

Subject Establishing the long-term services and supports trust program and a long-term care insurance tax

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Article 1: Long-Term Services and Supports Trust Fund

This article establishes the long-term services and supports trust fund and long-term services and supports trust program.

Section	Description - Article 1: Long-Term Services and Supports Trust Fund
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1	Long-term services and supports trust fund.
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Creates § 16A.7245.

Subd. 1. Creation of fund. Creates a long-term services and supports trust fund in the state treasury as a direct appropriated special revenue fund. Requires the commissioner to deposit into the fund receipts from the long-term services and supports tax. Credits all investment income and losses attributable to the investment of the long-term services and supports trust fund not currently needed to the trust fund.

Subd. 2. Long-term services and supports fund. Allows the commissioner of human services to expend money appropriated from the trust fund for long-term services and supports in either year of the biennium. Allows the commissioner to spend seven percent of money appropriated from the trust fund on administrative expenses.

Subd. 3. Prohibition on supplantation. Requires money in the fund to be used to expand long-term care in the state. Prohibits funds from being used in whole or in part to supplant existing state or county funds for long-term care approved services.

2	Definitions.
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Creates § 256T.01.

Subd. 1. Application. For purposes of this chapter, specifies the terms in this section have the meanings given unless otherwise provided for in this chapter.

Section Description - Article 1: Long-Term Services and Supports Trust Fund

Subd. 2. Approved service. Defines “approved service” under long-term services and supports.

Subd. 3. Benefit unit. Defines “benefit unit.”

Subd. 4. Commissioner. Defines “commissioner” as the commissioner of human services, unless otherwise specified.

Subd. 5. Eligible beneficiary. Defines “eligible beneficiary.”

Subd. 6. Fund. Defines “fund” as the long-term services and supports trust fund.

Subd. 7. Long-term services and supports provider. Defines “long-term services and supports provider.”

Subd. 8. Long-term care payroll tax. Defines “long-term care payroll tax.”

Subd. 9. Program. Defines “program” as the long-term services and supports trust program established under this chapter.

Subd. 10. Qualified independent provider. Defines “qualified independent provider.”

Subd. 11. Qualified individual. Defines “qualified individual.”

3 Commissioner’s duties.

Creates § 256T.02.

Subd. 1. Generally. Requires the commissioners of human services and revenue to actively collaborate to realize program efficiencies and provide persons served by the program with a well-coordinated experience.

Subd. 2. Commissioner of human services. Lists the duties of the commissioner of human services.

Subd. 3. Commissioner of revenue. Lists the duties of the commissioner of revenue.

4 Eligible beneficiaries; benefit units.

Creates § 256T.03.

Subd. 1. Application; assessment of need. Allows a qualified individual to become an eligible beneficiary by filing an application with the commissioner and undergoing a long-term care consultation assessment.

Section Description - Article 1: Long-Term Services and Supports Trust Fund

Subd. 2. Benefit units. Allows an eligible beneficiary to receive approved services and benefits through the program in the form of a benefit unit payable to a qualified independent provider or long-term services and supports provider.

Subd. 3. Benefit units lifetime limit. Prohibits an eligible beneficiary from receiving more than the dollar equivalent of 365 benefit units over the course of the eligible beneficiary's lifetime.

Subd. 4. Calculation of lifetime limit. Specifies the manner in which the commissioner must calculate an eligible beneficiary's remaining lifetime limit on receipt of benefits.

Subd. 5. Combination of benefit units. Allows an eligible beneficiary to combine benefit units to receive more approved services per day as long as the total number of lifetime benefit units has not been exceeded.

Subd. 6. Benefit units not portable. Requires eligible beneficiaries to be residents of Minnesota. Specifies benefit units are not portable if a beneficiary moves to another state.

Subd. 7. Transition to medical assistance. Requires the commissioner to provide information and assistance on the application for and transition to MA benefits once an eligible beneficiary is estimated to be eligible for MA within 90 days.

5 Payments.

Creates § 256T.04.

