holder.</p> <p>Paragraph (f) specifies that a license holder is not required to provide names of substitutes or emergency replacements to parents or the county licensing agency.</p> <p>Makes this section effective September 30, 2019.</p>



Section	Description
10	<p><b>Written emergency plan.</b></p> <p>Amends § 245H. 51, subd. 1. Adds requirement for accommodations for infants and toddlers in certified license-exempt child care center written emergency plans.</p> <p>Makes this section effective September 30, 2019.</p>

## Article 4: Program Integrity

This article makes various changes to provisions related to data privacy, the False Claims Act, child care assistance program, human services licensing program, child care assistance program fraud investigations, and MA sanctions and documentation and billing practices; and creates criminal penalties for certain acts involving human services programs.

Section	Description
1	<p><b>Investigative data.</b></p> <p>Amends § 13.46, subd. 3. Allows welfare data that is collected as part of an enforcement investigation to be disclosed to other agents within the welfare system or to other government investigators, unless the disclosure would compromise an ongoing DHS investigation.</p>
2	<p><b>Liability for certain acts.</b></p> <p>Amends § 15C.02. Changes the penalty for fraud against the government under chapter 15C so that the civil penalty is tied to the federal False Claims Act, which applies a civil penalty of not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990, and which means the penalties are reviewed each year by January 15.</p>
3	<p><b>Data.</b></p> <p>Amends § 119B.02, subd. 6. Defines “child care assistance program payment data.” Classifies as private payment data that identifies an individual assistance recipient. Specifies that payment data is public if it relates to payments made to a child care center under certain circumstances. Provides an immediate effective date.</p>
4	<p><b>Date of eligibility for assistance.</b></p> <p>Amends § 119B.09, subd. 7. Limits retroactive payments to three months from the date of application for CCAP (the current limit is six months). Provides a July 1, 2019, effective date.</p>

Section	Description
5	<p><b>Record-keeping requirement.</b></p> <p>Amends § 119B.125, subd. 6. Modifies record-keeping requirements CCAP providers must meet. Provides a July 1, 2019, effective date.</p>
6	<p><b>Provider payments.</b></p> <p>Amends § 119B.13, subd. 6. Requires providers to bill only for services that meet specified documentation requirements. Expands the list of conditions under which the commissioner or a county may refuse to issue a child care authorization to a provider, revoke an existing child care authorization, stop payment issued to a provider, or refuse to pay a bill submitted by a provider. Provides a July 1, 2019, effective date.</p>
7	<p><b>Absent days.</b></p> <p>Amends § 119B.13, subd. 7. Defines “absent day” and “holidays limit.” Requires providers to properly bill for absent days and holidays. Specifies that a provider’s failure to properly bill for these days results in an overpayment. Provides a July 1, 2019, effective date.</p>
8	<p><b>Limits on receiving public funds.</b></p> <p>Amends § 245.095.</p> <p><b>Subd. 1. Prohibition.</b> For providers who are excluded from a program administered by the DHS, requires the commissioner to: (1) prohibit the excluded provider from receiving grant funds or registering in any other program administered by the commissioner; and (2) disenroll, revoke, or suspend a license, disqualify, or debar the excluded provider, vendor, or individual in any other program administered by the commissioner.</p> <p><b>Subd. 2. Definitions.</b> Modifies the definitions of “excluded” and “provider.” Provides an immediate effective date.</p>
9	<p><b>Applicant.</b></p> <p>Amends § 245A.02, subd. 3. Modifies the definition of “applicant” under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>
10	<p><b>Authorized agent.</b></p> <p>Amends § 245A.02, by adding subd. 3b. Defines “authorized agent” under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>
11	<p><b>License.</b></p> <p>Amends § 245A.02, subd. 8. Makes a technical change to the definition of “license” under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>

<b>Section</b>	<b>Description</b>
12	<p><b>License holder.</b></p> <p>Amends § 245A.02, subd. 9. Modifies the definition of “license holder” under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>
13	<p><b>Organization.</b></p> <p>Amends § 245A.02, subd. 10c. Defines “organization” under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>
14	<p><b>Private agency.</b></p> <p>Amends § 245A.02, subd. 12. Modifies the definition of “private agency” under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>
15	<p><b>Residential program.</b></p> <p>Amends § 245A.02, subd. 14. Modifies the definition of “residential program” under the chapter of statutes governing human services licensing to add a separate definition for residential programs providing home and community-based services under an MA waiver.</p>
16	<p><b>License required.</b></p> <p>Amends § 245A.03, subd. 1. Modifies the list of entities prohibited from conducting certain actions without a license under the human services licensing statutes. Provides a January 1, 2020, effective date.</p>
17	<p><b>Unlicensed programs.</b></p> <p>Amends § 245A.03, subd. 3. Makes conforming changes related to actions that may be taken against an unlicensed entity. Provides a January 1, 2020, effective date.</p>
18	<p><b>Application for licensure.</b></p> <p>Amends § 245A.04, subd. 1. Makes conforming and other changes, including modifying the list of information that must be provided by the applicant, to licensure application requirements under the chapter of statutes governing human services licensing. Provides a January 1, 2020, effective date.</p>
19	<p><b>Notification of affected municipality.</b></p> <p>Amends § 245A.04, subd. 2. Allows the commissioner to provide electronic notification to a municipality or other political subdivision affected by a license issued under the human services licensing statutes.</p>

Section	Description
20	<p><b>Inspections; waiver.</b></p> <p>Amends § 245A.04, subd. 4. Modifies the list of items a licensing inspection must include. Makes other technical and conforming changes. Provides a January 1, 2020, effective date.</p>
21	<p><b>Commissioner's evaluation.</b></p> <p>Amends § 245A.04, subd. 6. Modifies the list of items the commissioner must evaluate before issuing, denying, suspending, revoking, or making a conditional license. Provides a January 1, 2020, effective date.</p>
22	<p><b>Grant of license; license extension.</b></p> <p>Amends § 245A.04, subd. 7. Specifies the commissioner must issue a license consistent with human services licensing application procedures or temporary change of ownership procedures. Removes language prohibiting the transfer of a license and requiring a license holder to notify the commissioner before making any changes that would alter the information included on the license (this is moved to a new subdivision). Makes technical and conforming changes. Provides a January 1, 2020, effective date.</p>
23	<p><b>Notification required.</b></p> <p>Amends § 245A.04, by adding subd. 7a. Requires a license holder to notify the commissioner and obtain the commissioner's approval before making any change that would alter the information included on the license. Lists other changes of which the license holder must notify the commissioner. Specifies the documentation that a license holder must provide to the commissioner when a license holder changes information on file with the secretary of state. Provides a January 1, 2020, effective date.</p>
24	<p><b>Adoption agency; additional requirements.</b></p> <p>Amends § 245A.04, subd. 10. Modifies the list of entities that must meet certain requirements when applying for a license to place children for adoption. Provides a January 1, 2020, effective date.</p>
25	<p><b>License application after change of ownership.</b></p> <p>Creates § 245A.043.</p> <p><b>Subd. 1. Transfer prohibited.</b> Specifies a license is not transferable or assignable.</p> <p><b>Subd. 2. Change of ownership.</b> Requires submission of a new license application if the commissioner determines that there is a change in ownership. Lists the conditions under which a change in ownership occurs.</p> <p><b>Subd. 3. Change of ownership process.</b> Specifies the licensing application process when a change of ownership occurs. Specifies this process does not</p>

Section	Description
	<p>apply to a licensed program or service located in a home where the license holder resides.</p> <p><b>Subd. 4. Temporary change in ownership license.</b> Allows the commissioner to issue a temporary change in ownership license while the commissioner evaluates the licensing application when a change in ownership is proposed and under certain other circumstances. Specifies requirements regarding the operation of the program or service until a decision is made to grant or deny a license.</p> <p>Provides a January 1, 2020, effective date.</p>
26	<p><b>Denial of application.</b></p> <p>Amends § 245A.05. Modifies the list of circumstances under which the commissioner may deny a license. Provides a January 1, 2020, effective date.</p>
27	<p><b>Closing a license.</b></p> <p>Creates § 245A.055.</p> <p><b>Subd. 1. Inactive programs.</b> Requires the commissioner to close a license if the commissioner determines that a licensed program has not been serving any client for a consecutive period of 12 months or longer. Does not prohibit the license holder from reapplying for a license if the license holder's license was closed.</p> <p><b>Subd. 2. Reconsideration of closure.</b> Specifies the process of notification and reconsideration if a license is closed.</p> <p><b>Subd. 3. Reconsideration final.</b> Specifies the commissioner's disposition of a request for reconsideration is final and not subject to appeal.</p> <p>Provides a January 1, 2020, effective date.</p>
28	<p><b>Sanctions; appeal; license.</b></p> <p>Amends § 245A.07, subd. 1. Makes technical and conforming changes. Provides a January 1, 2020, effective date.</p>
29	<p><b>Temporary immediate suspension.</b></p> <p>Amends § 245A.07, subd. 2. Modifies the list of circumstances under which the commissioner must act immediately to temporarily suspend a license. Provides a January 1, 2020, effective date.</p>
30	<p><b>Immediate suspension expedited hearing.</b></p> <p>Amends § 245A.07, subd. 2a. Sets the burden of proof in an expedited hearing as a preponderance of evidence for suspensions in cases where the license holder is criminally</p>