Subd. 1. Provider payments. Requires approved services to be available and benefits payable to a qualified independent provider or long-term services and supports provider on behalf of an eligible beneficiary. Requires the commissioner to promptly and periodically pay qualified independent providers and long-term services and supports providers for approved services provided to eligible beneficiaries.

Subd. 2. Qualified independent provider; payments. Allows qualified independent providers to be paid for approved services in the same manner as individual providers, through a licensed home health agency, or through an enrolled PCA provider agency.

Subd. 3. Primary payer. For a person who is an eligible beneficiary under this chapter and eligible for MA, makes the primary payer the long-term services and supports program.

Provides a January 1, 2026, effective date.

Section	Description - Article 1: Long-Term Services and Supports Trust Fund
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6	Provider requirements.
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	Creates § 256T.05. Lists requirements long-term services and supports providers must meet in order to receive payment for approved services provided under the long-term services and supports program.
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7	Appeal rights.
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	Creates § 256T.06. Makes determinations made by the commissioner under the long-term services and supports program, including regarding functional eligibility or related to registration of long-term services and supports providers, subject to statutory requirements governing human services appeals.
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8	Eligibility for other state programs.
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	Creates § 256T.07. Specifies any benefits used by an individual under the long-term services and supports program are not income or resources for purposes of eligibility determinations for any other state program or benefit, MA, or any other means-tested program.
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9	Exemption.
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	Creates § 256T.08. Exempts the long-term care services and supports program from requirements under the chapter of statutes governing long-term care insurance policies.
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10	Direction to commissioner; waiver application.
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	Directs the commissioner to: (1) seek access to Medicare data from CMS to analyze the potential savings in Medicare expenditures due to the operation of the long-term care services and supports trust program; (2) apply for a demonstration waiver from CMS to allow the state to share in the savings generated in the federal match for MA long-term services and supports and Medicare due to the operation of the long-term services and supports trust program; and (3) submit a report on the status of the waiver application to the legislative committees with jurisdiction over the long-term services and supports trust program.
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11	Direction to commissioner; report to legislature.
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	By January 1, 2022, requires the commissioner to report to the legislative committees with jurisdiction over the long-term services and supports trust fund on several specified items.
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12	Request to OLA.
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	No later than December 1, 2033, requests the OLA to conduct a comprehensive evaluation of the long-term services and supports trust program and prepare a
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Section	Description - Article 1: Long-Term Services and Supports Trust Fund
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report to the legislative committees with jurisdiction over the long-term services and supports trust program. Lists recommendations that must be included in the report.

Article 2: Long-Term Services and Supports Advisory Council

This article establishes a Long-Term Services and Supports Advisory Council to advise the commissioners of human services and revenue on the administration of the long-term services and supports trust program and trust fund.

Section	Description - Article 2: Long-Term Services and Supports Advisory Council
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1	Long-Term Services and Supports Advisory Council.
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Creates § 256T.025.

Subd. 1. Establishment. Establishes the Long-Term Services and Supports Advisory Council to advise the commissioners of human services and revenue on the administration of the long-term services and supports trust program and trust fund.

Subd. 2. Duties. Lists the duties of the council.

Subd. 3. Membership. Specifies the council shall consist of 16 members, appointed by the commissioner, except as otherwise specified. Lists the members. Requires the members to elect a chair at the first council meeting and once every two years thereafter.

Subd. 4. Appointment of members. Requires the commissioner to coordinate appointments to provide geographic diversity and ensure that at least one-half of members reside outside of the seven-county metropolitan area.

Subd. 5. Terms; compensation; removal; expiration. Specifies the council is governed by the statute governing advisory councils and committees, except that members of the council shall receive no compensation other than reimbursement for expenses. Specifies the council shall not expire.

Subd. 6. Meetings. Requires the chair to convene the council on a semiannual basis and allows the chair to convene other meetings as necessary. Requires the chair to convene meetings at different locations in the state to provide geographic access and to ensure that at least one-half of meetings are held at locations outside of the seven-county metropolitan area. Makes the council

Section	Description - Article 2: Long-Term Services and Supports Advisory Council
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subject to the Open Meeting Law. Requires the commissioner to convene the first meeting of the council on an unspecified date.