Section	Description
	charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner.
31	<b>License suspension, revocation, or fine.</b> Amends § 245A.07, subd. 3. Modifies the list of circumstances under which the commissioner may suspend or revoke a license, or impose a fine. Makes technical changes. Provides a January 1, 2020, effective date.
32	<b>Financial misconduct or misconduct.</b> Amends § 245E.01, subd. 8. Modifies the definition of “financial misconduct” or “misconduct” under the statute governing CCAP fraud investigations to include the new crimes and criminal penalties created in section 52.
33	<b>Provider definitions.</b> Amends § 245E.02, by adding subd. 1a. Defines “provider.”
34	<b>Administrative disqualifications.</b> Amends § 245E.02, by adding subd. 5. Specifies the conditions under which the DHS must pursue an administrative disqualification under the statute governing CCAP fraud investigations. Specifies the process for pursuing an administrative disqualification, allows the provider to appeal an administrative disqualification, allows the human services judge to combine a fair hearing and an administrative disqualification hearing into a single hearing, and specifies disqualification timelines.
35	<b>Hearing authority.</b> Amends § 256.046, subd. 1. Makes technical changes.
36	<b>Vendor of medical care.</b> Amends § 256B.02, subd. 7. Modifies the definition of “vendor of medical care” under the chapter of statutes governing MA.
37	<b>Grounds for sanctions against vendors.</b> Amends § 256B.064, subd. 1a. Expands the list of reasons for which the commissioner may impose sanctions against a vendor of medical care.
38	<b>Sanctions available.</b> Amends § 256B.064, subd. 1b. Requires the commissioner to suspend a vendor's participation in MA for a minimum of five years under certain circumstances.
39	<b>Imposition of monetary recovery and sanctions.</b> Amends sec. 256B.064, subd. 2. Allows DHS or a managed care organization to keep any payments being withheld when a provider is convicted of a crime related to MA. Grants

Section	Description
40	<p>the commissioner additional fining authority for providers who repeatedly violate MA program rules.</p> <p><b>Vendor mandates on prohibited hiring.</b></p> <p>Amends § 256B.064, by adding subd. 3. Paragraph (a) requires the commissioner to maintain and publish a list of each excluded individual and entity that was convicted of a crime related to an MA health service, or suspended or terminated. Prohibits vendors that receive MA funding from employing an individual or entity on the exclusion list or entering into or maintaining a business relationship with an individual or entity that is on the exclusion list.</p> <p>Paragraph (b) specifies vendor requirements related to frequency of checking the exclusion list.</p> <p>Paragraph (c) specifies the vendor's requirement to check the exclusion list and terminate employees or business relationships with entities on the list applies to each employee and entity.</p> <p>Paragraph (d) lists sanctions that may be applied if a vendor employs or enters into or maintains a business relationship with an individual or entity on the exclusion list.</p>
41	<p><b>Notice.</b></p> <p>Amends § 256B.064, by adding subd. 4. Paragraph (a) allows DHS to serve notices by first class mail with an affidavit of service.</p> <p>Paragraph (b) requires DHS to give notice in writing to a recipient placed in the Minnesota restricted recipient program. Requires the notice to be sent by first class mail. Allows a recipient placed in the Minnesota restricted recipient program to contest the placement by submitting a written request for a hearing to DHS within 90 days of the notice being mailed.</p>
42	<p><b>Immunity; good faith reporters.</b></p> <p>Amends § 256B.064, by adding subd. 5. Grants civil and criminal immunity to persons who make a good faith report of fraud or abuse in public assistance programs and ensures the identity of the reporter remains confidential.</p>
43	<p><b>Minnesota restricted recipient program; personal care assistance (PCA) services.</b></p> <p>Creates § 256B.0646. Paragraph (a) allows the commissioner to place a recipient of PCA or community first services and supports (CFSS) in the Minnesota restricted recipient program when the recipient's use of those programs results in abusive or fraudulent billing.</p> <p>Paragraph (b) requires a recipient to comply with additional conditions for the use of PCA services or CFSS if the commissioner determines it is necessary to prevent future misuse</p>