Subd. 7. Administrative services. Requires the commissioner to provide staff and administrative services for the advisory council.

Article 3: Long-Term Care Services and Supports Contributions

This article establishes long-term services and supports taxes, the revenues for which are deposited into the long-term services and supports trust fund.

Section	Description - Article 3: Long-Term Care Services and Supports Contributions
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1 Disclosure to commissioner of human services.

Amends § 270B.14, subd. 1. Requires the commissioner of revenue to disclose to the commissioner of human services any information necessary to determine an individual's status as a qualified individual or eligible beneficiary under the long-term services and supports trust program.

2 Filing requirement.

Amends § 289A.08, by adding subd. 18. Establishes a filing requirement for the taxes imposed in section 3.

3 Long-term care services and supports taxes.

Creates § 290.055. Establishes an employer and employee payroll tax, a self-employment tax, and a tax on net investment income. The rates of the taxes are unspecified in the bill. Revenues raised by the taxes are deposited in the long-term services and supports trust fund.

Subd. 1. Definitions. Defines the following terms, as follows:

- "Covered employment" is employment for which a Minnesota resident employee earns wages, excluding noncovered employment.
- "Employee" means a resident individual performing services for an employer, or a nonresident individual performing services in Minnesota which establish the relationship of employer and employee. "Employee" excludes federal government employees.
- "Employer" means an individual, fiduciary, estate, trust, partnership, LLC, or corporation that transacts business in Minnesota or derives income from sources in Minnesota. "Employer" excludes the federal government.
- "Net investment income" means interest, dividends, capital gains, rental and royalty income, and passive income from pass-through businesses.

Section Description - Article 3: Long-Term Care Services and Supports Contributions

- “Noncovered employment” means employment for the federal government, a state other than Minnesota, a local government outside of Minnesota, and employment for a foreign government.
- “Self-employment income” means a Minnesota resident’s net earnings from self-employment that are allocable or apportioned to Minnesota.
- “Wages” means all remuneration for services performed by an employee for an employer, including tips and certain qualified equity grants.

Subd. 2. Taxes imposed are in addition to other taxes. Specifies that the taxes imposed in the section are in addition to other taxes.

Subd. 3. Employer payroll tax. Imposes an employer-side payroll tax equal to an unspecified percent of wages.

Subd. 4. Employee payroll tax. Imposes an employee-side payroll tax equal to an unspecified percent of wages. Requires employers to withhold tax on behalf of their employees.

Subd. 5. Self-employment tax. Imposes a self-employment tax equal to an unspecified percent of self-employment income.

Subd. 6. Remittance of payroll and self-employment taxes. Requires employers to remit the employee and employer payroll taxes. Requires self-employed individuals to pay self-employment tax according to the same schedule as the current law rules for estimated tax. Requires individuals, estates, and trusts to file and pay the investment income tax in subdivision 8.

Subd. 7. Penalties for failure to correctly report residency. Imposes penalties on employees who incorrectly report their residency to their employers. Imposes a penalty on employers who incorrectly report to DOR their employee’s residency, or who incorrectly file and pay returns.

Subd. 8. Tax on investment income. Establishes a tax equal to an unspecified percent of net investment income.

Subd. 9. Long-term services and supports trust fund. Specifies that all funds collected through the taxes imposed in the article are deposited in the long-term services and supports trust fund.

Article 4: Data Practices

This article allows private data on individuals collected by the welfare system to be disclosed between the Departments of Human Services and Revenue for the administration of the long-term services and supports trust fund and long-term services and supports trust program.

Section	Description - Article 4: Data Practices
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1	General.
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	Amends § 13.46, subd. 2. Allows private data on individuals collected by the welfare system to be disclosed between the Department of Human Services and the Department of Revenue for the administration of the long-term services and supports trust fund and long-term services and supports trust program.
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