Section	Description
	<p>of PCA services or abusive or fraudulent billing. Lists the additional conditions that may apply.</p>
	<p>Paragraph (c) allows a recipient placed in the Minnesota restricted recipient program to appeal this placement.</p>
	<p>Provides an immediate effective date.</p>
44	<p><b>Recipient protection.</b> Amends § 256B.0651, subd. 17. Allows the commissioner to notify recipients who receive care from a provider that the provider's payments may be withheld or that the provider's participation in MA may be suspended or terminated. Provides an immediate effective date.</p>
45	<p><b>Documentation of PCA services provided.</b> Amends § 256B.0659, subd. 12. Requires the PCA time sheet to include a recipient's MA identification number or date of birth. Provides an immediate effective date.</p>
46	<p><b>Access to medical records.</b> Amends § 256B.27, subd. 3. Removes a requirement that a vendor of medical care receive 24 hour notification from the commissioner before the commissioner gains access to records. Grants the commissioner immediate access to medical records when investigating a possible overpayment of MA funds. Specifies that denying the commissioner access is cause for the vendor's immediate suspension of payment or termination.</p>
47	<p><b>Home and community-based service billing requirements.</b> Amends § 256B.4912, by adding subd. 11. Paragraph (a) lists requirements in order for a home and community-based service to be eligible for reimbursement.</p> <p>Paragraph (b) requires the provider to maintain documentation that staff have attested to and understand a statement regarding service billings for MA or services provided under a federally approved waiver plan.</p> <p>Paragraph (c) allows DHS to recover payment for a service that does not satisfy the requirements of this subdivision.</p>
48	<p><b>Home and community-based service documentation requirements.</b> Amends § 256B.4912, by adding subd. 12. Paragraph (a) allows documentation to be collected and maintained electronically or in paper form by providers and requires documentation to be produced upon request of the commissioner.</p>



Section	Description
	<p>Paragraph (b) requires documentation of a service to be in English and to be legible according to the standard of a reasonable person.</p> <p>Paragraph (c) lists the documentation that must be included for a service that is reimbursed at an hourly or specified minute-based rate.</p> <p>Paragraph (d) lists the documentation that must be included for a service that is reimbursed at a daily rate.</p>
49	<p><b>Waiver transportation documentation and billing requirements.</b> Amends § 256B.4912, by adding subd. 13. Establishes documentation and billing requirements for waiver transportation services.</p>
50	<p><b>Equipment and supply documentation requirements.</b> Amends § 256B.4912, by adding subd. 14. Establishes documentation and billing requirements for equipment and supplies paid for under a home and community-based services waiver.</p>
51	<p><b>Adult day service documentation and billing requirements.</b> Amends § 256B.4912, by adding subd. 15. Establishes documentation and billing requirements for adult day services paid for under a home and community-based services waiver. Provides an August 1, 2019, effective date.</p>
52	<p><b>Criminal penalties for acts involving human services programs.</b> Creates § 609.817.</p> <p><b>Subd. 1. Payments made relating to human services programs.</b> Creates a felony offense for intentionally offering payment to a person to induce that person to: (1) apply for or receive, or induce another person to apply for or receive, a human services benefit, service, or grant; or (2) apply for or use a particular vendor providing a service administered or funded by the DHS.</p> <p><b>Subd. 2. Payments received relating to human services programs.</b> Creates a felony offense for intentionally soliciting or receiving payment in return for: (1) applying for or receiving a human services benefit, service, or grant; (2) applying for or using a particular vendor providing a service administered or funded by the DHS; or (3) receiving or agreeing to receive payments in excess of the fair and reasonable market value for services or supplies.</p> <p><b>Subd. 3. Sentence.</b> A violation of subdivision 1 or 2 may be punished by up to five years in prison or a fine of up to \$10,000, or both.</p>

Section	Description
	<p><b>Subd. 4. Defense.</b> Prohibits a person or company who receives or makes payments in excess of the fair and reasonable market value from claiming that the person did not have knowledge of the source of the payment.</p>
	<p><b>Subd. 5. Persons exempt.</b> Establishes that an individual is exempt from prosecution under this section when: (1) the individual is an employee receiving payment for providing care or services; (2) payment received by the employee is for work performed by the employee paid via a standard payment method; and (3) the company making the payment complies with all laws relating to withholdings and reporting.</p>
	<p><b>Subd. 6. Additional sanctions.</b> Provides that fraudulent claims made do not need to be paid, and payments received constitute the value of restitution owed. Clarifies that "service" includes any benefit, service, or grant administered or funded by the Department of Human Services, a county, or the United States Department of Health and Human Services. States that a person convicted under this section of law is subject to the prohibition on receiving public funds described in Minnesota Statutes, section 245.095.</p>



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